

Oregon job growth stays steady

Jobless rate inches up as economic rebound slows

By MIKE ROGOWAY

The Oregonian

SALEM — Oregon added another 5,700 jobs in January, but the state's unemployment rate climbed for the first time in nearly two years, from 4.2% to 4.3%. That's according to data out Tuesday, March 8, from the Oregon Employment Department.

The state added just over 100,000 jobs during 2021, among the fastest growth rates on record, but there are signs that Oregon's rapid rebound from the pandemic recession has begun to slow. State economists have pushed back their forecast for when Oregon will be back to pre-COVID employment levels, from summer into fall.

Hospitality was the fastest-growing sector in January, adding 2,200 jobs. COVID-19 shutdowns clobbered restaurants, bars and hotels, and the sector still has 16% fewer workers than it did before the pandemic.

Oregon schools are another hard-hit sector that has yet to fully recover. Local education is down 11,400 jobs, 8.2%, compared to January 2020.

Oregon's jobless rate is slightly higher than the national rate, which was 4.0% in January.

Small variations between the data sets may not be significant, though, and the employment department often makes modest revisions to each prior month's data.

Oregon unemployment remains near a historic low and in recent months the state has had more job openings than unemployed people.

Government economists delay their monthly reports for a few weeks at the start of each year to recalibrate data from the prior year. Oregon will report February's jobless rate in two weeks.

Oregon rent aid deadline extended

By PETER WONG

Oregon Capital Bureau

Oregon households behind on their rent will have a few more days to apply for emergency rental assistance because of a late infusion of \$16 million in federal aid.

The new deadline for applications is 11:59 p.m. Monday, March 21. Incomplete applications, which must be started by the first deadline, must be completed by March 28.

The Oregon Housing and Community Services Department had announced last week it would close the online portal for applications on March 14. It had closed the portal on Dec. 1, then reopened it on Jan. 26. Since the reopening, almost 25,000 new applications have been filed in addition to thousands that have not been processed.

Under state law, tenants are shielded from eviction proceedings for nonpayment of rent if they show proof of application to their landlords, and as long as the application is under review. Approvals are based on need, not on a first-come, first-served basis.

The \$16 million from the U.S. Treasury is in addition to \$100 million approved by the Oregon Legislature at a Dec. 13 special session, plus \$1.1 million released by the Treasury afterward and \$13 million that the state housing agency was able to divert from housing stabilization programs.

Still, Gov. Kate Brown and Oregon's congressional delegation had urged the Treasury for \$198 million in addition to the state's original allocation of \$289 million, which the housing agency and its partners have now committed or spent to help more than 40,000 households. Oregon also has spent \$200 million in state funds approved in December 2020.

"Our message to U.S. Treasury remains loud and clear: If other states have money they can't use, send those dollars to Oregon," Jill Smith, interim director of housing stabilization for the state agency, said in a statement.

Oregon is among the top states in its share of emergency rental assistance paid out, according to the National Low-Income Housing Coalition. The Treasury is in the process of reallocating emergency rental assistance that other states and communities failed to spend.

SURGING GAS PRICES



Oregon Department of Transportation/Contributed Photo

State agencies are planning for unexpectedly high fuel prices. Asphalt costs are expected to climb.

State agencies in Oregon begin to grapple with hidden costs of high fuel prices

By ALEX BAUMHARDT

Oregon Capital Chronicle

SALEM — Gasoline is both the hand that gives and the hand that takes at the Oregon Department of Transportation. For its funding, the agency relies on taxes collected from statewide gas sales. To power road crews, mowers and snowplows, it has to buy about 3 million gallons of gas and diesel a year.

When prices are high, the department struggles to afford its own fuel, and Oregon drivers, who pay the gas tax at the pump, end up driving less and buying less gas, shrinking the department's revenue.

It's one of the many inconspicuous ways that rising fuel prices impact state agencies that still rely on combustion engines and have to travel over many miles to do their work.

"Costs are going up exponentially right now with the pandemic supply chain issues, and asphalt prices will go up with oil. It'll force us to make some tough decisions," Mac Lynde, an operations administrator at the transportation department, said. "It could mean less pavement overlays, less chip seals on rural roads, less of the bigger maintenance things we do."

The average price of a gallon of regular gas for Oregonians hit \$4.74 Friday, March 11, according to Oregon AAA. That's 70 cents higher than the week prior and \$2 more than a year ago.

The recent spike is due to the Russian invasion of Ukraine, which has disrupted the global oil trade and supply chains and is likely to keep gas prices high, according to economists.

Oregon's Department of Administrative Services negotiates a reduced bulk fuel rate for state agencies, and employees fill up at specific bulk fuel sites.

For a gallon of regular right now, bulk fuel users pay about \$1 less per gallon than retail, and for diesel, about \$1.20 less per gallon. Still, prices shot up by more than a third in the last month, and the Administrative Services Department expects it will be up 50 cents more within the next week.

When state employees aren't near a bulk fuel site, they pay the retail price just like everyone else.

The Transportation Department expects that at current prices, it could end up paying \$3.5 million more for fuel in the next year.

Andrea Chiappella, communications director at the Administrative Services Department, wrote via email that agencies that receive the bulk fuels rate are expected to get by with the budgets they currently have into 2023. Agencies can reach out to Administrative Services for emergency fuel budget adjustments, but it hasn't yet heard from anyone.

"It may be too early to tell," Chiappella wrote.

Department of Fish and Wildlife

The state's Fish and Wildlife Department relies on trucks, all-terrain vehicles and boats to do its work, and it too faces inconspicuous costs if gas prices go up.

Fish and Wildlife collects most of its money not from the state's general

fund, but from the sales of hunting and fishing licenses.

According to Shannon Hurn, deputy administrative director at Fish and Wildlife, when gas prices go up, fewer of those licenses are sold.

In 2008, when gas prices were at their last record high — an average of \$4.11 per gallon — the department did an analysis on the economic impacts.

"The bulk of our funding comes from participation in wildlife consumptive activities," Hurn said. "We found that participation in these activities is tied to the price of gas, not the cost of licenses."

Hurn said the department is looking at 2008 as a template for how to navigate the budget shortcomings it anticipates in the months ahead.

The 2008 surge forced the agency to restrict statewide travel, stopped employee trainings and put some habitat restoration projects on hold.

"This could determine whether we go out into the field as much, it could delay hirings, the purchase of equipment," Hurn said.

Fish and Wildlife gets some federal funding, so more of that could help balance losses, but even that is tied to federal excise taxes on the sale of, among other things, gasoline.

"Rebuilding a fish passage structure, that's \$1 million dollars," Hurn said. "We have contractors covering large distances. The costs of that restoration work will get inflated."

She expects long-term research and habitat restoration projects to get sidelined in order to save money. The department can't afford to scale back its budget for dealing with emergencies, such as handling animal and wildlife encounters.

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No suspension of state gas taxes for now

By ALEX BAUMHARDT

Oregon Capital Chronicle

SALEM — Oregon won't join other states in considering a pause to state gas taxes, for now, according to Charles Boyle, deputy communications officer for Gov. Kate Brown.

Legislators in more than a dozen states are proposing temporary gas tax holidays or rebates to counter the rising cost of fuel for individual consumers and businesses. A measure to suspend the federal gas tax of 18.4 cents per gallon is being proposed by Democrats in the U.S. Senate.

If passed, it would pause the federal gas tax until next January.

In an email, Boyle said that Brown "understands a large, unexpected spike in the cost of gas has an impact on working families and businesses alike."

But, Boyle said, suspending state gas taxes would not come without its own costs.

State and local gas taxes help fully fund the Oregon Department of Transportation. Temporarily losing the federal gas tax would have costs, too. It's an excise tax



Alex Wittwer/EO Media Group, File

A sticker at a Sinclair gas station in Union makes light of the increasing gas prices on Thursday, March 10, 2022. Gas and diesel prices have risen to record highs following the Russian invasion of Ukraine.

and, in combination with federal taxes on alcohol, tobacco and other goods, helps fund grants and projects for state agencies, including the Oregon Fish and Wildlife Department.

"It is clear that any such suspensions would have state revenue impacts that would need to be addressed through bipartisan action from the Legislature in coordination with our office and state agencies," Boyle wrote.

Oregon's state fuel tax is 38 cents per gallon, up 2 cents since a January increase went into effect as part of the "Keep Oregon Moving" law. That law,

passed in 2017 to invest in state transportation infrastructure, included increases of about 2 cents every few years, with a 10-cent total increase by 2024.

More than two dozen Oregon cities, along with Multnomah and Washington counties, also have additional gas taxes on the sale of each gallon. The city of Portland collects its own 10-cent tax, and Multnomah County collects an additional 3 cents.

Timber Unity, the timber industry advocacy group that most famously sent a vehicle convoy to the Capitol in 2020 to protest

Brown's cap-and-trade climate bill, sent the governor a letter Monday, March 14, requesting she use executive powers to pause the state's gas tax.

In the letter, Timber Unity co-director Angelita Sanchez pointed to Brown's use of emergency powers to mandate masks.

"Your execution of those orders demonstrated the breadth and depth of gubernatorial control in circumstances of emergency," she wrote. "A new crisis is at our door, and it demands a response."

The group asked that Brown suspend the state gas tax, halve the per mile tax on vehicles over 26,000 pounds from an average of 20 cents per mile to 10 cents per mile, and allow commercial vehicles to purchase "off-road" diesel that has a lower tax. "Off-road" diesel is typically reserved for vehicles used in construction and agriculture.

Boyle said that it's not clear that suspending state or federal gas taxes would have a significant impact on prices for long because those prices are being driven by international events that are subject to change.