



2019-21 Budget Framework

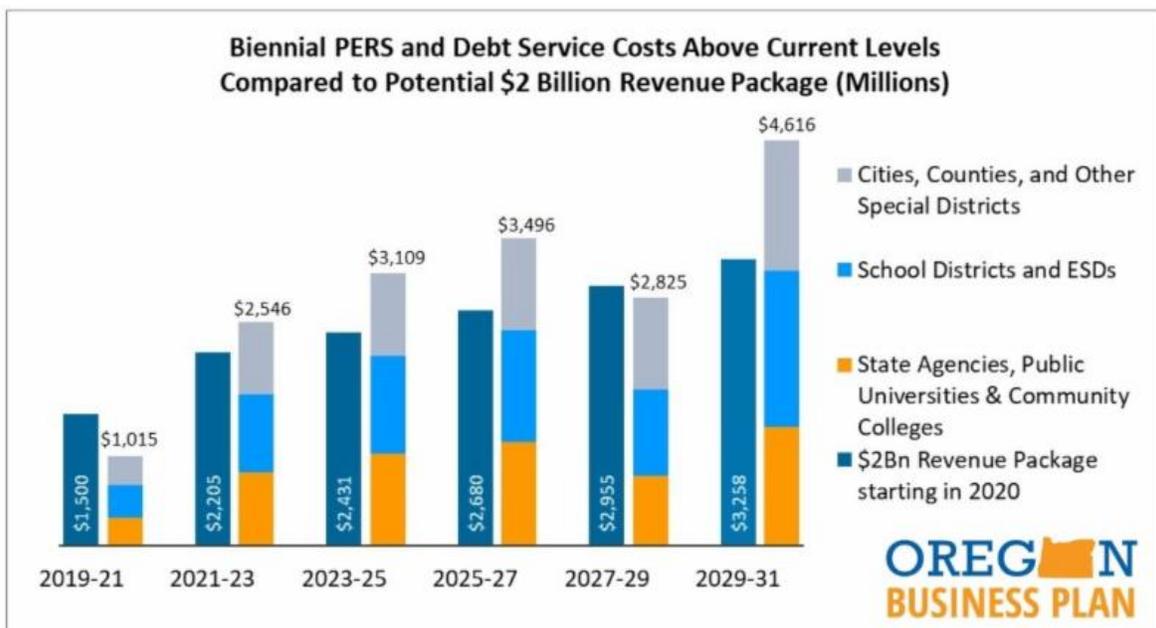
The Ways and Means Co-chairs released their proposed \$23.2 billion state budget framework on March 7. Most notably it proposes 5 percent cuts across all departments except the State School Fund and Oregon Health Plan. In funding K-12 education, the framework adds \$100 million, raising the department’s total budget to \$8.9 billion. But that’s still not enough to cover PERS and other rising costs. The budget framework also ups the ending fund balance from 1 percent to 2 percent, which the co-chairs said was to protect against the PERS unfunded liability.

Read the Oregonian article that raises PERS concerns by [clicking here](#). Check out the full proposal by [clicking here](#).

PERS vs. New Taxes: From the Oregon Business Plan

The proposed \$2 billion tax increase from the Oregon Legislature isn’t going to solve the state’s financial problems. An analysis from OBI and our partners in the Oregon Business Plan shows the \$2 billion revenue package will get eaten up by PERS increases by the 2021-2023 biennium.

[Click here](#) to read the full report.



Tax update

The Joint Committee on Student Success Revenue Subcommittee continues its work developing a tax plan to bring in \$2 billion for K-12 education. Last week the committee reviewed tax incidence model simulations of a potential Gross Receipts Tax (GRT) and a Business Activity Tax (BAT). The GRT and BAT models the committee reviewed produced relatively similar results. However, one notable difference is that the Business Activity Tax has more of a positive effect on disposable household income in the short- and long-term than a gross receipts tax.

We expect the committee to start the long process of drafting its tax proposal in the coming weeks. Our team and members continue to raise concerns about the pyramiding impact of a GRT and its potential harm for Oregon businesses.

Overtime wages

The U.S. Department of Labor is proposing raising the salary threshold under which employees must be paid overtime. The current benchmark, set back in 2004, requires anyone making less than \$23,660 a year to be paid overtime if they work more than 40 hours a week. The [new proposal](#) raises that line to \$35,308 per year, or about \$679 a week.

The Oregon Legislature is also looking at overtime requirements. Last week [HB 3374](#) received its first reading. It aims to amend Oregon law so those making a salary twice minimum wage (state or federal, whichever is greater) don't need to be paid overtime.

Oregon Legislature

What Happened Last Week

Craig Hudson testified to the Ways and Means Education Subcommittee representing Garmin, an OBI member. He spoke on the importance of STEM funding and funding for FIRST Robotics. Both teach what students need for high-tech jobs like his at Garmin. [Click here](#) for a video of the hearing.

Tim Nesbitt spoke on behalf of [PERSSolutions.org](#) to the Senate Committee on Workforce. The committee addressed [SB 768](#), which addresses issues that arise when a retired teacher chooses to return to work. [Click here](#) for his written testimony or [click here](#) to watch his testimony.

OBI testified in opposition to [HB 2498](#), which would significantly narrow the circumstances under which an individual could be considered an independent contractor. OBI's negotiations resulted in removing liability for retailers in [HB 2772](#), which regulates household hazardous waste. The House Committee on Energy and Environment approved it with the amendment on Thursday.

OBI Letters

OBI signed on to the following letters impacting work in the Legislature:

- OBI joined a letter to [oppose SB 750](#), which would allow individual employees and unions to sue on behalf of employees and citizens, thus supplanting state agency and attorney general involvement.
- OBI testified against and signed a letter in opposition to [HB 2014](#), which would alter the state's \$500,000 cap on noneconomic damages.
- OBI testified against and signed a letter opposing [SB 728](#), which would put insurers under the state's Unfair Trade Practice Act.

Coming Up This Week

March 12: The House Committee on Judiciary will hold a hearing on [HB 2866](#), which would make sweeping changes to Oregon's privacy law and would impose unnecessary and costly requirements on retailers. OBI will testify in opposition and signed a letter in opposition.

March 13: The House Committee on Business and Labor will hold hearings on several bills OBI plans to oppose. [HB 2489](#) makes drastic changes to employment relationships and employment contracts. As currently written, it appears to eliminate at-will employment in Oregon. [HB 2818](#) expands the laws around age discrimination and would require courts to award attorney fees to prevailing plaintiffs and liquidated damages of at least \$25,000.

Do you have questions about pending legislation? Feel free to contact our team.

Tax and fiscal policies: [Mike Stober](#)

Education and health care policies: [Nathaniel Brown](#)

Employment and retail policies: [Paloma Sparks](#)

Environment and energy policies: [Sharla Moffett](#)



Oregon Legislature In the News

[Oregon Legislature reaches \\$1.4 million settlement over sexual harassment](#)

[Oregon Senate President Peter Courtney taking medical leave](#)



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Big Business Options on
a Small Business Budget

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OBI CompSAFE**

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Calendar of Events

May 7, 2019

**Annual Meeting & Legislative
Reception - SAVE THE DATE**



Mark your calendars for OBI's Annual Meeting at the Salem Convention Center. We invite all our members to join us as we bring together business and civic leaders to discuss issues important to business and industry in our state. Watch for registration and more details soon.

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