

Purdue Pharma to stay in business as bankruptcy unfolds

By MICHAEL R. SISAK
Associated Press

WHITE PLAINS, N.Y. — A judge cleared the way Tuesday for OxyContin maker Purdue Pharma to stay in business while it pursues bankruptcy protection and settlement of more than 2,600 lawsuits filed against it in a reckoning over the opioid crisis.

At the first court hearing since the Chapter 11 filing late Sunday, Purdue lawyers secured permission for the multibillion-dollar company based in Stamford, Connecticut, to maintain business as usual — paying employ-

ees and vendors, supplying pills to distributors, and keeping current on taxes and insurance.

The continued viability of Purdue is a key component of the company's settlement offer, which could be worth up to \$12 billion over time.

Under the proposal, backed by about half the states, the Sackler family, which owns Purdue, would turn the company, its assets and more than \$1 billion in cash reserves over to a trust controlled by the very entities suing it.

The Sacklers have also agreed to pay a minimum of \$3 billion of their own money to the settlement over

seven years, as well as up to \$1.5 billion more in proceeds from the planned sale of their non-U.S. pharmaceutical companies.

"This is a highly unusual case in that the debtors have pledged to turn over their business to the claimants," U.S. Bankruptcy Judge Robert Drain said. "All of the claimants, in essence, have the same interest in maximizing the value of the business and avoiding immediate and irreparable harm."

Joe Rice, a lawyer for some of the plaintiffs, estimated it could be more than a year before the bankruptcy and settlement are finalized.

"This is not a sprint. We've got a little bit of a marathon here," he said after the three-hour hearing in New York City's northern suburbs.

Purdue's bankruptcy filing has effectively frozen all litigation against the company, which its lawyers said has been spending more than \$250 million a year on legal and professional fees, but it has not stopped lawsuits against the Sacklers from moving forward.

New York Attorney General Letitia James, who is suing the Sacklers and opposes the proposed settlement, said last week that her office found that members

of the family used Swiss and other accounts to transfer \$1 billion to themselves.

Purdue lawyer Marshall Huebner said he hoped states that are opposed to the proposed settlement could be persuaded to change their positions.

"In essence, America itself that stands to benefit or lose from the success or failure of these reorganization proceedings," Huebner said.

None of the Sacklers attended the hearing, but the family name did come up several times as Purdue lawyers declared that they wouldn't benefit from any steps taken Tuesday to keep the company

in business.

As the bankruptcy unfolds, Purdue will continue to pay its approximately 700 employees under preexisting salary structures.

No member of the Sackler family is an employee and none will receive payments, Purdue lawyer Eli Vonnegut said.

Because of commitments Purdue made before the bankruptcy filing, the company will pay sign-on bonuses to five employees and retention bonuses to about 100 employees. The company agreed to hold off on seeking to continue other bonus plans, such as incentive bonuses.

Enrollment: District sees a 6% decrease from 2014-15 school year

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The district will make its pitch to nontraditional students and their families by emphasizing that students can get the best of both worlds: They can enroll in Pendleton's online school while still having access to traditional school offerings like hands-on career technical education and extracurricular activities.

An increasing number of Pendleton high-schoolers are taking online courses, but most are taking it as a supplement to traditional school or through the district's credit retrieval and alternative education programs. A negligible number of students at the elementary and middle school levels are taking Pendleton's online classes.

But most of the declining enrollment is due to factors outside school officials' control, the district has concluded.



A student stops to exchange supplies at his locker as fellow students walk by during a passing period at Sunridge Middle School on Tuesday afternoon.

Staff photo by Ben Lonergan

During the 2017-18 school year, the district tracked which students unenrolled from the school system and why they were leaving.

The resulting study showed that more than half of Pendleton's students were dropping from enrollment because they were mov-

ing out of town. The top three reasons district families were moving were a lack of housing, a lack of living-wage jobs, or a desire to

be closer to family.

Yoshioka said he studied several months from 2018-19, and the results were much the same.

He added that the district is excited by some of the new housing projects that are being developed and the Wildhorse Resort and Casino expansion, both of which could bring more families to Pendleton.

And although the high school graduating class of 2020 is under 200 students, Yoshioka noted that the class of sophomores, and most classes under it, are significantly larger.

The number of students Pendleton records next month is critical because the Oregon Department of Education factors in October enrollment when allocating state money.

But despite the dip in Pendleton's enrollment, Michelle Jones, the district's business services director, said she had already antici-

pated an enrollment decline in 2019-20 and budgeted accordingly.

One other factor that may have led to the 2019-20 decline was Nixyaawii Community School's new building.

As a charter school, Nixyaawii is included in some of the district's data, like graduation rates, but is not counted toward enrollment.

Nixyaawii's new building allowed the school to raise its enrollment cap, and the 94 children enrolled at Nixyaawii in September represent a 15-student increase from the year before.

While Yoshioka said some of those students might have attended Pendleton High School instead, it doesn't fully explain the decline.

Even when the population at Nixyaawii is included in the district's total enrollment, the Pendleton area K-12 population still shrunk by 48 students.

Agriculture: Governor reappoints Threemile Canyon GM to Oregon ag board

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Coalition, Farm Forward, Food & Water Watch, Center for Food Safety, Humane Society of the United States, Center for Biological Diversity and Animal Legal Defense Fund.

State law requires seven members of the Board of Agriculture to be farmers and ranchers. Two members must represent consumers, and the 10th member is the chair of the Soil and Water Conservation Commission. Members serve four-year terms.

Several groups expressed similar disappointment when Myers was first appointed to the board in 2015. They argued Threemile Canyon Farms is a significant source of pollution, emitting up to 5.6 million pounds of ammonia gas from manure annually.

Meanwhile, smaller dairy farms continue to struggle, according to the coalition, which said that between 2002 and 2007, the state lost nearly half of its dairy farms.

Shari Sirkin, executive director of Friends of Family Farmers, said that by reappointing Myers to the Board of Agriculture, Brown demonstrated "her continued



Threemile Canyon Farms is a 93,000-acre operation about 15 miles west of Boardman. It includes three dairies with a combined 25,000 milking cows, producing 1.4 million pounds of milk each day sold to Tillamook Cheese at the Port of Morrow.

Photo contributed by Threemile Canyon Farms

allegiance to industrialized dairy in Oregon."

"It would have been far better to appoint a real family farmer to this board, but once again, Governor Brown chose Oregon's mega-dairies over its small, independent farms," Sirkin said.

The groups also cited Lost Valley Farm, a failed 30,000-cow dairy in Morrow

County, as reason to reform Oregon's confined animal feeding operations. Lost Valley racked up more than 200 wastewater permit violations almost immediately after opening in 2017 and declared bankruptcy earlier this year.

Easterday Farms, of Pasco, Washington, is now working to reopen the facility.

"Allowing Myers, a mega-

dairy operator, to continue to influence the Department of Agriculture as it considers permitting yet another mega-dairy at the Lost Valley site does not bode well for Eastern Oregon or our environment," said Tarah Heinzen, senior attorney for Food & Water Watch.

Myers defended his record on the board, saying

he will continue to represent the interests of farms of all sizes.

During this year's legislative session, Myers supported provisions in House Bill 2020 — the cap-and-trade proposal — that would have allowed small farms to collectively market their carbon assets, making them competitive with larger operations.

In a 2011 study of air quality in the Columbia River Gorge, the Oregon Department of Environmental Quality praised Threemile Canyon Farms for "continuously addressing its air emissions by applying new technologies and adaptively managing its dairies with best management practices."

In particular, DEQ said the farm recycles cow manure as a fertilizer for growing crops and built a methane digester in 2009 to capture emissions, generating 4.8 megawatts of electricity. Regulators approved a permit allowing Threemile Canyon Farms to expand the digester this year, and convert methane into "pipeline quality" natural gas.

Myers said he believes the objections raised by environmental groups are politically motivated, rather than based

in science.

"We have a continuous improvement operation and we're always looking for new technologies for efficiency in agriculture and being good with the environment and our animals," Myers said.

A spokesman for Brown did not speak directly about Myers' reappointment, but said the governor seeks a wide diversity of backgrounds and experiences in her board appointments. If that member is active and thoughtfully engaged in policy, he said Brown generally will appoint them to another term.

Alexis Taylor, director of the state Department of Agriculture, said the Board of Agriculture should reflect diversity in commodities, size, scale and production systems.

"Oregon is not a one-size-fits-all," Taylor said in a statement. "Board members volunteer countless hours in this advisory role and I want to thank them for their dedication and unique contributions."

Taylor said ODA is committed to transparency, and welcomes further discussion about how the state can ensure diverse voices are represented at the table.

Leadership: Eastern Oregon better represented

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maybe two terms. It's a very inexperienced caucus, and they wanted to go a different direction," he said.

Smith said that a different direction primarily has to do with how the caucus runs campaigns.

"That seemed to be the argument, but the argument was never clarified," Barreto said.

While Drazan might be new to lawmaking, her political experience is vast.

Having held an executive director position for the Republican party's campaign efforts in the past, she also previously served as

the chief of staff to former House Majority Leader and the Speaker of the House Mark Simmons.

"She has strong political instincts and experience at the highest level of the Oregon House. A lot of the newer members were really drawn," Smith said.

Bonham said that he felt Drazan was tenacious and talented, and also the last Republican standing in the Portland metro area.

"I think that you're going to see a new crop of Republicans — that are relatively new to this process — bring a lot of energy and enthusiasm to the campaign season," he said.

Rubber band: Past teachers become colleagues

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this year who graduated from the district, including two at Sunridge Middle School.

Sunridge Middle School principal Dave Williams said that nine of the 33 staff who teach at the school have graduated from the district. A few, he said, come from the west side of the state. Others are from other parts of Eastern Oregon, and even Idaho.

"I've been in our district for 22 years; it's cool and fun to see new teachers, some who I've had as students. It's really satisfying," he said.

Williams said that

retention at the district is good, and that the average years of experience among staff at Sunridge is 16 years. Williams thinks that community support toward the district is to thank.

Stanfield School District, like other smaller rural school districts, faces a unique set of challenges when it comes to keeping teachers at the district.

"We are just smaller, everyone has to do a little bit more. We're hoping our teachers will teach us and maybe do something extra," said Superintendent Beth Burton.

Teachers at Stanfield commonly take on extracurricular activities, and

Burton said that means they're looking for teachers who don't mind volunteering time for the community.

She said that this year, the district is picking up the cost of PERS for their employees. The move, according to Burton, will hopefully make the district more appealing for prospective teachers.

"We're not as big as Pendleton, Hermiston, or Morrow County. It's a strategy to make us more competitive," she said. "Needing teachers to do a little bit more, we'll never be able to change."

At 26, Eddy Ramos has lived in Stanfield his whole life. He studied business at

Eastern Oregon University, but when he landed his first job with a company in La Grande, he felt dissatisfied.

So he came back to the district he'd been taught in as a substitute. This year, the district hired him as a business and Spanish teacher. He said he wouldn't have it any other way.

"If it is possible to come back to your community, I would fully take advantage of it," Ramos said. "I didn't grow up with everything and I had parents that fought for stuff. I can relate to a lot of these students. I feel like I've literally been on their side of the table."