

# Lawmakers have \$979M more to spend this session

**Connor Radnovich**  
Salem Statesman Journal  
USA TODAY NETWORK

Oregon lawmakers have \$979 million more to put into various state budgets over the next few weeks compared to three months ago after state economists released the latest revenue forecast and economic outlook.

When compared to the end of the 2021 legislative session, the state has a forecasted \$2.7 billion more in net resources. Lawmakers must balance the state's budget — including committing a portion of those funds toward reserves — by the end of the 2022 legislative session on March 7.

Higher wages and salaries and business activity contributed to greater revenues, but at least part of the growth came from inflation, state economists told lawmakers.

While inflation doesn't impact revenues negatively and, therefore, the impact isn't fully reflected in the forecast, the drawbacks of inflation could harm the state's businesses and workers.

"Even though it helps revenues, inflation is clearly not costless," state economist Mark McMullen said. "It destroys demand in terms of higher prices, which means less spending ... and, maybe even more fundamentally, we see declines in real wage growth."

The state's projected revenue in the February quarterly outlook is a critical number because it finalizes what legislative leaders have available for new spending and to make budget adjustments.

One-time spending is a top priority for legislative leaders and Gov. Kate Brown as Oregon continues to manage and recover from the impacts of the coronavirus pandemic.

"Our latest state revenue projections present an opportunity to make investments that spur a strong economic recovery and support working families, especially those who have been hardest hit ... in the last two years," Brown said in a statement.

The governor's biggest proposal is a \$200 million workforce development plan dubbed Future Ready Oregon 2022, which focuses on boosting skilled labor in health care, tech and manufacturing and construction.

She also asked legislators to support a \$100 million investment into child care and \$400 million toward affordable



**McMullen**

housing.

Legislative Democrats called for investments in schools, homelessness, small businesses, workers and the state's most vulnerable communities.

"Right now we have the means and the vision to help Oregonians and tackle some of our state's biggest challenges," House Democratic Leader Julie Fahey, D-Eugene, said in a statement. "I stand committed to a robust, equitable recovery that reaches every corner of the state."

Meanwhile, Senate Republicans called for appropriating \$60 million to Oregon State Police for assisting local law enforcement and combating illegal marijuana grows, as well as \$50 million for forest thinning operations.

"We must also be responsible with this money," Senate Republican Leader Tim Knopp, R-Bend, said in a statement. "We need to reserve more funds for the next downturn. We also need to look seriously at giving Oregonians a tax break. The government has buckets of money, but inflation is pinching the pockets of working Oregonians."

## Inflation an increasing concern

State economists warned in the previous economic outlook and revenue forecast in November that while Oregon's economy was stronger than expected, inflation was going to counteract wage growth, particularly among low-income Oregonians.

Inflation rose 7% last year, as measured by the Consumer Price Index.

State economists' concerns were repeated Wednesday, with the additional concern that the inflation Americans are seeing now is potentially longer-term inflation beyond supply chain impacts.

Current supply chain shortages are limiting supply of products, but as businesses are able to catch up to consumer demand, prices will naturally fall. However, McMullen said many national economists are predicting inflation will continue through the end of the year, potentially opening up the nation to a boom-bust inflation cycle.

"Inflationary booms traditionally don't end well," McMullen said.

One of the biggest impacts from inflation is that it cuts into the real wage growth; Oregonians might be seeing

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**Blue skies light up the Capitol's Gold Man and Oregon flag on Jan. 22, 2017. Oregon is the only state to display different pictures on each side of the flag, with the reverse showing an image of a beaver.**

STATESMAN JOURNAL FILE

more money coming into their bank accounts, but with increased prices there is no noticeable change in their standard of living.

This despite that wages and salaries are up 11% compared to pre-pandemic levels, even though employment remains 3% below.

Oregon being an income-tax dependent state, these higher wages are projected to trip Oregon's unique "kicker" law next year; the tax kicker is triggered

when the state's actual revenues exceed start-of-biennium forecasts by 2%.

The personal income tax kicker is projected at \$964 million and the corporate tax kicker is projected at \$633 million (dedicated to K-12 education).

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# Woodburn barista makes wishes come true

**Virginia Barreda**

Salem Statesman Journal | USA TODAY NETWORK

*This is part of a weekly series introducing readers to individuals who are passionate about our Mid-Valley community.*

A teddy bear can heal the heart.

While enduring one of his many chemotherapy sessions at Doernbecher Children's Hospital in 2018, Henry Hernandez's nurse handed him a small, plush teddy bear.

It changed his whole attitude. From them on, Hernandez, of Woodburn, knew he wanted to pass the gift forward.

Now 20, cancer-free and working as a Starbucks barista, he teamed up with the coffee chain to execute the first statewide toy drive to benefit the children of Make-A-Wish Foundation and OHSU's Doernbecher.

Last October, Henry's Gift Toy Drive procured more than 1,400 toys from about 100 participating Starbucks stores in Oregon.

## Wish granted: Henry gives back

Hernandez was 16 and had just completed his sophomore year at North Marion High School in Aurora when doctors found a cancerous tumor in his pelvis.

"It hurt my family more than it hurt me," Hernandez said of his diagnosis.

He asked his mother, father and two older sisters to stay strong with him.

Hernandez began chemotherapy over that summer, spending a week at a time in the hospital.

"The faster the rounds, the faster you can get cancer out of your body," he said.

Hernandez said he feels fortunate to have moved through chemo quickly, but the cancer ward was a stressful environment. He was among the oldest patients in the program. During chemo, he said, he suffered anxiety, memory loss and, for a short time, developed a stutter.

Hope came in the form of the teddy bear from his nurse.

"My body was so drained," he said. "When she came up to me with a toy, I looked at it and I looked at her and I grabbed it. It brought me so much joy and peace and warmth to my heart. It made my whole chemo round a lot better."

After that, he was on a mission.

He and his sister went to the Disney Store and spent \$200 on toys for chil-



**Henry Hernandez, who "just wants to give back to the world" poses for a photo at Starbucks in Woodburn, Ore. on Jan. 7.** PHOTOS BY BRIAN HAYES/STATESMAN JOURNAL

dren at the hospital with money he received from family for his 17th birthday.

And when Make-A-Wish foundation wish-granters asked Hernandez what he wanted, he requested a toy drive for the children at Doernbecher. By then, Hernandez was finishing up chemo and was in the first semester of his junior year.

The wish-granters were taken aback.

"They were like, 'OK, but like, what do you want?' And I'm like, 'That'd be the best thing you could give me,'" he said.

Hernandez, his family and wish-granters bought bags filled with stuffed characters from the Disney Store: An assortment of Mickey Mouse, Minnie, Pluto, Nemo, Winnie-the-Pooh, Dumbo, Toy Story's Forky, Moana's Pua and Stitch stuffed characters were assembled in a room at the hospital. Children were invited to pick out their favorite.

"It's the best feeling ever. You can just see them get so happy," Hernandez said. "It gave my heart a whole bunch of joy and warmth. The goal was to give them that feeling, too, so hopefully we were able to do that."

But it didn't stop there.

## Growing the dream

Hernandez began working at Starbucks on Highway 99E in Woodburn in late 2019, during his senior year, thanks

to a love for caffeine forged by frequent morning coffee runs with his mom.

"I remember during my first chemo round, my main concern to my nurse was can I still drink coffee?" he laughed.

Word spread about Hernandez's time as a patient at Doernbecher and his toy drive.

While sharing his story with Starbucks Oregon regional director Michelle Borke, he went out on a limb: "We should have a toy drive with Starbucks," he told her.

To his surprise, his wish was granted in 2021, when Starbucks leadership established Henry's Toy Drive across all Starbucks shops in Oregon.

Throughout October, the stores posted flyers advertising the toy drive with QR codes to children's Amazon Wish-lists and Starbucks made posts advertising the drive on social media.

Boxes stationed in the lobby of each shop were soon flooded with toy donations. Starbucks leadership often had to drop them off at the end of each week, Henry said. He and his family made the last round of deliveries to Make-A-Wish and Doernbecher themselves.

Donors across the state gifted more than 1,400 toys. Now, it's an annual event and Hernandez is already itching to plan this year's drive.

"This really opened up my eyes, because all I had to do was ask," he said. "You can't be afraid of opening the door."



**Henry Hernandez works at Starbucks in Woodburn and helped organize a toy drive for Make-A-Wish and Doernbecher Children's Hospital.**



**Henry Hernandez, 20, of Woodburn, teamed up with Starbucks leadership to create Henry's Gift Toy Drive, a statewide drive to benefit Make-A-Wish and Doernbecher Children's Hospital kids.** MAKE-A-WISH FOUNDATION

Henry said this is just the start. Giving is infectious, and there's more to be done.

"I want to somehow give back to not just Oregon, but the whole world," he said. "If I could, I would. If I can, I will. I feel like this is an idea."

If you have an calling for someone we should profile for this series, please email Statesman Journal senior news editor [Alia Beard Rau](mailto:Alia Beard Rau) at [arau@gannett.com](mailto:arau@gannett.com)

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