

Min. wage, tax fights top 2016 agenda

By HILLARY BORRUD and PARIS ACHEN
Capital Bureau

SALEM — The New Year will ring in some pivotal policy-making and elections in Oregon that could shape the state's government, economy, quality of life and balance of power.

The Legislature will only meet for about a month in 2016, but lawmakers still plan to tackle high-profile issues including the minimum wage, child welfare and problems at the Oregon Department of Energy. It also promises to be a year of contentious ballot measures, from a proposed corporate sales tax to a measure aimed at repealing or weakening the state's low-carbon fuel standard.

Minimum Wage

Four competing Oregon ballot initiative proposals would gradually increase the \$9.25 per hour minimum wage to at least \$13.50, and to as much as \$15.

Some Oregon lawmakers are trying to head off that contest with their own proposal during the 35-day session in February and March.

Sen. Michael Dembrow, D-Portland, is spearheading the effort. His proposal would set three minimum wages for the state based on cost of living and median income. Lawmakers have yet to agree on exact amounts to propose, Dembrow said. They are scheduled to meet after the New Year to continue discussions.

Conceptually, the bill would raise the minimum most in the Portland region, where housing costs have skyrocketed. A middle-level minimum would take effect in mid-size cities such as Ashland, Bend and Eugene, while the lowest minimum would apply to less populated coastal and rural communities.

Corporate tax fight

A union-backed tax measure planned for the November 2016 ballot would require certain corporations to pay a 2.5 percent tax on sales in Oregon greater than \$25 million.

Economists in the Legislative Revenue Office have already projected the corporate sales tax would raise an additional \$2.65 billion annually for the state.

State Sen. Mark Hass, D-Beaverton, said he's heard businesses could spend as much as \$30 million to fight the tax



EO Media Group

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measure, and supporters could spend a similarly large amount.

"You're going to have two months of nasty business on TV and social media," Hass said back in November. "And out of that, a very toxic atmosphere."

Hass hoped to bring together the governor, lawmakers, supporters and opponents of the tax to broker an alternative revenue measure which the Legislature could pass in 2016. So far, he hasn't had much luck and the outlook for alternative revenue legislation is not good. "We just need some people to come to the center," Hass said on Dec. 22.

PERS shortfall

Oregon's unfunded public pension liability roughly doubled this fall, under newly updated actuarial projections. That means the pension fund is now \$18 billion short of the money it is supposed to pay retired school teachers, state workers and other public employees.

The increase is partly due to a decision in April by the Oregon Supreme Court, which struck down a portion of the pension reforms which the Legislature passed in 2013 to trim costs. The state is also paying out more because retirees are living longer, and the pension fund's investment returns have fallen short of expectations since 2014.

Gov. Kate Brown and legislative leaders haven't given any indication that they plan to tackle the shortfall in 2016. But they won't be able to avoid the issue when the pension system governing board sets the 2017-2019 contribution rates at the end of September.

By then, election campaigns will be in full swing for governor and legislative seats across the state.

If lawmakers and the governor put off working on the issue until 2017, they will only have a few months to agree on

solutions during that legislative session, before schools and other governments are forced to pay more starting in July 2017. Interest groups plan to begin hammering out potential solutions behind the scenes in 2016, for the governor and Legislature to take up the following year.

Fuel standard fight

Oregon's low-carbon fuel standard, which the Legislature made permanent in 2015, takes effect in January.

However, the Oregon Environmental Quality Commission recently voted to delay enforcement of the standard until 2018 and opponents of the law have filed three proposed ballot measures to weaken or repeal it in November.

Gov. Kate Brown and lawmakers are closely following the fight, because the outcome could impact the Legislature's ability to pass a funding bill in 2017 to pay for the state's backlog of highway, bridge, transit and other transportation work.

Republicans refused in 2015 to vote for a gas tax increase to pay for transportation projects, unless Democrats agreed to repeal the fuel standard.

The law calls for gasoline and diesel importers and producers to reduce the total carbon emissions from the fuels by up to 10 percent over the next decade.

Power battles

Gov. Kate Brown is unlikely to attract any formidable competition during the 2016 election, according to political analysts.

"The chance of dark horse candidate in the gubernatorial races is zero," said Jim Moore, politics professor at Pacific University and director of the Tom McCall Center for Policy Innovation.

But some House and Senate races could tip the scales of power in Salem, Moore said.

Races to watch are in districts that have traditionally swung between Democrat and Republican victories in the past few election cycles, especially seats where incumbents might decide against seeking reelection, he said.

One example is District 40, where Rep. Brent Barton, D-Clackamas County, has decided against seeking reelection.

So far, one Democrat, real estate executive Mark Meek, and no Republicans or Independents have filed for that election, according to the Secretary of

State's elections database.

Other potentially interesting races: District 30, held by Rep. Joe Gallegos, D-Hillsboro; District 20 held by Rep. Paul Evans, D-Monmouth; District 29, held by Rep. Susan McLain, D-Forest Grove; District 25 held by Rep. Bill Post, R-Keizer; District 51 held by Shemia Fagan, D-Clackamas; and District 52 held by Rep. Mark Johnson, R-Hood River.

"The Oregon Senate is a much more sedate place for elections, but the swing of just three districts puts the Senate in a 15-15 tie for 2017," he said.

Overhaul of DOE

After years of news reports about problems at the Oregon Department of Energy, Democratic legislative leaders announced in early December that they will explore in 2016 whether the agency can be fixed or is beyond repair. A newly formed bipartisan committee will look into problems at the agency and issue recommendations and legislation for the full Legislature to take up in 2017.

In June, the EO Media Group/Pamplin Media Group Capital Bureau reported that Department of Energy employees quietly stopped enforcing state price regulations on tax credits intended to incentivize renewable energy and efficiency projects.

The bureau also reported that Oregon Department of Revenue director Jim Bucholz told auditors in 2012 to ignore problems on tax returns where people or corporations used energy tax credits to reduce taxes they owed the state. People and corporations who bought the tax credits for less than their face value were supposed to pay capital gains taxes on difference, but auditors found people weren't reporting the gains or paying the taxes.

A top official at the Department of Energy told certain tax credit recipients and brokers they could ignore state rules, and the agency retroactively changed the rules under pressure from a Portland consulting firm that brokered tax credit deals.

Republican lawmakers in December asked Attorney General Ellen Rosenblum, the state's U.S. Attorney, the FBI, the IRS and Marion County District Attorney Walter Beglau to investigate similar allegations by whistleblowers. In a response to the lawmakers, the Oregon Department of Justice asked for more details about their allegations.

BRIEFLY

Landslide buckles Hwy 42, closing roadway indefinitely

ROSEBURG (AP) — The Oregon Department of Transportation says a landslide has buckled Oregon Highway 42, also known as the Coos Bay-Roseburg Highway.

The Oregonian reports the roadway in southern Oregon is expected to be closed indefinitely near the border of Coos and Douglas counties.

Authorities say the 200-to-300-foot-long slide has covered most of the two-lane state highway with mud and rock.

Jared Castle of the Oregon Department of Transportation says the roadway will be closed for at least a week, but it's too early to say for certain.

The slide happened on Thursday afternoon on a section that has been involved in an effort to straighten out some severe curves along the Middle Fork of the Coquille River.

Heavy rain this month saturated the ground, defeating efforts at erosion control.

2-year-old shot by family member cleaning gun

COLTON (AP) — Authorities say an Oregon 2-year-old is in the hospital after being shot accidentally by a family member who was cleaning a gun on Christmas morning.

KOIN-TV reports the girl was flown by helicopter from Colton to Oregon Health & Science University in Portland.

The Clackamas County sheriff's office is investigating the shooting, and says she is expected to survive the gunshot to her cheek. Colton is about 27 miles south of Portland.

Outages dim Christmas morning in Inland NW

SPOKANE, Wash. (AP) — Power outages dimmed Christmas morning for some people in the Inland Northwest.

The Spokesman-Review reports thousands of customers in Spokane, Stevens and Kootenai counties were without power Friday morning after heavy snow blanketed the region for days.

Inland Power and Light Co. reported Friday morning roughly 9,500 of its customers were without power, most of them in Spokane County.

Avista Utilities reported close to 3,500 customers remained without power following outages Thursday. Kootenai Electric Cooperative also totaled about 3,500 of its customers in the dark on Christmas morning.

Corrections

The East Oregonian works hard to be accurate and sincerely regrets any errors. If you notice a mistake in the paper, please call 541-966-0818.

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AccuWeather.com Forecast

TODAY

Chilly with clouds and sun

SUNDAY

Chilly with more clouds than sun

MONDAY

Cloudy and cold

TUESDAY

Cloudy; snow and ice at night

WEDNESDAY

Morning flurries; mainly cloudy

PENDLETON TEMPERATURE FORECAST			
35°	24°	34°	26°
32°	23°	32°	21°
28°	18°		

HERMISTON TEMPERATURE FORECAST			
35°	24°	33°	27°
35°	24°	33°	23°
31°	22°		

ALMANAC

PENDLETON
through 3 p.m. yesterday

TEMPERATURE	HIGH	LOW
Yesterday	35°	24°
Normals	39°	25°
Records	61° (1980)	-16° (1924)

PRECIPITATION
24 hours ending 3 p.m. Trace
Month to date 2.26"
Normal month to date 1.27"
Year to date 10.07"
Last year to date 12.90"
Normal year to date 12.74"

HERMISTON
through 3 p.m. yesterday

TEMPERATURE	HIGH	LOW
Yesterday	36°	23°
Normals	39°	27°
Records	62° (1971)	0° (1983)

PRECIPITATION
24 hours ending 3 p.m. 0.00"
Month to date 1.77"
Normal month to date 1.20"
Year to date 7.16"
Last year to date 7.56"
Normal year to date 9.67"

SUN AND MOON

	Last	New	First	Full
Sunrise today	7:35 a.m.			
Sunset tonight	4:16 p.m.			
Moonrise tonight	6:09 p.m.			
Moonset today	8:13 a.m.			

Jan 1

Jan 9

Jan 16

Jan 23

REGIONAL FORECAST

Location	Today	Low	Tonight
Coastal Oregon	Clouds and sun today. Cloudy tonight, but increasing clouds in the south.		
Eastern and Central Oregon	Clouds and sun today; cold. Mostly cloudy tonight; rising temperatures in central parts.		
Western Washington	Increasing cloudiness today; however, mostly cloudy across the south. Cloudy tonight.		
Eastern Washington	Mainly cloudy today. Cloudy tonight; a little snow at times in the north.		
Cascades	Mainly cloudy and chilly today and tonight. Chilly tomorrow with a little snow.		
Northern California	Mostly sunny today; frigid in the interior mountains. Partly cloudy and cold tonight.		

REGIONAL CITIES

City	Today			Sun.		
	Hi	Lo	W	Hi	Lo	W
Astoria	46	39	pc	47	38	r
Baker City	21	13	pc	24	15	c
Bend	30	19	c	33	19	sn
Brookings	46	38	pc	47	38	r
Burns	17	4	c	22	13	c
Enterprise	23	7	pc	26	18	c
Eugene	40	31	c	42	35	r
Heppner	33	21	pc	33	25	c
Hermiston	35	24	pc	33	27	c
John Day	29	18	pc	32	26	c
Klamath Falls	26	11	s	30	20	c
La Grande	29	19	c	28	23	c
Meacham	29	19	c	27	23	c
Medford	39	27	c	40	30	r
Newport	45	38	pc	45	39	r
North Bend	49	40	pc	49	40	r
Ontario	22	11	pc	24	18	pc
Pasco	33	25	c	33	27	c
Pendleton	35	24	pc	34	26	c
Portland	42	34	c	41	34	r
Redmond	33	16	c	33	19	sn
Salem	41	32	c	42	36	r
Spokane	27	19	c	29	22	c
Ukiah	29	16	pc	30	24	c
Vancouver	40	34	c	40	36	r
Walla Walla	34	24	pc	34	25	c
Yakima	30	21	c	32	20	c

WORLD CITIES

City	Today			Sun.		
	Hi	Lo	W	Hi	Lo	W
Beijing	39	12	pc	28	13	pc
Hong Kong	67	59	pc	65	58	pc
Jerusalem	57	40	pc	58	40	s
London	59	54	c	59	49	r
Mexico City	74	49	pc	72	40	pc
Moscow	38	24	c	29	20	i
Paris	55	45	pc	55	42	pc
Rome	59	37	pc	59	35	s
Seoul	39	13	t	27	15	s
Sydney	82	63	t	73	62	pc
Tokyo	53	45	pc	50	37	pc

WINDS

(in mph)	Today	NE 3-6	SE 3-6
Boardman	SE 3-6		
Pendleton	SE 3-6		

UV INDEX TODAY

0 1 1 0 0 0

8 a.m. 10 a.m. Noon 2 p.m. 4 p.m. 6 p.m.

0-2, Low 3-5, Moderate 6-7, High; 8-10, Very High; 11+, Extreme

The higher the AccuWeather.com UV Index™ number, the greater the need for eye and skin protection

Forecasts and graphics provided by AccuWeather, Inc. © 2015

NATIONAL WEATHER TODAY

Shown are noon positions of weather systems and precipitation. Temperature bands are highs for the day.

National Summary: A storm in the Midwest today will bring rain and thunderstorms from Texas to Illinois then eastward through the mid-Atlantic. Snow will fall in the northern Plains, Colorado and New Mexico.

Yesterday's National Extremes: (for the 48 contiguous states)
High 90° in Edinburg, Texas Low -10° in Bridgeport, Calif.

NATIONAL CITIES

City	Today			Sun.		
	Hi	Lo	W	Hi	Lo	W
Albuquerque	33	21	sn	34	14	sn
Atlanta	76	64	c	74	65	c
Atlanta City	55	51	r	66	47	c
Baltimore	55	48	r	73	46	c
Billing	21	9	s	30	12	pc
Birmingham	77	66	c	75	69	c
Boise	24	12	s	27	16	pc
Boston	48	42	pc	53	33	r
Charleston, SC	81	63	pc	81	62	pc
Chicago, WV	71	59	sh	74	50	c
Chicago	44	35	r	39	32	c
Cleveland	56	53	r	56	34	r
Dallas	77	54	r	55	34	r
Denver	18	7	sf	24	12	c
Detroit	46	41	r	42	30	r
El Paso	45	29	pc	50	21	sn
Fairbanks	-1	-9	pc	5	1	s
Fargo	15	-6	sn	8	-3	s
Honolulu	82	72				