

# Minimum wage, tax fights top 2016 Salem 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 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



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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.

## Bill would require recording grand juries

By Paris Achen  
Capital Bureau

SALEM — The chairman of the state Senate Judiciary Committee is reviving legislation proposed in the last session he says will bring more transparency to secret grand jury proceedings.

Oregon is one of the few states where grand jury proceedings are not recorded.

Sen. Floyd Prozanski, D-Eugene, is reviving legislation from that would require all grand jury testimony to be recorded. The bill, originally proposed by Rep. Jennifer Williamson, D-Portland, stalled during the 2015 session in the Senate because lawmakers wanted more time for deliberation. Prozanski, who is a lawyer, said he plans to submit the bill again in February.

Prozanski said the 2015 bill is "the starter."

"That is not the end point," he said.

Federal courts and more than 40 states mandate that grand jury proceedings be electronically recorded, according to a count by the Oregon Criminal Defense Associ-

ation, which supports the bill.

"The national norm is when you have grand jury testimony, it needs to be recorded verbatim," said Gail Meyer, lobbyist for the criminal defense association.

What happens to the recordings after the proceedings differs from state to state.

Prozanski's bill would require all grand jury proceedings to be recorded except deliberations and voting. In case of indictment, the transcript would be released to the district attorney and defense counsel. If there were no indictment, the transcript would not be released except when the accused was a public servant such as a police officer.

High-profile cases of police officer-involved shootings in which grand juries declined to indict officers have fueled national interest in adding transparency to the grand jury process.

But well before that debate was sparked, critics say, Oregon had multiple examples of abuse of the grand jury system. Proponents of Prozanski's bill have argued that electronic recording would have served as a deterrent to abuse

in those cases.

"One of the reasons is to impress upon the witness that this is on the record, this is important," Meyer said. "It has to be accurate because important decisions will be made based on what you say. It also makes viable the threat of perjury should someone testify contrary to the truth. It has been recognized that recording testimony reduces prosecutorial overreach and abuse."

One of the most scandalous examples of prosecutorial abuse came out of Clatsop County in 1993.

Then-Clatsop County District Attorney Julie Ann Leonhardt won grand jury indictments against two Astoria police officers. One of the officers, Cpl. Tim Thurber, had given Leonhardt's ex-convict boyfriend a traffic ticket earlier that year, according to a Oregon Supreme Court ruling and media reports at the time.

Leonhardt accused Thurber and Sgt. Bill Stowell of trying to sell drugs through an informant with the Drug Enforcement Administration and failing to turn over all confiscated contraband.

## Audit cites evidence testing backlog at OSP labs

By Paris Achen  
Capital Bureau

SALEM — A backlog of untested forensic evidence at Oregon State Police laboratories has ballooned by 90 percent since 2005, fueled by increased demand, inefficient practices and staff shortages and vacancies, according to a Secretary of State's audit.

On average, the agency's Forensics Division takes about twice as long to test forensic evidence than national standards, the audit showed.

"The quality and reliability of forensic testing is extremely important to the criminal justice system," the auditors wrote. "If the best evidence is not submitted in court, the guilty may go unpunished or an innocent person may lose their liberty."

Auditors said the Forensics Division has already taken steps to increase efficiency with technology investments and process changes. They recommended additional strategies to enhance the flow of casework and to eliminate duplication of work. For instance, they recommended more strategic planning such as using data to

manage workloads and project needs for additional resources.

OSP laboratories take an average of 65 days to test evidence, according to the audit. The National Institute of Justice standards call for evidence to be tested within 30 days. But auditors also noted that backlogs also are a problem in other parts of the nation.

Oregon's backlog now stands about 3,700 cases. In 2014, OSP received 29,500 requests for testing. The demand for testing has surged by 31 percent since 2005 with only "marginal" staff increases, the audit stated.

The audit was "substantially complete before allegations were publicly reported" that a

forensic analyst in the division had tampered with evidence, auditors wrote. They said employees had disclosed no criminal behavior during the audit.

A criminal investigation into the allegations is underway. Nika Larsen, a forensic analyst in OSP's Bend office, has been identified as a suspect in the case.

Gov. Kate Brown also has appointed a work group to review the division's practices and procedures for evidence control.

The division has 127 employees, five laboratories in Bend, Central Point, Clackamas, Pendleton and Springfield and a biennial budget of \$35.8 million.

## Oregon 'motor voter' system set to launch

By Hillary Borrud  
Capital Bureau

SALEM — Oregon is on track to launch its automatic voter registration system in January, Secretary of State Jeanne Atkins said Monday.

Under the new law, people who are eligible to vote will be registered after they obtain or renew their driver's licenses, permits or identification cards. Oregon is the first state to enact an automatic voter registration law, and the legislation was a top priority for Gov. Kate Brown dating back to when she was secretary of state.

Atkins said during a press briefing Monday that people outside of Oregon are watching to see how the new system unfolds.

"We'll probably see the nation paying attention, in addition to Oregonians paying attention," Atkins said. "We've been very pleased with the work that's been done so far and our ability to run end to end tests here in December."

State officials expect the new system will add approximately 10,000 voters to the rolls each month starting in January. The secretary of state will also use Oregon Driver and Motor Vehicle Services Division data to register people who obtained or renewed their driver's licenses, permits or identification cards over the last two years, agency spokeswoman Molly Woon wrote in an email. This provision could add as many as 275,000 voters to the rolls, Atkins said. However, the state will not implement that portion

of the law until after the May primary.

It's less clear how many people will opt out of voter registration.

The DMV will only send data to the Elections Division for people who have demonstrated, through documents shared with the DMV, that they are eligible to vote. This means Oregon residents who are U.S. Citizens and at least 17 years old. The Elections Division will send mailers to people identified as eligible, giving them 21 days to opt out of registration or to register with a political party. If people do nothing, the state will register them as unaffiliated voters.

Once a citizen opts out of

automatic voter registration, the Elections Division will not contact the person in the future when he or she renews a drivers license or updates an address at the DMV. The other voter registration options will still be available, including registering to vote online and at the DMV.

"How many people will say 'no thank you' is a little bit of an unknown," Atkins said.

People exempt from the automatic registration process include certain law enforcement and other individuals who have signed up through the state to keep their addresses confidential for personal safety reasons, according to the state's new voter registration manual.

# Brrrr-ring in the New Year

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