

State forecast boosts net revenue by \$200M

By Claire Withycombe
Capital Bureau

State economists say the state may have nearly \$200 million more than expected in net available resources, narrowing Oregon's projected budget gap to about \$1.4 billion.

The May economic and revenue forecast provides the best estimate of how much the state can expect to realize in revenue before the Legislature adjourns in July. Legislators are busy trying to resolve the gap between what it expects to bring in and how much it would cost to maintain state

services at current levels.

Tuesday's higher than expected revenue forecast also brings Oregon closer to triggering the kicker, although that's not a sure bet, said state economist Mark McMullen.

Overall, Oregon's rate of economic growth is slowing, although "Oregon's economy is bigger than ever and getting bigger every day," McMullen said.

Oregon Gov. Kate Brown said in a statement that the forecast included good news about revenue growth and the state's economy, but cuts to key services remained possible.

"... This doesn't change the fact that Oregon still has a structural deficit," Brown said. "This means in the long term, whether the economy is good or bad, the state will struggle to pay for education, public safety, child welfare and health care."

The governor said she was meeting with business and labor leaders every week to prevent significant cuts to such services, which may be required in order to close the budget gap without new revenues.

Patrick Criteser, chair of the Oregon Business Plan and the CEO of the Tillamook

County Creamery Association, reiterated the Oregon Business Plan's stance in a written statement Tuesday, saying that new revenues alone "will not fix the state's basic budget problems."

However, Criteser said the coalition of businesses behind the Oregon Business Plan "remained optimistic" and "encouraged" by engagement from the legislature and the governor.

State Sen. Mark Hass, D-Beaverton, said the revenue outlook does not change what he has characterized as the need for changes to the state's tax system, a sentiment echoed by Senate Majority Leader

GINNY BURDICK, D-Portland:

"We can't dig out of this hole with cuts alone," Burdick said in a statement. "We need to reform and stabilize our revenue system as well." Burdick said legislators were examining "both sides of the ledger."

Meanwhile, Republican leaders in the legislature said higher than expected tax revenues were evidence in favor of spending cuts. House Minority Leader Mike McLane, R-Powell Butte, called the forecast "more evidence that Oregon needs to tighten its belt and get serious about the unsustainable rate of spending in Salem."



EO Media Group file photo

Currently, schools are required to submit a plan for testing, but are not required by law to test for lead in water supplies.

LEAD

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and the Oregon Department of Education asked schools last summer to test for lead in school water. Lawmakers approved about \$2 million to pay for the tests.

The fund set up with the legislation to pay for lead testing and carbon dioxide detection consists of about \$2.5 million. That amount would not cover the cost of mitigating toxins found in schools.

The \$2.5 million fund would be siphoned from an existing \$9 million facility grant fund used to pay for furniture and other miscellaneous items when school districts approve bond measures. That fund exists because schools are prohibited from using bond money to pay for furniture under law.

School districts would be required to submit a plan for testing for environmental hazards by July 1, 2019, to the education department.

The push to mandate testing and require school officials to communicate the results followed a media coverage of a scandal in Portland Public Schools. Officials in that district were testing for and found lead in drinking water supplies but did not share that information with parents.

"We realized we have a problem here, not only with not testing for lead, but with not communicating in a transparent way as much as is needed," Dembrow said.

State agencies, including the education department and the Oregon Health Authority, have no authority to force school districts to test for lead in water. The bill could give the education department the authority to withhold funding from a school district that refuses to conduct testing.

Dembrow and Keny-Guyer, both Democrats from Portland, spearheaded legislation in 2015 that required districts to test for radon. At that time, they assumed that school districts already were testing for lead, Keny-Guyer testified Wednesday, May 10.

The legislation in play would consolidate all of the environmental testing regulations for schools, making it easier for school officials to comply, said Sen. Arnie Roblan, D-Coos Bay, a former school district administrator.

"We were thinking about addressing just lead and over the course of meetings with parents (and others), they were pointing to other problems: asbestos, mold, lead in paint," Dembrow said. "We decided the better way to approach this was to do it comprehensively rather than hazard by hazard and let districts know we expect them to have a comprehensive plan."

New York enacted a law last year requiring schools to test for lead, report results to the public and develop a plan for reducing exposure to the toxin, according to the Oregon Legislative Fiscal Office.



EO Media Group file photo

Flowers wave in the breeze at the fringe of the Painted Hills.

ECONOMY

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and are glad to be able to give back by helping to sustain local communities."

The peer-reviewed visitor spending analysis was conducted by economists Catherine Cullinane Thomas of the U.S. Geological Survey and Lynne Koontz of the National Park Service.

The report shows \$18.4 billion of direct spending by 331 million park visitors in communities within 60 miles of a national park.

This spending supported 318,000 jobs nationally; 271,544 of those jobs are found in these gateway communities. The cumulative benefit to the U.S. economy was \$34.9 billion.

According to the 2016

report, most park visitor spending was for lodging (31.2 percent) followed by food and beverages (27.2 percent), gas and oil (11.7 percent), admissions and fees (10.2 percent), souvenirs and other expenses (9.7 percent), local transportation (7.4 percent), and camping fees (2.5 percent).

For more information, visit nps.gov/oregon.



EO Media Group file photo

Lindsay Chiono strolls a short boardwalk that is part of the Painted Cove Trail in the Painted Hills Unit near Mitchell.

BIKEWAY

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cycling tourism position and information about free marketing available through the Scenic Bikeways program. Waldner said anyone is welcome to attend any portion of either meeting.

At 175 miles, Waldner said the Old West Scenic Bikeway, established in 2014 through the efforts of Mike Cosgrove, is the longest in the state. There are 14 designated routes now, and with only 12 in 2014, the bikeways generated \$12.4 million in economic activity, according to Travel Oregon.

Yet, Waldner said more could be done to promote businesses along the route and to promote the route itself to bring in even more tourists and economic benefit. She said Travel Oregon provides excellent marketing opportunities for the program, but local tourism officials are expected to provide them information. Waldner said she



Contributed photo

Cyclists support the Dayville Cafe, which is on the Old West Scenic Bikeway through Grant County. A state review and further discussion about economic benefits is scheduled May 24.

has been maintaining a list of about 50 businesses along the route that are advertised by Travel Oregon, but she can no longer keep up with

calls seeking more information herself.

"In order to fully capitalize on the opportunity we have been handed, a paid

cycling tourism position is needed," she said. "We're missing out on opportunities. We need a tourism position."

Discussion about a tourism

Bikeways meetings schedule

May 24, John Day Fire Hall

11 a.m. to noon: State review

Noon to 1:45 p.m.: Introduction of new businesses, the Eastern Oregon Trail Alliance and the Chamber of Commerce

1:45-2:30 p.m.: Discussion of cycle tourism position

2:30-3:30 p.m.: Listing businesses, services and attractions in free marketing materials

May 30, John Day Fire Hall

11:30 a.m. to 1 p.m.: Developing and staffing cycle tourism position

position will take place from 1:45-2:30 p.m. at the May 24 meeting and again in a follow-up meeting from 11:30 a.m. to 1 p.m. May 30, also at the fire hall.

Dayville students make waves at Coast and Capitol

Blue Mountain Eagle

It was a time of learning mixed with fun for seven Dayville High School students who traveled April 24 through 25 to the Oregon Coast and the State Capitol.

The first stop for the teachers and students was in Newport at the Oregon Coast Aquarium where they were educated about local animals, birds and sea life. Among the highlights there were staff presentations with sea lions, seals and sea otters.

The field trippers explored the coast, and watched science teacher Jim Latshaw make his kite dance with the wind. After dinner at famous Mo's restaurant, they searched Newport's boardwalk for trinkets, salt-water taffy and souvenirs to remind them of their adventure.

The group spent the night at Ralph and Toni Good-



Contributed photo

Dayville students visit the Oregon Coast during a recent field trip.

win's home in Waldport, enjoying the breath-taking sunset over the ocean.

They were up early for a trip to Salem where they observed the Oregon Legislature in action, including State Sen. Ted Ferrioli introducing a bill for its third reading. They witnessed the Senate voting, passing the bill easily. The group then toured the Capitol, led by one of Ferrioli's staffers.

In a private meeting at the Senator's office, students and chaperones were given an opportunity to question Ferrioli about his bill, as well as other issues such as school funding and politics in general.

Dayville alum Renee Inscore gave students a tour of Corban University, where she is currently a junior, studying education and competing on the collegiate track team. The students also visited Willamette University.

Dayville English, government and health teacher Margee Powell said the trip was a way to tie in government and science lessons they've had at school.

"Since the Legislature is in session we wanted to let the students watch them in action," she said. "We decided to add a science element to the trip ... as well as college tours, since we were in the valley. The trip was not only full of learning and laughter, but students also got a glimpse of what college life might look like."