

DAILY
PLANNER

TODAY

Today is Friday, May 31, the 151st day of 2019. There are 214 days left in the year.



TODAY'S HIGHLIGHT

On May 31, 1962, former Nazi official Adolf Eichmann was hanged in Israel a few minutes before midnight for his role in the Holocaust.

ON THIS DATE

In 1669, English diarist Samuel Pepys wrote the final entry of his journal, blaming his failing eyesight for his inability to continue.

In 1859, the Big Ben clock tower in London went into operation, chiming for the first time.

In 1889, some 2,200 people in Johnstown, Pennsylvania, perished when the South Fork Dam collapsed, sending 20 million tons of water rushing through the town.

In 1916, during World War I, British and German fleets fought the naval Battle of Jutland off Denmark; there was no clear-cut victor, although the British suffered heavier losses.

In 1921, a race riot erupted in Tulsa, Oklahoma, as white mobs began looting and leveling the affluent black district of Greenwood over reports a black man had assaulted a white woman in an elevator; hundreds are believed to have died.

In 1949, former State Department official and accused spy Alger Hiss went on trial in New York, charged with perjury (the jury deadlocked, but Hiss was convicted in a second trial).

In 1970, a magnitude 7.9 earthquake in Peru claimed an estimated 67,000 lives.

In 1977, the Trans-Alaska oil pipeline, three years in the making despite objections from environmentalists and Alaska Natives, was completed. (The first oil began flowing through the pipeline 20 days later.)

In 1985, 88 people were killed, more than 1,000 injured, when 41 tornadoes swept through parts of Pennsylvania, Ohio, New York and Ontario, Canada, during an eight-hour period.

LOTTERY

Megabucks: \$3.0 million
3-12-16-24-31-36

Mega Millions: \$444 million
9-21-34-42-50-21-x2

Powerball: \$350 million
3-32-34-42-61-PB 7-x2

Win for Life: May 29
3-5-27-66

Pick 4: May 30
• 1 p.m.: 2-6-0-8
• 4 p.m.: 2-1-9-8
• 7 p.m.: 5-7-6-8
• 10 p.m.: 0-7-3-3
Pick 4: May 29
• 1 p.m.: 2-7-4-1
• 4 p.m.: 6-6-8-4
• 7 p.m.: 3-3-6-5
• 10 p.m.: 9-8-6-6

ROAD REPORT

Numbers to call:
• Inside Oregon: 800-977-6368.
• Outside Oregon: 503-588-2941.

NEWSPAPER LATE?

Every effort is made to deliver your Observer in a timely manner. Occasionally conditions exist that make delivery more difficult.
If you are not on a motor route, delivery should be before 5:30 p.m. If you do not receive your paper please call 541-963-3161.

QUOTE OF THE DAY

“They that approve a private opinion, call it opinion; but they that dislike it, heresy; and yet heresy signifies no more than private opinion.”

— Thomas Hobbes, *English political philosopher (1588-1679)*

Oregon House narrowly passes PERS proposal

By Sarah Zimmerman
The Associated Press

SALEM — After looking like it would fail, the Oregon House was able to narrowly send the governor a proposal Thursday that would rein in rising pension costs by trimming public employee retirement benefits.

Lawmakers initially voted down the proposal Thursday 31-29 with nine Democrats and all Republicans voting against. The chamber remained in suspense for over a half an hour as legislative leaders called a recess to convince defecting Democrats to change their votes.

In the end, Reps. Andrea Salinas and Mitch Greenlick returned to the floor and, without comment, switched to a “yes” vote, sending the measure to Gov. Kate Brown who has indicated she will sign the measure.

The measure aims to shield public employers from the effect of pension rate increases set to take effect in 2021, which many fear would lead to tens of millions of dollars in costs for the public sector.

In an impassioned speech, Demo-

cratic Rep. Paul Holvey, who carried the measure on the floor, blasted lawmakers for refusing to take action on the rising costs of the Public Employee Retirement System, or PERS, which has racked up over \$25 billion in state debt.

Holvey said that instead of raising taxes to invest in the public sector, lawmakers have instead done nothing. The resulting rise public employer cost from that inaction has led to smaller budgets, layoffs and reduced services, he said.

“This body, since I’ve been here, has not done anything meaningful to raise revenues to stem the spiraling down in Oregon that’s not just impacting our public services but impacting our whole economy,” he said.

Now, in order to mitigate the effect of rising pension costs set to hit employers in 2021, Holvey said legislators are left with two incredibly difficult choices: redirect retirement benefits or do nothing and let employer rates continue to increase, which could lead to even more layoffs and reduced services.

“I’m frustrated and it hurts me to have to look at a redirect,” he said. “But we have to pass something to stem this.”

The plan essentially refinances the PERS debt, extending the state’s repayment period from 20 to 22 years. More controversially, the measure also redirects 2.5% of employee salary toward PERS. That translates to a 7 to 12% cut to employees’ secondary retirement account, which is a 401(k) type plan that supplements the public pension.

The proposal is expected to save school districts tens of millions of dollars, according to data provided from the Speaker’s Office. Portland Public Schools, for example, would save over \$50 million in the 2021-2023 biennium.

But public employees — which include teachers, firefighters and child welfare workers — fiercely oppose the idea, saying that the state is forcing workers to pay for a problem they didn’t create.

“The Oregon House took a vote today that is anti-worker and will

have the deepest impact on women and people of color by reducing the promised retirement security of public service,” said Tom Chamberlain, President of Oregon’s AFL-CIO. “Oregon’s union movement will continue to fight to protect the compensation of all workers and against these types of harmful cuts.”

Opponents also said the measure doesn’t make any meaningful efforts to pay down the debt, and that lawmakers will still have to return to the Capitol and confront this issue again in a few years.

Some Republicans and Democrats echoed that sentiment on the floor, with many saying the reform isn’t substantial enough and that they made a promise to public employers not to cut benefits.

A statement from the governor’s office said that the legislation stabilizes PERS rates and that, “going forward, Gov. Brown will not look to public employees for further contributions.” She will instead look for other sources to pay down the debt, according to the statement.

State is looking to curb its marijuana production

By Andrew Selsky
The Associated Press

SALEM — Oregon is awash in pot, glutted with so much legal weed that if growing were to stop today, it could take more than six years by one estimate to smoke or eat it all.

Now, the state is looking to curb production.

Five years after voters legalized recreational marijuana, lawmakers are moving to give the Oregon Liquor Control Commission more leeway to deny new pot-growing licenses based on supply and demand.

The bill, which passed the Senate and is now before the House, is aimed not just at reducing the huge surplus but at preventing diversion of unsold legal marijuana into the black market and forestalling a crackdown by federal prosecutors.

“The harsh reality is we have too much product on the market,” said Democratic Gov. Kate Brown, who intends to sign the bill if it wins final passage as

expected.

Supply is running twice as high as demand, meaning that the surplus from last year’s harvest alone could amount to roughly 2.3 million pounds of marijuana, by the liquor commission’s figures. That’s the equivalent of over 1 billion joints.

Oregon has one of the highest such imbalances among the 10 states that have legalized recreational marijuana since 2012, in part because it had a big head start in the weed business.

With its moist climate and rich soil, Oregon has a long history of pot growing. When it became legal, many outlaw growers went legitimate, and others jumped into the business, too.

They are now all cultivating weed in a multitude of fields, greenhouses and converted factories, with 1,123 active producer licenses issued by the OLLC over the past three years.

The legislation could be a lifeline to some cannabis businesses that are being

squeezed by market forces.

Retail prices in Oregon for legal pot have plummeted from more than \$10 per gram in October 2016 to less than \$5 last December. At the same time, smaller marijuana businesses are feeling competition from bigger, richer players, some from out of state.

Officials worry that some license holders will become so desperate they will divert their product into the black market rather than see it go unsold.

“We’re a very young industry,” said Margo Lucas, a marijuana grower and vendor in the Willamette Valley who is hoping the measure will give her business breathing room.

She noted that growers can’t seek federal bankruptcy protection — pot is still illegal under federal law, and banks avoid the industry — and that many owners have taken out personal loans to finance their businesses.

“So when we go out of business, we’re going to go down hard,” Lucas said.

“Many of us will lose our homes. ... You’re going to have a lot of entrepreneurs in this state that are pretty unhappy with the way that this ends if we don’t get some support with this bill.”

Opponents say the proposed law will drive growers who are denied licenses into the illegal market, if they’re not there already.

“This current track seems like a giant step backward toward prohibition, which has always been a disaster,” Blake Runckel, of Portland, told lawmakers in written testimony.

As of January, Oregon’s recreational pot market had an estimated 6-1/2 years’ worth of supply, according to an OLCC study.

To prevent excess pot that is still in leaf form from spoiling, processors are converting some into concentrates and edible products, which have longer shelf life, OLLC spokesman Mark Pettinger said.

U.S. Justice Department officials have said they won’t interfere in states’

legal marijuana businesses as long as the pot isn’t smuggled into other states and other standards are met. Oregon officials want to let federal authorities know they’re doing everything they can to accomplish that.

The bill to curtail production could “keep the feds off our back,” Rob Bovett, legal counsel for the Association of Oregon Counties, told lawmakers.

Oregon puts no cap on the number of licenses that can be issued. Last June, the OLCC stopped accepting applications so it could process a monthslong backlog. But under current law, it has no specific authority to say no to otherwise qualified applicants, Pettinger said.

The longer-term hope is that the federal government will allow interstate commerce of marijuana, which would provide a major outlet for Oregon’s renowned cannabis.

“We will kind of be like what bourbon is to Kentucky,” said state Sen. Floyd Prozanski.

Brown announces plan to limit tax kicker to rich

By Sarah Zimmerman
The Associated Press

SALEM — Gov. Kate Brown announced a plan Thursday to limit Oregon’s unique tax rebate known as the kicker, saying she wants to divert \$500 million in tax credits away from the state’s top income earners to pay down pension costs and invest in rural housing.

“It’s fiscally responsible and makes common sense,” the Democrat told reporters. “Most Oregonians would get their full kicker back.”

Excess revenue is automatically returned to taxpayers in the form of a tax rebate whenever the state takes in more revenue than what state economists forecast. Oregon’s facing a historic year for state revenue, and the so-called “kicker”

rebate is expected to be the highest in state history at \$1.4 billion.

The governor is proposing to limit refunds at \$1,000, which would reduce expected payments for approximately 20% of all taxpayers. Brown said it’s a way to provide most Oregonians their full refunds while retaining \$500 million in extra revenue for the state.

Some Democrats have long criticized kicker payments for disproportionately favoring the wealthy. Under this year’s historic kicker, the median taxpayer would be expected to receive \$330 dollars while the top 1% of income earners could enjoy rebates up to 40 times higher than that — nearly \$14,000.

Under Brown’s plan at least \$250 million of the kicker funds would go

to help pay down the state’s pension debt. The rest would be dedicated to rural housing and beefing up broadband infrastructure in more remote areas of the state.

There’s still no formal legislation for the proposal, and Brown said she’s open to changes. She also said she’s met with Republican leaders but didn’t specify if they supported the move.

Republicans have recoiled at any attempt to cut the kicker, saying the rebate is meant to be a safeguard against rampant government spending.

“Our state income tax revenue is at an all-time high,” said House Majority Leader Carl Wilson, of Grants Pass. “This is no time to begin skimming off money that hard-working Oregonians have earned.”

Brown admitted that diverting any amount of the kicker is politically difficult, as it requires a two-thirds vote from the House and Senate.

House Speaker Tina Kotek previously said that there weren’t enough votes to support using kicker funds to pay down pension debt. Kotek introduced her own measure to divert half the kicker toward transportation upgrades in Portland, which was met with skepticism from even the governor who said she wanted any kicker funds to be used to benefit the entire state.

The governor’s proposal is meant to be a one-time investment, and she said that she wanted to publicly release a plan to “stimulate conversation” among lawmakers and the public.

Oregon becomes second state to restrict plastic straws

By Sarah Zimmerman
The Associated Press

SALEM — Oregon will ban restaurants from automatically offering single-use plastic straws under a measure passed by lawmakers, making it the second state to enact restrictions on plastic straws.

The House voted 48-12 late Wednesday night to prohibit restaurants from providing single-use plastic straws unless a customer asks. Drive-thrus could still offer straws, as could health care facilities.

California previously passed limits on plastic straws.

Gov. Kate Brown told

reporters Thursday the move is about raising public consciousness of plastic’s effects on the environment and is meant to encourage more environmentally friendly lifestyle changes.

“Raising awareness to show the extent that we’re so reliant on plastic is really important,” she said.

On the floor, lawmakers discussed a widely shared 2015 video showing a sea turtle in distress as scientists remove a plastic straw stuck up its nose, which led to public outcry and moved cities and companies like Starbucks and Whole Foods to eliminate their use of plastic straws.

But the video, which has more than 35 million views on YouTube, didn’t completely move House Republicans, who said that restricting straws makes little difference to the environment and will only cause bureaucratic

headaches.

“There was no evidence provided that plastic straws used by Oregonians cause birds and turtles to have straws in them,” said Rep. Werner Reschke, a Republican from Klamath Falls.

“We’ve been banning all sorts of things that we don’t do. It’s not the right way.”

Other Republicans said they were fine with the move, stressing it’s not a total ban on straws and that customers can still request them.

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