

Public Testimony
John Lavrakas
April 12, 2013 Eugene, Oregon
Oregon Ways and Means Joint Committee

My name is John Lavrakas, president of Advanced Research Corporation in Newport, and I serve as president of the Yaquina Bay Economic Foundation. This group represents a broad cross section of the Yaquina Bay region.

Legislators are considering House Bill 3451 to establish at OSU an Oceangoing Research Vessel Program. I'd like to speak in support of this program.

This bill is actually part of a multiyear effort to grow the marine science sector for Oregon. It began with Hatfield Marine Science Center, initiated with investments from the state forty years ago. In 2008, a group of leaders from Yaquina Bay set the goal to establish Newport as the recognized hub for ocean observing in the Pacific Northwest. Since then the results have been remarkable. With state help, we now have these federally funded programs:

- NOAA Marine Operations Center - Pacific
- NSF ocean observatories Endurance Array
- Pacific Marine Energy Center

All are multimillion programs which will be in place for over 20 years.

Today, marine science research is a significant economic force in Oregon. In Lincoln County alone it accounts for \$60M in annual revenues.

Our next stop is replacing the R/V Oceanus, which annually brings \$3.6M to the local economy. OSU has received a contract from the NSF to design the next class of regional research vessels for our nation. But designing a ship does not guarantee we will receive a new vessel. The feds always looks for ways to cut costs, and states that support their marine research will be favored over states that do not.

The amount requested in the bill is modest, but the return to Oregon can be huge. I encourage you to support House Bill 3451, and help secure Oregon's future in marine science research.

March 25, 2013

Representative Jules Bailey, Chair
House Energy and Environment Committee
State Capitol
Salem, OR



*Stimulating economic growth
in the greater
Yaquina Bay region*

RE: HB 3451: Establishes Oceangoing Research Vessel Program

Dear Chairman Bailey,

The Yaquina Bay Economic Foundation encourages passage of HB 3451 that provides \$330,000 in state funding for a comprehensive ocean research vessel program. This funding would support research conducted from research vessels by Oregon University System students and faculty as well as state of Oregon employees. The information gathered will help local communities and the state to develop effective marine and coastal policies related to fisheries, offshore energy, tourism and conservation.

Oregon is the only state bordering the territorial sea that does not provide state support for federally financed ocean research vessels that operate out of its ports. Lack of state support puts these vessels at risk because their research days are limited. If operating funds become restricted, these vessels are more likely to be dry-docked – resulting in significant losses to local economies.

We are delighted that the National Science Foundation recently awarded Oregon State University a \$3 million grant to design a new ocean research vessel. We anticipate that the new vessel, once constructed, would replace the *R/V Oceanus*, currently operating out of Newport. The *Oceanus* annually expends approximately \$3.6 million in the local area for fuel, crew support and other operations. We risk losing the *Oceanus* and its successor if other states provide greater assurances of active deployment due to the support they commit to vessel operations. This would be a big loss for the economy of the central Oregon coast.

The Yaquina Bay Economic Foundation (YBEF) is an all-volunteer 501(c)(6) corporation formed in 1981 to encourage and promote growth and economic development in the greater Yaquina Bay region. Its members represent a dynamic cross-section of public and private sector business and community leaders from throughout the Newport and Toledo area, including cities, ports, schools, marine science, health care, the arts, and the business sector.

The Yaquina Bay Economic Foundation recognizes the value of ocean research, both economically to our local community and scientifically to the entire state. We support passage of HB 3451 as a demonstration of the state's commitment to Oregon's role in marine research, and as a means to ensure that Oregon scientists can continue to conduct needed research within Oregon's coastal waters and beyond.

Sincerely,

John Lavrakas, President
Yaquina Bay Economic Foundation

HB 3451 – State Support for an Ocean Research Vessel

Oregon is the only state in the US that does not provide state support for federally financed ocean research vessels that operate out of its ports. Lack of state support puts these vessels at risk because their research days are limited. If operating funds become restricted, these vessels are more likely to be dry-docked – resulting in significant losses to local economies.

HB 3451 establishes a comprehensive Ocean Research Vessel Program that provides \$330,000 in state funding that would enable 10 days of vessel research for the 2013-15 biennium. A panel of scientists and public members would recommend a research program for the vessel. Funding would be contingent upon federal commitments to support the operations and maintenance of the current research vessel *Oceanus* or its replacement.

What's at stake?

Support for an ocean research vessel is particularly important now because the National Science Foundation recently awarded Oregon State University a \$3 million grant to design a new ocean research vessel. This work is expected to grow to a total of \$290 million over the next 10 years. Once constructed, this vessel would replace the *Oceanus*, which currently operates out of Newport. Oregon risks losing the *Oceanus* or its successor if other states provide greater assurances of active deployment due to the support they commit to vessel operations.

- The Research Vessel *Oceanus* which operates out of Newport annually expends approximately \$3.6 million in the local area for fuel, crew support and other operations.
- HB 3451 would ensure a continuation of these economic benefits – a return on investment of over 10 to 1.

What do research vessels do?

Ocean research vessels enable scientists to observe the linkages between the offshore California Current and Oregon's territorial sea. The data gathered by offshore research provides better understanding of the short-term and long-term changes in ecosystem structure and how these changes relate to both human activities and natural variability. Oregon relies on a large, research-class ship based in its coastal waters to gather the information it needs to develop effective marine and coastal policies related to fisheries, offshore energy, tourism and conservation.

Who would direct the research?

HB 3451 would create a research council consisting of scientists and public members who would evaluate and rank proposals for use of the research vessel. Decisions will ultimately be made by Oregon State University which operates the research vessel under contract with the National Science Foundation.

- Proposals for vessel days would be solicited from state agencies as well as from students and faculty at all of Oregon's public universities.
- Vessel days would be available to any state agency or OUS institution and will be scheduled as part of the federal ship scheduling process.
- OSU will submit yearly reports to the Legislature regarding the research conducted by the vessel.

April 12, 2013

Re: HB 3194

Church Women United of Lane County has been working in coalition with others studying public policies, "always seeing our Christian faith as directly related to making a better world for all and therefore as having direct connection to social and political action."

(National CWU statement)

We focus on issues that concern our neighbors that are poor and powerless and stand with them advocating effective social policies.

We know that re-entry programs save money and lives. We support drug courts, knowing that addiction treatment is not funded in proportion to the need. We believe addiction to be a health issue not a criminal one, and see that the wealthy do not go to prison for drug use.

Victims of violence are routinely turned away from shelters for lack of space. This is another need not funded adequately by public safety funds.

We have studied the work of the Governor's Commission on Public Safety, believe that HB 3194 is safe corrections reform, and urge the legislature to support this as presented. Our nation needs to become "smart on crime" and end the revolving door of lives spent in prison.

We are especially concerned that current policies result in large numbers of the poor, the poorly educated and the youth of communities of color filling our jails and prisons.

Cynthia Kokis

Cynthia Kokis, CWU of Lane County
2465 Jefferson Street
Eugene, OR 97405

THE OREGON IDEA

SUPPORTING STUDENTS, COMMUNITY COLLEGES, AND UNIVERSITIES TO BUILD A BETTER OREGON

Testimony of Vince Remcho
In support of The Oregon Idea

Joint Committee on Ways and Means Subcommittee on Education
April 12, 2013

Co-Chairs Komp and Monroe and Committee members, my name is Vince Remcho, and I am interim Dean of the College of Science at Oregon State University. I am here today to join with The Oregon Idea in support of making an excellent college education accessible to Oregon families.

I've pursued a successful career as an educator and researcher for over 20 years, nearly 16 of those in Oregon. I've taught courses ranging from freshman chemistry through graduate level bioanalysis, and have mentored students in undergraduate and graduate research that has led to patented, OSU-owned intellectual property that in turn has factored for several Oregon start-up companies. The Oregon educational system is important to me as a teacher, researcher, parent and citizen.

I had the great privilege of joining over 80 families at an OSU Night event in Medford last week. This event, and others like it around the state, affords Oregon families the opportunity to learn more about our University as they contemplate whether to accept OSU offers of admission they have in hand. A concern common to most of those with whom I visited was the rising cost of a college education. Oregon college students are borrowing more, paying more, and working longer hours than ever before as they pursue their academic and career goals; yet they also are exceptionally promising and capable. This year's entering class of students was among the strongest in the history of our University, and their promise is evidenced by their success in the classroom. A conversation with a faculty colleague just this morning was particularly enlightening – this talented educator said that this is the *best prepared, most dedicated group of freshman science majors he has seen in a general chemistry class in over 15 years*. Another colleague shared that her class this spring is the *most diverse and interactive she's seen in over 10 years*. These are splendid indicators of the value and importance of a continued and expanded public investment in these Oregon students.

The future of our state rests in the hands of these capable Oregonians, and it is critical that we provide them with the opportunity and incentive to pursue their post-secondary education right here in Oregon, and beyond that to contribute to our innovation engine and our economy by pursuing their careers here as well. To that end, I encourage you to help us sustain and enhance the quality education we offer, sustain enrollment increases, build a path to achieving our 40-40-20 goal, and keep tuition increases in line with the growth in Oregon family incomes. An investment of an additional \$82M in Oregon's community colleges, and additional \$64M for the Oregon University System, and an additional \$11M in OHSU's education programs will send a clear message to Oregonians that we choose to take charge of our own destiny.

Thank you.

Vince Remcho



Professor and Interim Dean, College of Science
Oregon State University
Corvallis, OR 97331



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www.hero-web.com

April 12, 2013

Oregon SBDC Network: A valuable resource for Oregon's small businesses and a high-return investment in Oregon's future

Hello. I am Michael Stearns, co-owner of HEROweb. We help hundreds of small businesses across the US sell goods and services online. Thank you for the opportunity to speak today about the value the Lane Small Business Development Center has brought to HEROweb as well as to countless other small businesses we interact with in our community.

HEROweb considers our participation in the three-year Small Business Management program one of the best strategic business decisions we have ever made.

The structure and delivery of Lane SBDC's core programs are ideal for micro businesses that operate on a shoestring budget. Courses are well focused. Instructors have a wealth of hands-on experience. And we have seen the curriculum evolve rapidly with the changing economic climate and advances in technology. The knowledge we received through the three-year program was timely and comprehensive.

To this day, HEROweb has continued to participate in the classes and advising services offered by Lane SBDC. If you run a small business, you know there are certain key moments when you will either sink or soar. We are grateful, that during these moments of exciting opportunity, indecision, and, yes, even despair, the Lane SBDC advisors have been there for us, with



resources, knowledge, and perspective, to help us through our mission-critical decisions. The SBDC approach is practical, efficient, and extremely effective.

Over the past decade, our business has grown from a mom and pop operation, running out of our basement, to a vibrant technology company, employing a dozen people. I am here today with the conviction that small business growth is vital to our economy and an essential option for those who have lost their place in the workforce. In our local community, the Lane SBDC is a key driver of small business innovation and success.

I urge the legislature to restore funding of the Small Business Development Center network to previous levels so the SBDCs can help more businesses succeed. The investment in small business growth across the state is one of the best investments the legislature can make to ensure the long-term health of Oregon's economy.



In Lane County that figure is much higher. We have pulled off a minor miracle in keeping ourselves alive and here for our neighbors and our communities. Help us continue to do what we believe is vitally important.

Please restore the additional \$1.3 million in funding to the Statewide Public Services Programs needed to keep our current level of service. Help us keep our doors open. I truly believe it is the best bang for public service dollars we can make!

Thank you,

Cindy Wise
Springfield, Oregon

Hello

I would like to submit the following testimony on behalf of the Statewide Public Services Programs, especially the OSU Extension Service.

I would like to encourage the restoration of an additional \$1.3 million to the budget for the Statewide Public Services programs of which the OSU Lane County Extension Service is a part.

I have been a Lane County Master Gardener with the OSU Extension Service in Lane County since 1996. In that time I have seen firsthand the value of shared community education not only for myself and my neighbors but to the hundreds of people who have received training, education and volunteer service from the Master Gardeners.

The Extension Service along with Master Gardeners has been empowering people to change their lives, improve the value of their homes and neighborhoods and learn valuable skills that translate to jobs, food for their families and healthier communities for us all.

We have been fighting to keep the Extension doors open in Lane County after losing county financial support in 2008. Staff, members of the community and literally hundreds of Extension volunteers have donated thousands of hours, raised money as well as donated goods and services to keep the Extension programs alive and doing the work we all believe makes Lane County a better place to live.

But without the staffing support of OSU Extension agents in Lane county we cannot exist. Our doors will close and programs that teach people to grow food, reduce chemical and pesticide use in their homes and gardens, gain skills that could mean a job in the horticultural industry and maintain certifications for horticultural professionals will be gone.

The Internet and books are no substitute for the personal interactions between people. They can augment the essence of learning which is the personal connection between people but can never replace it.

The Extension Service and the programs it sponsors exist for no other purpose than to share the neutral, objective research-based information with everyone who walks through our doors.

Being under the umbrella of the Extension Service gives validity and a special cachet to the information Master Gardeners share with the public.

Empowering people with facts and resources and pointing them in the right direction to solve the problems they face in their homes and in their communities is the mission of the Extension Service Master Gardener program and other professional and volunteer Extension programs.

But we need the support of a healthy, adequately funded Extension Service to do it. Over the last several years the Statewide Public Services Programs have been hammered with the loss of over 30% of our funding.

House Bill 2971

Sponsored by Representatives KOMP, FREEMAN; Representatives BOONE, HOLVEY, Senator MONNES ANDERSON

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Appropriates moneys from General Fund to Department of Human Services for enhancing and expanding services provided by centers for independent living to individuals with disabilities.

Declares emergency, effective July 1, 2013.

A BILL FOR AN ACT

Relating to state financial administration; appropriating money; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. { + In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Human Services, for the biennium beginning July 1, 2013, out of the General Fund, the amount of \$1,880,000 for the purpose of enhancing and expanding services provided by centers for independent living, as defined in 29 U.S.C. 796a, to individuals with disabilities as defined in 42 U.S.C. 12102. + }

SECTION 2. { + This 2013 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect July 1, 2013. + }

ASSOCIATION OF OREGON CENTERS FOR INDEPENDENT LIVING

Funding for Oregon's Centers for Independent Living (CILs)

AOCIL

1839 NE Couch St.
Portland, OR 97232
www.aocil.org

President

Barry Fox-Quamme (ILR)

Vice President

Sheila Thomas (LILA)

Secretary

David Fricke (UVdN)

Member CILs

Abilitree

Bend
www.abilitree.org

EOCIL

Ontario
Pendleton
The Dalles
www.eocil.org

HASL

Grants Pass
www.haslonline.org

ILR

Portland Tri-County
www.ilr.org

LILA

Eugene
www.lilaoregon.org

SPOKES Unlimited

Klamath Falls
www.spokesunlimited.org

UVdN

Roseburg
www.uvdn.org

Oregon's Centers for Independent Living are community-based, nonresidential, cross-disability, nonprofit organizations serving people with disabilities of all ages. Core services include information and referral, skills training, advocacy, and peer mentoring (and much more).

- Centers for Independent Living are rooted in the Civil Rights Movement. "Nothing about us, without us." (When planning services for people with disabilities, we include people with disabilities in the planning process.)
- Centers for Independent Living are consumer-directed. The majority of staff and board members have experienced disability.
- Centers for Independent Living are culturally and geographically diverse, located in Roseburg, Eugene, Bend, Grants Pass, Klamath Falls, Ontario, Pendleton, Portland, and The Dalles.

We are innovative, cost-effective, service agencies that respond to local needs and collaborate statewide to save money.

- We leverage General Funds into dramatic outcomes.
- We were funded 12 years ago at \$1.3 million; soon cut to \$500,000 (now, \$720,000). (The Governor's Budget indicates funding to serve 1,724, but we actually serve about 9,000.)
- We want to stabilize funding for Oregon's Centers for Independent Living by adding proportionate funding for all seven Oregon Centers and increases for the cost of doing business.
- At a funding level of \$1.88 million, HB 2971 will ensure base funding for Oregon CILS and enhance service partnerships across Oregon.

Examples of how Centers for Independent Living save money:

- Lane Independent Living Alliance (LILA) is contracting through their CCO with a local hospital to reduce admissions in the three months following discharge from the inpatient psych unit. LILA expects to increase attendance at follow up medical appointments, and through skills training, enhance recovery. Peer supports will ultimately save money (\$1,500 a day on the acute unit) and strengthen recovery.
- We help people with disabilities pursue goals of employment, healthcare and housing. We partner with state agencies to increase employment outcomes.

SERVICES AVAILABLE AT: CENTERS FOR INDEPENDENT LIVING IN OREGON

"Independent Living" (IL): means that people with disabilities have the opportunity to make decisions about their lives and pursue activities of their choosing.

"Centers for Independent Living" (CILs): are organizations operated by people with disabilities, for people with disabilities. The CIL's mission is to help people with disabilities live as independently as possible in communities that understand and value their contributions.



"CORE" SERVICES PROVIDED BY CENTERS FOR INDEPENDENT LIVING:

- Advocacy
- Independent living skills
- Information and referral
- Peer counseling

AUXILIARY SERVICES PROVIDED BY OREGON CILs:

- STEPS — teaches employer and IL skills to consumers with homecare workers
- Work Incentive Network (WIN) — provides benefits counseling for Oregon Vocational Rehabilitation Services consumers considering work

Provided by all CILs but level/availability varies...

- Americans with Disabilities Act (ADA) Consultation
- Support groups, classes, recreation activities
- Employment services
- Emergency preparedness
- Recreation project
- Drop-in business center
- Brain Train®

OREGON'S CILs: ADDITIONAL SERVICES AND SERVICE AREAS

ABILITREE — Bend, Oregon

Call: 541-388-8103 www.abilitree.org

Provides "Core", WIN, and STEPS Services in Deschutes, Crook, Jefferson counties.

- Brain Train® *
- Outreach to youth in schools
- Disability awareness
- Supported living
- Supported employment
- Social Security Applications

EOCIL — Ontario, Oregon

Call: 541-889-3119 www.eocil.org

Pendleton, Oregon Call: 541-276-1037

The Dalles*, Oregon Call: 541-370-2810

Provides "Core" and WIN Services in Baker, Gilliam, Grant, Harney, Hood River*, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco and Wheeler counties

* Not state or federally funded

- Life Transition services (assistance to move to community based housing) outreach to youth in schools — disability awareness
- Ryan White Case Management Services for individuals living with HIV/AIDS
- Representative payee project for Social Security
- Recreation project
- Drop-in business center
- Brain Train®
- STEPS

Continued on back

HASL — Grants Pass, Oregon

Call: 541-479-4275

www.haslonline.org

Provides "Core" Services in Jackson and Josephine counties (also providing STEPS services in Coos and Curry; and WIN services in Coos, Curry, and Douglas)

- Blue Path (recognizes accessible businesses)
- Brain Train®
- Durable medical equipment loan
- Sports and wheelchair recreation

ILR — Portland, Oregon

Call: 503-232-7411

www.ilr.org

Provides "Core", WIN in Multnomah, Washington, Clackamas, Tillamook, Clatsop, Columbia, Hood River, Sherman, and Wasco (also providing STEPS in Multnomah and Clackamas)

- Transcription services for Braille, audio, and large print

LILA — Eugene, Oregon

Call: 541-607-7020

www.lilaoregon.org

Provides "Core", WIN and STEPS Services Lane county

- Blue Path (recognizes accessible businesses)
- Disability Navigators
- Eugene Sounds (internet radio service)
- LILA Accessible Mental Health Program
- Mental Health Peer Support Club
- OPAL Network (consumer directed mental health)

SPOKES — Klamath Falls, Oregon

Call: 541-883-7547

www.spokesunlimited.org

Provides "Core" and WIN Services Klamath and Lake counties.

- Brain Train®

UVDN — Roseburg, Oregon

Call: 541-672-6336

www.uvdn.org

Provides "Core", and STEPS Services in Douglas county.

- Lifespan Respite Care
- Donated clothing
- Trans Link (non-ambulatory Medicaid medical transportation)



TESTIMONY TO THE JOINT WAYS AND MEANS COMMITTEE

BETH GEROT

APRIL 12, 2013

Co-Chairs Buckley and Devlin and members of the committee. My name is Beth Gerot. I am in my 14th year on the Eugene School Board and am a past president of the Oregon School Boards Association

I urge you to seek ways to fund K-12 public education in 2013-15 to at least the \$6.75 billion level. However, even this means an estimated \$10 million budget shortfall in the Eugene School District next year. This is on top of a \$20 million cut made in 2011.

For more than twenty years, my district and other districts in Oregon have endured steady reductions to investments in our students. The circumstances we face in next year's budget have multiple contributing factors:

- For many years, we have been drawing from reserves, using one-time savings to sustain our budget and postponing the purchase of materials, texts, equipment, buses and other general fund expenditures. Some of these solutions are no longer available to help us next year.
- In addition, revenue from our local option levy has been dropping steadily. We reached a high of \$14 million several years ago, but that revenue will drop to about \$7 million next year, a loss of almost \$2 million from what we budgeted for 2012-13.
- Although open enrollment has helped to stabilize our enrollment, we are still experiencing a decline which results in reduced levels of state school funding.
- Other costs continue to rise as well, particularly in the areas of payroll, utilities, and insurance.
- On top of all this, the sequestration will reduce federal funding for special education, Title I services, Title IIA professional development, Head Start and Early Head Start, and other federally funded programs. We will have to assume the cost for many of these services in our general budget.

Over the coming months, we will be facing some very difficult decisions. Each of the proposed cuts is exceptionally painful. Services that directly impact students and the quality of their education may include eliminating central office library support, reconfiguring technology support to schools, reorganizing Essential Skills Coordinator support to schools, restructuring our health centers and nursing services, and reducing professional development. However, even given these severe measures, we are likely to see increases in class size and potentially have an even shorter school year.

Anything less than \$6.75 billion would mean a significantly greater disinvestment in our students. We will support you in taking additional reasonable measures to lower costs and to raise revenue.

Thank you for this opportunity to address you and the service you bring to our state.

How would the potential 2013-15 State School Fund Levels impact YOUR Local School District?

EUGENE SCHOOL DISTRICT

\$6.150

Crisis Budget

A funding level of \$6.15 billion creates an estimated \$19 million budget shortfall in Eugene School District for 2013-14 after spending down reserves to below policy levels. This equates to losing 207 teachers, or cutting 40 days of school, next year.

Major cost drivers include a \$5 million increase in PERS costs.

Potential budget cuts could include making further concessions in salaries and benefits, including furlough days, possible layoffs and reductions in programs and electives.

No matter how heroic the efforts of Eugene's teachers and staff, higher class sizes and fewer school days mean less individual attention for students with a negative impact on student performance – especially for students who need additional support and intervention to reach their potential.

\$6.550

Major Reductions

A funding level of \$6.55 billion would leave Eugene School District with a budget shortfall of approximately \$14 million in 2013-14. This is the equivalent of losing 153 teachers, which would increase class size by an average of 7 students, or cutting 29 school days.

Potential budget cuts would include further concessions in salaries and benefits, possible layoffs and reductions in programs and electives.

We would again defer desperately needed investments in technology for students and teachers and postpone the acquisition of up-to-date textbooks and instructional materials.

All of these actions are on top of similar reductions that have been made annually for more than four years.

\$6.750

Continued Cuts

A funding level of \$6.75 billion would result in a budget deficit of approximately \$11 million. This is the equivalent of losing 126 teachers or cutting 24 school days.

Eugene's budget challenges are exacerbated by a continuing decline in the revenue produced by our local option levy. Five years ago, it generated \$14 million, but is projected to raise just \$7 million next year.

The Eugene School Board will be faced with decisions about laying off staff, cutting school days, raising class sizes, reducing or eliminating programs, and/or spending down reserves to below policy levels to balance the budget. At this level, the cuts would be significant, but with the continued cooperation of our employee groups we would be able to reduce some of the impact on student learning by negotiating compensation adjustments.

\$6.895

Fragile Stability

With a State School Fund of \$6.895 billion, Eugene School District's budget deficit would be approximately \$10 million. This is the equivalent of losing 106 teachers or cutting 20 school days.

Our school board would still face difficult budget decisions, resulting in service levels that are at or reduced from today's levels. Decisions include staff layoffs, cutting school days, raising class sizes, reducing or eliminating programs, and/or spending down reserves to below policy levels to balance the budget. With the continued cooperation of our employee groups we would be able to reduce some of the impact on student learning by negotiating compensation adjustments.



Thank you for running this road show.

One of the well-known tendencies in a capitalist system is that the wealthy find it easier to make even more money. Recent research indicates that great wealth and income inequality is harmful to a society, even, to some degree, to the wealthy within the unequal society. A method that has been used with some success to partially alleviate problems caused by this tendency towards inequality is progressive taxation. Progressive taxation has the further benefit of having those who have benefitted so greatly from the design of our economic system contribute a little more to the system.

We have moved away from progressive taxes, especially over the last 30 years. In Oregon, overall tax rates for the bottom 20% are higher than for the top 20%. There is a proposal before the legislature to change this somewhat, while also raising desperately needed revenue. Limiting itemized deductions for those making over \$250k is a very good idea – it would raise revenue and move us slightly towards a fairer tax system.*

While it is a good idea to end some tax expenditures, there are two in particular that should not be sunsetted. One is the Earned Income tax credit, which does a little to make Oregon taxes less regressive. The other is the political contribution credit. While most of the benefit of this credit goes to the upper middle class, it is still important to help slightly counteract the dominant political influence of the very wealthy. In future years, something like New York City's 6 to 1 contribution match (see <http://www.nyccfb.info/candidates/candidates/publicmatchingfunds.aspx>) for all voters (not just taxpayers) should be considered.**

For longer term costs that the state will face, the most problematic is probably health care. HB 3260, which requires a study of how to best fund our health care needs, is especially important.

Charlie Swanson

* A straightforward more progressive income tax would be better than limits on itemized deductions. This would get around the small tendency of limiting itemized deductions to cause decreased charitable contributions. (I suspect that it is a small tendency, because the deduction still exists for federal taxes.)

Several people at the April 12 hearing proposed consideration of a sales tax. If it could be designed to be truly progressive (have higher income Oregonians pay a higher percentage of their income in taxes), that could make a lot of sense. It will probably not be possible to design a sales tax that is progressive at the upper end of incomes, but as long as it was progressive through the first \$100,000 or so of income it might be ok.

**** To be more useful for political access, contributions for measures as well as to candidates should be matched, up to some total amount per voter. New York City gives a 6 to 1 match up to a \$175 contribution, which is probably more than Oregon should do. But perhaps a 6 to 1 match up to \$25, which could cost up to \$150 per voter? The match could be for contributions to any PAC registered in Oregon that does not contribute to campaigns outside of Oregon.**

Hello, below is my testimony from today.

My name is Paige Corich-Kleim, I'm a student at the University of Oregon in the Robert D. Clark Honor's College. I also volunteer with a youth reentry program and work with the Alternatives to Violence Project, a group that does nonviolent conflict resolution workshops inside federal and state prisons.

I'm here today to talk about public safety. I believe public safety should be a top priority, and in order to do that effectively we need to pass House Bill 3194. This bill would enact many of the recommendations that the Governors Commission on Public Safety has made. One of the main things this would do is flatline the prison population. As it stands, Oregon's prisons are slated to increase by 2000 beds in the next 10 years, costing over \$600 million dollars.

We know there are more effective ways to deal with crime and harm - drug courts, addiction treatment, community corrections, reentry services and victim services. Every year 20,000 requests for emergency shelter for crime survivors go unmet. In order to put money towards programs like these that increase public safety we need to reform sentencing, specifically regarding measure 11 and measure 57. Modest reforms will still hold people accountable and will generate enough savings to strengthen local public safety programs that work.

We know that tough-on-crime policies and rhetorics don't work. They don't make our streets safer and they don't make our communities stronger. We can't afford to continue to let fear and short term thinking dictate our policies. We need to change our mandatory minimum sentencing to address real safety issues and provide long term, cost effective solutions.

I hope that you will not only support HB3194 but also talk to your colleagues about why this bill needs to move forward. Thank you.

Co-Chairs Devlin and Buckley, member of the Ways and Means Committee, my name is Kevin Boling and I am the principal at Bertha Holt Elementary School here in Eugene.

I want to express to you my belief in the incredible benefit my students have received through participation in the Start Making a Reader Today program. I ask that you support SMART's request for funding so that they may continue to serve almost 10,000 students statewide and so that they may extend their program to other priority and focus schools in Oregon.

SMART has been a critical tool in Bertha Holt's efforts to improve the reading skills of our students. As a matter of fact, an independent study by the Eugene Research Institute showed that children who participated in SMART as first graders were **60 percent** more likely to reach state reading benchmarks in fifth grade than were non-participants.

As you know, the third grade reading level is widely recognized as a key indicator of a child's future educational success. A student who can't read at grade level by third grade is four times less likely to graduate by age 19 than a child who does read proficiently in third grade. In 2011, more than 7,140 Oregon third graders were reading below benchmark levels. Add poverty to the mix, and a student is 13 times less likely to graduate on time than his or her proficient, wealthier peer. Research proves that shared book reading and the availability of books in the home during a child's first, formative years are the strongest predictors of early literacy skills. SMART provides both.

I know that the Governor and others are working to implement an Early Reading Initiative. While this new push is fantastic, it does not mean we need to invent new programs...SMART is a proven practice with 20 years of incredible successes in Oregon and in my school.

The program concept is simple: pair an adult volunteer with children for two, one-on-one 30-minute reading sessions. Children read with two different volunteers each week for seven months, totaling up to 28 hours of individual volunteer attention. Volunteers model the joy of reading, while supporting the child's efforts to read independently.

The intention of SMART is to provide a literacy experience that entices children into books and reading, supports children's efforts to learn to read and celebrates their successes. The SMART program complements Bertha Holt's reading curriculum and instruction and is intended to build confident, lifelong readers who enjoy reading and use it

as a tool for learning.

SMART is seeking state funding in these two key areas:

\$670,566 for Books for SMART Students:

- Access to books is a critical ingredient in a child's literacy development, and a critical ingredient of the SMART program. Each year, SMART purchases 14 new take home books for each child in the program.
- This allocation would fund the purchase of 273,000 books for students over two years (136,850 books per year).

\$314,447 for SMART Program Expansion:

- SMART aims to expand the program into the schools that need them most - those that the state has identified as the lowest achieving in student benchmarks and academic progress. SMART is currently serving about 40 percent of these schools, but wants to reach 100%.
- This allocation would cover the first and second years of SMART's five year expansion plan, including staffing, additional books for the additional students, non-personnel and administrative expenses.

I urge your support SMART's request and help inspire communities across Oregon to create brighter futures for children.

Joint Chairs Buckley & Devlin, Joint Ways and Means Committee members,

Thank you for holding these hearings, taking testimony from citizens and organizations. It is gratifying to see so many people engaging in governmental proceedings. Sen. Devlin, glad you're feeling better.

I encourage you to consider bringing forth a new proposal to help balance our state budget with a sales tax. At a Springfield Town Hall on Tuesday night, Sen. Beyer called for an informal poll, how many present would support the emphatically progressive sales tax we'd been discussing. Those supporting outnumbered nay votes about two to one.

The Eugene Register-Guard underscored our discussion this morning with an editorial in support of re-introducing a sales tax.

These are different times and I believe our electorate will be more receptive to a well considered, very progressive proposal, balanced with trade-offs in property tax, for example. We can create an opportunity for our tourism industry to participate. I look forward to seeing corporations invited to step up, too.

Our citizens believe in paying our bills, taking care of each other, educating our kids, and maintaining our infrastructure.

Plenty of examples of compelling need will be presented here and around the state. I urge you to consider bringing this before the people, again.

Thank you,

Rebecca Gladstone

My name is Michael Atkinson, a citizen of Lane County, OR and I wish to express my support for having an OSU Extension Service presence in Lane County. The Extension Service has been a very important source of information for many of our citizens up until the Service departure from Lane Co. a few years ago. I really believe that Extension plays a very important role in our area.

Michael Atkinson
coyote8199@wildblue.net

This message is to support the continued presence and expansion of OSU Extension services in Lane County. As a resource manager, I have found the educational benefit of Extension of critical benefit to me.

Sincerely, Ron Gilson.

RGilson@peacehealth.org

Chairs and Members of the Ways and Means committee thank you for coming to LCC Friday April 12 and for listening to those fortunate enough to give testimony Please consider my "written" testimony as I did not have a chance to speak at the hearing My name is Val Rylands. I live in the rural town of Marcola, a few miles southeast of LCC.

I am the mom of two students in public schools, I work as an Instructional Assistant in our elementary school, and I am also a member of Stand for Children.

For over 10 years, I've been helping my own children and the students in Marcola Elementary School try to get a sound education while resources have been shrinking. My children, just three years apart, have had vastly altered educational opportunities within the same school with the same staff. All this time, I've watched education get weakened.

In our district we hold classes four days a week. all but Kindergarten and 5th grade are blended, our largest classroom holds 36 third and fourth graders in a facility that is over 100 years old. Each year our teachers and support staff are asked to do more with less. We hope our boiler holds out and the roof holds out the weather.

WE need you to take a long hard look at what is happening to kids across Oregon and their education. We need you to take responsibility for it. You have the power to change the course of our education vessel. You are not the blame for these problems, but YOU ARE the solution. You can step up and correct issues caused by a poor economy, voter enacted property tax limits and rising costs of benefits. First, please step up and do more to solve our on-going PERS costs. Senate Bill 822 is a good start, PERS obligation in the Marcola School District for the last three years has continued to grow. from \$221,878 in 2010 to a projected \$280,866 for 2013. These costs, tie the district's hands making it impossible to purchase new curriculum vital to educating our children. By lessening the PERS burden our district could hire more teachers and reduce blended class rooms.

We believe PERS reform can be done in a fair way, but there is much about the system that is UNFAIR now, especially to current employees who will have to take unpaid days to pay for additional PERS costs unless you do more. And it is certainly unfair to kids.

But we will still need YOU to do more. Please step up and find reasonable ways to find more revenue in any way possible, whether by closing tax loopholes, limiting tax breaks for those who can afford it, and certainly with kicker reform.

We need you to put aside partisanship, and have the courage to take tough political positions for the sake of strong Oregon schools. That is the top priority for economic reasons, and for moral reasons. Put the kids, not the adults, first.

Thank you

Val Rylands

Thank you for the opportunity this afternoon to observe our community ask the Ways and Means committee to continue spending in an unsustainable fashion. Almost everyone that testified would be satisfied if you fully funded their program.

I have spent hours reviewing the Governors 395 page budget, I took time off of work to come to LCC and I find a real life theater full of PERS employees being paraded on stage to plead for funds. The real problem IS the employees not the programs they represent.

I am totally disappointed in your PERS LITE non solution. You have not done your job with this weak attempt. In fact you have actually caused an increased divide between the public and private sector.

Oregon's revenues will only increase if policies and tax positions enhance business and industries. Class warfare is increasing steadily. The rich will continue to leave this fine state, and your budgets will spiral. An economic downturn will look good by comparison.

A related issue that would show some sign of reality, would be to REQUIRE public employees to pay for part of their health care. Oregon IS THE ONLY STATE where this does not happen.

If you would like a business perspective at any point from an individual I will do my best to be available.

PREPARED STATEMENT BY BRUCE HAINES
FOR THE
OREGON LEGISLATURE'S JOINT WAYS AND MEANS COMMITTEE
EUGENE HEARING
APRIL 12, 2013

Page 1 of 3

CoChairs Senator Devlin & Representative Buckley, and members of the Joint Ways and Means Committee, my name is Bruce Haines, a resident of Eugene.

As an AARP member, I thank you for this opportunity to address the legislature's consideration of Oregon's Long-term Care System. In a recent survey of Oregon AARP members concerning priorities for Oregon's 2013 - 2015 biennial budget, funding of the long-term care system was only slightly less important than employment and job creation programs.

In today's Eugene Register-Guard newspaper, Gwen Curran, a volunteer member of the Oregon AARP, and a member of it's executive council, provided the "Guest Viewpoint" on this issue (copy attached). While she makes a number points, I would like to read what I consider a key paragraph for your consideration during creation of the 2013 - 2015 biennial budget.

"The greatest need for long-term care is among those who are 85 and older. Their numbers in Oregon are projected to grow to 121,741 in 2022 from 80,959 in 2010. While the baby boomers born between 1946 and 1964 are creating a dramatic shift in population, the major waves of people with significantly increased need will hit around 2030. Investing now in maintaining and growing our long-term care system makes sense and will prepare Oregon for our aging citizens."

As you know, the Oregon Long-Term Care System has been a model across the nation for community based care of those most in need. It is important that at a minimum, the Governor's Recommended Budget (GRB) proposals for the Long-Term Care System be adopted so that this fine

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Page 2 of 3

program can continue and improve levels of service. Amongst the GRB proposals that adoption will provide, are:

- the ability to obtain \$60 - \$65 million additional federal dollars;
- increased staffing ratios so that those being cared for are having their needs met on a more timely basis;
- additional investments for keeping seniors safe in their own homes.

Of concern, is that while for the first time in five years there would be increased reimbursement for Home and Community Based Care Providers, the amount proposed is insufficient to make up for inflationary cost factors over these past five years.

Also of concern is a proposed reduction in home care hours, and in investments in workforce development and training.

These are the sound bytes of one senior citizen echoing the needs and concerns of many. On a more personal level, a year and a half ago I completed a four year aging journey with my father. While he was not a client of the Oregon Long-Term Care System, our experience is illustrative of the need for your support in adopting the Governor's recommendations and provide for the maintenance of the best quality of life possible for seniors and people with disabilities.

I endured with him and his wife, the pain of having to move from their retirement home where they had lived independently for over twenty years, to a partial care residential building. And then a year later dad had to move to yet another building and be separated from his wife so that he could be provided additional support for basic life activities.

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OREGON LEGISLATURE'S JOINT WAYS AND MEANS COMMITTEE
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I endured with him the pain of rigid protocols (in many cases Oregon state mandated) governing the coordination of medical providers with the nursing staff and care providers in his retirement facility. Fortunately I was able to mediate amongst these people to arrange for changes in medications and other treatments to support his independence and sense of dignity.

Not all seniors have that kind of advocacy in their corner and it is incumbent upon us to find ways to encourage it's adoption throughout the long-term care process.

It is my sincerest hope that as you ponder and finalize the budget for Long-Term Care of Seniors and those with Disabilities, that you do everything in your power to maintain and enhance their quality of life through all possible means of supporting their independence and helping them live with dignity.

Again, thank you for allowing me this opportunity to speak, and thank you very much for your diligent efforts on the part of Oregon's citizens.

OPINION

GUEST VIEWPOINT

Long-term care system requires investment

BY GWEN CURRAN

Oregon's population is aging, but our long-term care system is not keeping up with our residents' needs. Our community-based system that was created 32 years ago is a model for the nation. It was designed to honor the independence, choice and dignity of seniors and people with disabilities by supporting home- and community-based care alternatives.

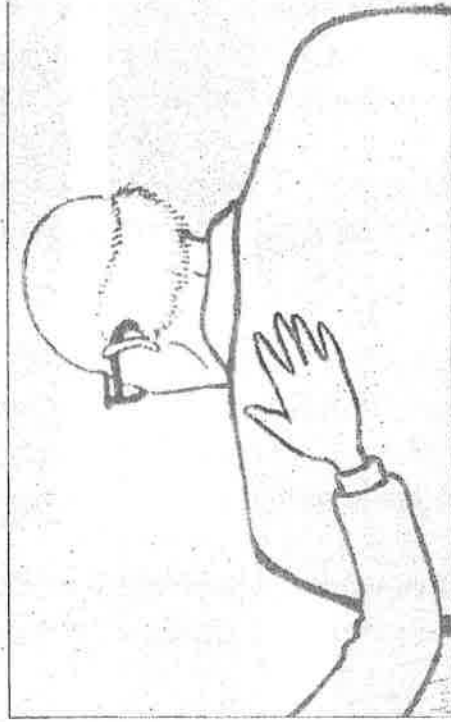
Results of an AARP survey of Oregon members ranks long-term care services just below job creation/economic development and just above public education as the most important issues legislators must address this session.

The co-chairmen of the Legislature's joint Ways and Means Committee, Sen. Richard Devlin, D-Tualatin, and Rep. Peter Buckley, D-Ashland, recently released details for an upcoming "road show." Ways and Means committee members are traveling around Oregon to hear

from citizens on budget priorities. The first of these meetings will be in Eugene today, from 3 p.m. to 4:40 p.m. at Lane Community College.

The greatest need for long-term care is among those who are 85 and older. Their numbers in Oregon are projected to grow to 121,741 in 2022 from 80,959 in 2010. While the baby boomers born between 1946 and 1964 are creating a dramatic shift in population, the major waves of people with significantly increased needs will hit around 2030. Investing now in maintaining and growing our long-term care system makes sense and will prepare Oregon for our aging citizens.

A majority of our frail and elderly are cared for by a family member. But those whose spouses, children and friends are deceased, in another state, or need care themselves must rely on the state for help. The services that seniors and people with disabilities receive are designed to help with the activities of daily living — such as get-



STEVE ANSUT/NEWSART.COM

ting dressed, bathing, preparing meals or eating. Services may be provided at home, in a community setting or in a nursing home. The program has shown to be cost efficient and saves taxpayer dollars.

Gov. John Kitzhaber's recommended budget continues basic funding support for Oregon's long-term care delivery system. But funding in the Ways and

Means co-chairmen's budget is reduced. In addition, the governor's budget contained an innovative \$30 million spending package to improve the system's services and support. The co-chairmen's budget removed these line items.

The occupancy rate in our nursing homes is the lowest in the nation, and stands at 61 percent annually. And long-

term care is cost effective. The average annual rate in Portland for a stay in a nursing home is \$81,760, for an assisted living facility it is \$41,170, and for home care services the cost is \$27,300.

Oregonians of all ages should be invested and engaged in this issue. After all, we will need some type of long-term care at some point in our lifetime. Former first lady Rosalynn Carter once said, "There are only four kinds of people in the world — those who have been caregivers, those who currently are caregivers, those who will be caregivers, and those who will need caregivers."

We urge members of the public to attend the upcoming hearing and tell legislators to keep their promise to protect our most vulnerable citizens — seniors and people with disabilities — from a disproportionate share of sacrifice and pain.

Gwen Curran of Eugene is a volunteer member of the Oregon AARP executive council.

Relief Nurseries' 2013 Key Messages

- Relief Nurseries actively support the Governor's efforts to develop a system of early childhood programs with clear outcomes including having children ready to read when they enter school and reading when they enter 3rd grade.
- Demand for Relief Nursery services is growing faster than ever before. Relief Nurseries are responding by adding classroom space, developing satellite Nurseries to serve new communities and expanding services to their waiting lists.
- The Governor has proposed a significant increase in Relief Nursery funding to help serve more children and families by expanding services through satellites and to families on the waiting lists.
- Relief Nurseries have a long track record of keeping families together, keeping children out of foster care (saving the state tens of thousands of dollars every time that happens), and successfully preparing some of Oregon's highest risk children for success in school.

Relief Nurseries are the Navy SEALs of the Early Childhood system. They take on the toughest challenges and have the outcomes!

Dear Committee Members:

Thank you for taking the time to listen to 1 ½ hours of live testimony on Friday at Lane Community College. I appreciate your dedication commitment to our system.

I cut my testimony very short on Friday afternoon due to the lateness of the hour and the length of the other testimonies. I left you with these words, *"Relief Nurseries are the Navy Seals of the Early Childhood System. They take on the hardest challenges and get the job done!"*

From my personal experience:

- ❖ As a grandmother who watched her young grandson in a difficult family situation, I came to love and respect the dedicated people of the Eugene/Springfield Relief Nursery.
- ❖ As a business owner, I came to understand the importance of what the Relief Nursery does in our community.
- ❖ As an involved community member (President-Elect of Eugene Rotary, church council member, Past President of WBL and Lane Leaders, Coburg Planning Commissioner) I have a long-term commitment to see that the most at-risk children in our community are well-served.

Please support Governor Kitzhabers \$7,000,000 budget for Oregon Relief Nurseries Satellite Sites.

Thank you,

Patricia L. McConnell
President
Old Dominion Collision
Repair Centers, Ltd.

From: Melanie Fassler <mfassler98@yahoo.com>
Sent: Wednesday, April 24, 2013 3:16 PM
To: waysandmeans budget
Subject: budget field hearings in Eugene

Members Senator Richard Devlin and Rep. Peter Buckley

Thank you for allowing me to testify today. My name is Melanie Fassler, I am from Sweet Home. My husband and I have our daughter Rebekah attending Oregon Virtual Academy since September 2011.

My husband and I researched different online schools in state and out of state. We also considered private schooling, after a lot of research, we found Oregon Virtual Academy to be the best suited for our daughter, as she is able to progress at her pace, she enjoys learning so much she is able to continue her learning during the summer on her own, with me as her learning coach.

If Rebekah had her way, she would be schooling 7 days a week, working on subjects' morning to night. All she wants to do is learn, she is like a sponge

My husband and I spent a lot of time with Rebekah teaching her to read at the age 3, attending preschool for 2 years, setting a solid foundation so she would be able to succeed in school.

Having ADHD and then in 2011 finding out Rebekah was on the spectrum for Aspergers, we decided it was time for a change in regards to Rebekah's education, as she was becoming bored in school, getting in trouble not understanding why, she was getting angry at going to school, and didn't have many friends. Both my husband and I wanted her to enjoy her education to continue to learn and grow. Rebekah does better learning one on one. She takes pride in all that she has learned, and wants to tell her peers everything she has learned and is learning. ORVA provides the education that works best for her.

With Virtual Public Schools, Rebekah gets the support she needs through Special Ed, she attends small groups for her social needs, writing groups, and one on one speech to assist her with being able to communicate with others, which she will need throughout her school years. All of this requires funding.

I am very impressed with the professionalism of the staff with ORVA if I need to be in contact with them by phone they are readily available. In addition, anytime Rebekah needs to speak to her teachers during the day, she is able to, either by kmail (email) or phone her teachers, if for some reason her teacher is unable to speak to Rebekah for example; class connect which is a virtual classes students attend, we have received

return calls up to 6pm that day. There are times when Rebekah does schooling on weekends she will kmail (email) her teachers with a question, come Monday morning when she is ready for schooling, she is extremely excited her teacher has already responded to her questions.

Since Rebekah has attended a Virtual Public School, I hear comments saying Virtual Public Schools are for children that need the extra help, slow at learning or just having learning issues. We chose Virtual Public Schools for the one reason our daughter wants to learn. Rebekah started 4th grade in Sept 2011 we are in our 2nd year with ORVA and she is now working on her 6th grade curriculum.

As I am sure, you are aware many families who have multiple children, may have one child attend a Virtual School, and their sibling attending a Traditional Brick and Mortar Schools. This is what is so great about public education; parents have the choice of what works best for their children. However, do we really want these children to label their siblings as being not worth the same, as their school is getting more funding than they are? It is a mean world out there; people may not think children pick up things like this but with all that is on the news and in the papers, and yes children hearing their parent and teachers talk they do pick it up. It amazed me when my daughter said to me "Mommy, isn't it discrimination because my friend attends my old school and I attend ORVA aren't we both worth the same." This is how easily kids notice things. It is hard enough working with her social needs, and knowing everything to her is black and white there is no grey.

I know everyone wants what is best for the children as they are our future, not all children are alike, some are like circles, squares, or triangles, some are more like a parallelograms, or octagons every child is unique in their ability to learn. My child is unique and ORVA allows our family to work with that uniqueness instead of stigmatizing her as different.

I also wonder why do Virtual Public Schools receive less funding when School Districts who provide Online schooling still receive the same funding? I believe all children are worth the same.

I really hope the Legislature; will think twice before any cuts are made to Virtual Public Schools, which already receive less funding than the traditional brick and mortar schools, if anything I would wish Virtual Public schools would have their funding increased to the same level as the Traditional Brick and Mortar Schools. With the extra services Virtual Schools are able to provide means more staff, they also provide computers for families in need. Virtual Schools may not have the costs such as classified staff, for example; janitorial, cafeteria, and buses, but they do have extra costs with providing students with their specialize curriculum and shipping fees. With our Virtual School, they also provide monthly activities in multiple areas of the State so all children can attend which helps the children with social skills.

Any funding cuts made will compromise the quality of education the Virtual Schools provide to my family, and their availability to all Oregon families.

Thank you for your time for allowing me to speak.

Melanie Fassler
541-367-3791

From: Patty McConnell <pattym@olddominioncollision.com>
Sent: Monday, April 15, 2013 12:21 PM
To: waysandmeans budget
Subject: RE: Relief Nurseries (The Navy Seals of Early Childhood System)

Relief Nurseries' 2013 Key Messages

- Relief Nurseries actively support the Governor's efforts to develop a system of early childhood programs with clear outcomes including having children ready to read when they enter school and reading when they enter 3rd grade.
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Please support Governor Kitzhabers \$7,000,000 budget for Oregon Relief Nurseries Satellite Sites.

Thank you,

Patricia L. McConnell
President
Old Dominion Collision
Repair Centers, Ltd.
1060 West 1st Ave.
Eugene, OR 97402



541.485.3368

FAX 541.687.8825

pattym@olddominioncollision.com

www.olddominioncollision.com

"Quality Collision Repair You Can Trust. Guaranteed!"

From: BRUCE A HAINES <hainesbruce@comcast.net>
Sent: Sunday, April 14, 2013 8:08 AM
To: waysandmeans budget
Subject: Oregon's Long Term Care System
Attachments: Prepared Statement for Ways and Means_04122013_Bruce Haines.pdf

While I attended and signed up to testify on Friday (04/12/2013) in Eugene, I was too far down on the list to be called. Please accept the attached prepared statement for the event as my intended testimony.

Thank you,

Bruce Haines
1301 Risdan Pl.
Eugene, OR 97404

541-844-8749

April 23, 2013

To: Joint Committee On Ways and Means
From: Paul Terdal, NW Portland
Re: Please SUPPORT SB365-A, Autism Health Insurance Reform

Chairs Rep. Buckley and Sen. Devlin, and Members of the Committee,

I am writing to ask you to support SB365-A, the Autism Health Insurance Reform bill, and to make this a budgetary priority. This bill:

- Establishes coverage and approval requirements for Applied Behavior Analysis (ABA) therapy – a leading, evidence-based treatment for autism recommended by the U.S. Surgeon General, American Academy of Pediatrics, American Society of Child and Adolescent Psychiatry, American Psychological Association, among many other governmental bodies and professional associations
- Streamlines the ABA approval process patients with autism who begin treatment before the age of 9, while maintaining existing legal requirements for coverage for older patients
- Creates the “Behavior Analysis Regulatory Board” within the Oregon Health Licensing Agency to license and register providers of ABA

Currently, there are 8,900 children in Oregon receiving special education services for autism – at a cost to the state of approximately \$200 million per biennium. With the right treatment at the right time, these children would need fewer supports, saving the state a substantial amount of money.

From a fiscal impact perspective, we know that Ways and Means will be assessing the cost of providing ABA therapy, and that Regence and other insurers will be providing cost estimates.

The best source available for the cost of an ABA benefit is from the Missouri Department of Insurance. After Missouri’s autism mandate (HB1311) took effect in 2011, the department began collecting actuals data from all insurers on the real cost of covering ABA therapy. In its’ February 2013, report, the department wrote:

“Between 2011 and 2012, claim costs incurred for autism services increased from \$4.3 million to \$6.6 million, of which \$3 million was directed to ABA services. These amounts represent 0.16 percent and 0.07 percent of total claims incurred, consistent with initial projections produced by the DIFP. For each member month of autism coverage, total autism-related claims amounted to \$0.38, while the cost of ABA treatment amounted \$0.17.”

In other words, the entire cost of all autism services for all insurers in the entire state of Missouri in 2012 – the second year of implementation – was \$6.6 million. Of this, \$3 million was for ABA services; the rest was for other services, such as speech and occupational therapy, that have been routinely covered by Oregon insurers since HB2918’s passage 2007. The actual cost of ABA treatment amounts to just \$0.17 – seventeen cents – per member per month.

We understand that Regence and other Oregon insurers have supported SB365 with the -5 amendments, and are asserting that they want to help Oregon children with autism get the care that they need. As parents of those children with autism, we certainly agree with that.

Up until now, Regence has been denying coverage of Applied Behavior Analysis (ABA) therapy on grounds that it is somehow "investigational" – despite:

- 17 decisions by Independent Review Organizations appointed by DCBS concluding that ABA is medically necessary, and overturning improper denials by Oregon insurers
- U.S. District Court ruling in Portland in McHenry v PacificSource on 1/6/2010 that "ABA therapy is firmly supported by decades of research and application and is a well-established treatment modality of autism and other PDDs. It is not an experimental or investigational procedure"
- Another U.S. District Court in Michigan on 3/30/2013 declaring that Blue Cross Blue Shield's "characterization and exclusion of ABA therapy as experimental or investigative... was, and is, arbitrary and capricious"
- Statement by Dr. Csaba Mera, Executive Medical Director for Regence, to the Autism legislation workgroup on 3/15/2011 that "there is sufficient evidence that children between ages 3 and 11 are helped (by ABA) – we're not arguing about that.... It works in younger children – it really does make a difference in their lives."

We had hoped that, with its' publically declared desire to help kids with autism, Regence would follow the admirable lead of Kaiser and Pacific Source in providing this coverage without delay.

Unfortunately, Regence appears to be doing just the opposite. We have learned that just last month – on 3/20/2013 – Regence began inserting new clauses into its' insurance contracts explicitly excluding coverage for ABA therapy – regardless of medical necessity. This would appear to be a direct violation of ORS 743A.168, Oregon's Mental Health Parity law, which requires coverage for "mental or nervous conditions" (including autism) "at the same level as, and subject to limitations no more restrictive than, those imposed on coverage or reimbursement of expenses arising from treatment for other medical conditions."

By imposing this new contractual exclusion, Regence is preventing consumers from using administrative appeals such as external review – and forcing them to litigate to exercise their legal rights – since no administrative appeal can overcome an illegal clause in an insurance contract.

As you evaluate insurer's estimates of cost, consider again that Regence first began excluding ABA coverage from its' contracts just last month – on 3/20/2013. Ask Regence about the cost reduction they passed along to their consumers when they removed ABA from their policies – that's the amount they should be able to claim as a cost "increase" for restoring this service.

Sincerely,

Paul Terdal

PREPARED STATEMENT BY BRUCE HAINES
FOR THE
OREGON LEGISLATURE'S JOINT WAYS AND MEANS COMMITTEE
EUGENE HEARING
APRIL 12, 2013

Page 1 of 3

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FOR THE
OREGON LEGISLATURE'S JOINT WAYS AND MEANS COMMITTEE
EUGENE HEARING
APRIL 12, 2013

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program can continue and improve levels of service. Amongst the GRB proposals that adoption will provide, are:

- the ability to obtain \$60 - \$65 million additional federal dollars;
- increased staffing ratios so that those being cared for are having their needs met on a more timely basis;
- additional investments for keeping seniors safe in their own homes.

Of concern, is that while for the first time in five years there would be increased reimbursement for Home and Community Based Care Providers, the amount proposed is insufficient to make up for inflationary cost factors over these past five years.

Also of concern is a proposed reduction in home care hours, and in investments in workforce development and training.

These are the sound bytes of one senior citizen echoing the needs and concerns of many. On a more personal level, a year and a half ago I completed a four year aging journey with my father. While he was not a client of the Oregon Long-Term Care System, our experience is illustrative of the need for your support in adopting the Governor's recommendations and provide for the maintenance of the best quality of life possible for seniors and people with disabilities.

I endured with him and his wife, the pain of having to move from their retirement home where they had lived independently for over twenty years, to a partial care residential building. And then a year later dad had to move to yet another building and be separated from his wife so that he could be provided additional support for basic life activities.

PREPARED STATEMENT BY BRUCE HAINES
FOR THE
OREGON LEGISLATURE'S JOINT WAYS AND MEANS COMMITTEE
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I endured with him the pain of rigid protocols (in many cases Oregon state mandated) governing the coordination of medical providers with the nursing staff and care providers in his retirement facility. Fortunately I was able to mediate amongst these people to arrange for changes in medications and other treatments to support his independence and sense of dignity.

Not all seniors have that kind of advocacy in their corner and it is incumbent upon us to find ways to encourage it's adoption throughout the long-term care process.

It is my sincerest hope that as you ponder and finalize the budget for Long-Term Care of Seniors and those with Disabilities, that you do everything in your power to maintain and enhance their quality of life through all possible means of supporting their independence and helping them live with dignity.

Again, thank you for allowing me this opportunity to speak, and thank you very much for your diligent efforts on the part of Oregon's citizens.

OPINION

GUEST VIEWPOINT

Long-term care system requires in

By GWEN CURRAN

Oregon's population is aging, but our long-term care system is not keeping up with our residents' needs. Our community-based system that was created 32 years ago is a model for the nation. It was designed to honor the independence, choice and dignity of seniors and people with disabilities by supporting home- and community-based care alternatives.

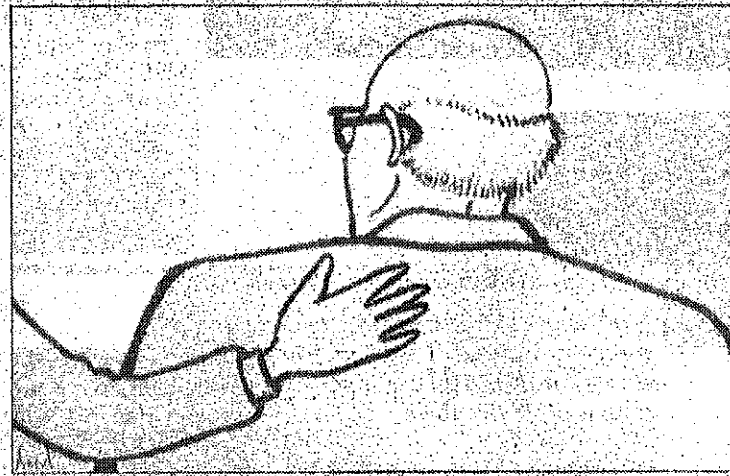
Results of an AARP survey of Oregon members ranks long-term care services just below job creation/economic development and just above public education as the most important issues legislators must address this session.

The co-chairmen of the Legislature's Joint Ways and Means Committee, Sen. Richard Devlin, D-Tualatin, and Rep. Peter Buckley, D-Ashland, recently released details for an upcoming "road show." Ways and Means committee members are traveling around Oregon to hear

from citizens on budget priorities. The first of these meetings will be in Eugene today, from 3 p.m. to 4:40 p.m. at Lane Community College.

The greatest need for long-term care is among those who are 85 and older. Their numbers in Oregon are projected to grow to 121,741 in 2022 from 80,959 in 2010. While the baby boomers born between 1946 and 1964 are creating a dramatic shift in population, the major waves of people with significantly increased needs will hit around 2030. Investing now in maintaining and growing our long-term care system makes sense and will prepare Oregon for our aging citizens.

A majority of our frail and elderly are cared for by a family member. But those whose spouses, children and friends are deceased, in another state, or need care themselves must rely on the state for help. The services that seniors and people with disabilities receive are designed to help with the activities of daily living — such as get-



STEVE ANSUL/NewsArt.co

ting dressed, bathing, preparing meals or eating. Services may be provided at home, in a community setting or in a nursing home. The program has shown to be cost efficient and saves taxpayer dollars.

Gov. John Kitzhaber's recommended budget continues basic funding support for Oregon's long-term care delivery system. But funding in the Ways and

Means co-chairmen's budget reduced. In addition, the governor's budget contained an innovative \$30 million spending package to improve the system's services and support. The co-chairmen's budget removes these line items.

The occupancy rate in nursing homes is the lowest in the nation, and stands at 61 percent annually. And lon

From: cindyawise@comcast.net
Sent: Saturday, April 13, 2013 4:09 PM
To: waysandmeans budget
Cc: Cindy Shideler Wise
Subject: submission of testimony

Hello

I would like to submit the following testimony on behalf of the Statewide Public Services Programs, especially the OSU Extension Service.

I would like to encourage the restoration of an additional \$1.3 million to the budget for the Statewide Public Services programs of which the OSU Lane County Extension Service is a part.

I have been a Lane County Master Gardener with the OSU Extension Service in Lane County since 1996. In that time I have seen firsthand the value of shared community education not only for myself and my neighbors but to the hundreds of people who have received training, education and volunteer service from the Master Gardeners.

The Extension Service along with Master Gardeners has been empowering people to change their lives, improve the value of their homes and neighborhoods and learn valuable skills that translate to jobs, food for their families and healthier communities for us all.

We have been fighting to keep the Extension doors open in Lane County after losing county financial support in 2008. Staff, members of the community and literally hundreds of Extension volunteers have donated thousands of hours, raised money as well as donated goods and services to keep the Extension programs alive and doing the work we all believe makes Lane County a better place to live.

But without the staffing support of OSU Extension agents in Lane county we cannot exist. Our doors will close and programs that teach people to grow food, reduce chemical and pesticide use in their homes and gardens, gain skills that could mean a job in the horticultural industry and maintain certifications for horticultural professionals will be gone.

The Internet and books are no substitute for the personal interactions between people. They can augment the essence of learning which is the personal connection between people but can never replace it.

The Extension Service and the programs it sponsors exist for no other purpose than to share the neutral, objective research-based information with everyone who walks through our doors.

Being under the umbrella of the Extension Service gives validity and a special cachet to the information Master Gardeners share with the public.

Empowering people with facts and resources and pointing them in the right direction to solve the problems they face in their homes and in their communities is the mission of the Extension Service Master Gardener program and other professional and volunteer Extension programs.

But we need the support of a healthy, adequately funded Extension Service to do it. Over the last several years the Statewide Public Services Programs have been hammered with the loss of over 30% of our funding.

In Lane County that figure is much higher. We have pulled off a minor miracle in keeping ourselves alive and here for our neighbors and our communities. Help us continue to do what we believe is vitally important.

Please restore the additional \$1.3 million in funding to the Statewide Public Services Programs needed to keep our current level of service. Help us keep our doors open. I truly believe it is the best bang for public service dollars we can make!

Thank you,

Cindy Wise
Springfield, Oregon

From: cw3@willamettepass.com
Sent: Saturday, April 13, 2013 6:58 AM
To: Sen Edwards C
Cc: waysandmeans budget
Subject: Ways and Means meeting

Thank you for the opportunity this afternoon to observe our community ask the Ways and Means committee to continue spending in an unsustainable fashion. Almost everyone that testified would be satisfied if you fully funded their program.

I have spent hours reviewing the Governors 395 page budget, I took time off of work to come to LCC and I find a real life theater full of PERS employees being paraded on stage to plead for funds. The real problem IS the employees not the programs they represent.

I am totally disappointed in your PERS LITE non solution. You have not done your job with this weak attempt. In fact you have actually caused an increased divide between the public and private sector.

Oregon's revenues will only increase if policies and tax positions enhance business and industries. Class warfare is increasing steadily. The rich will continue to leave this fine state, and your budgets will spiral. An economic downturn will look good by comparison.

A related issue that would show some sign of reality, would be to REQUIRE public employees to pay for part of their health care. Oregon IS THE ONLY STATE where this does not happen.

If you would like a business perspective at any point from an individual I will do my best to be available.

From: Paige CK <pcorichk@uoregon.edu>
Sent: Friday, April 12, 2013 7:49 PM
To: waysandmeans budget
Subject: Testimony, April 12th, Eugene - Paige Corich-Kleim

Hello, below is my testimony from today.

My name is Paige Corich-Kleim, I'm a student at the University of Oregon in the Robert D. Clark Honor's College. I also volunteer with a youth reentry program and work with the Alternatives to Violence Project, a group that does nonviolent conflict resolution workshops inside federal and state prisons.

I'm here today to talk about public safety. I believe public safety should be a top priority, and in order to do that effectively we need to pass House Bill 3194. This bill would enact many of the recommendations that the Governors Commission on Public Safety has made. One of the main things this would do is flatline the prison population. As it stands, Oregon's prisons are slated to increase by 2000 beds in the next 10 years, costing over \$600 million dollars.

We know there are more effective ways to deal with crime and harm - drug courts, addiction treatment, community corrections, reentry services and victim services. Every year 20,000 requests for emergency shelter for crime survivors go unmet. In order to put money towards programs like these that increase public safety we need to reform sentencing, specifically regarding measure 11 and measure 57. Modest reforms will still hold people accountable and will generate enough savings to strengthen local public safety programs that work.

We know that tough-on-crime policies and rhetorics don't work. They don't make our streets safer and they don't make our communities stronger. We can't afford to continue to let fear and short term thinking dictate our policies. We need to change our mandatory minimum sentencing to address real safety issues and provide long term, cost effective solutions.

I hope that you will not only support HB3194 but also talk to your colleagues about why this bill needs to move forward. Thank you.

From: Val Rylands <rylandsfamily@peoplepc.com>
Sent: Friday, April 12, 2013 7:05 PM
To: waysandmeans budget
Subject: testimony for Friday April 12 Ways and Means Hearing

Chairs and Members of the Ways and Means committee thank you for coming to LCC Friday April 12 and for listening to those fortunate enough to give testimony Please consider my "written" testimony as I did not have a chance to speak at the hearing My name is Val Rylands. I live in the rural town of Marcola, a few miles southeast of LCC.

I am the mom of two students in public schools, I work as an Instructional Assistant in our elementary school, and I am also a member of Stand for Children.

For over 10 years, I've been helping my own children and the students in Marcola Elementary School try to get a sound education while resources have been shrinking. My children, just three years apart, have had vastly altered educational opportunities within the same school with the same staff. All this time, I've watched education get weakened.

In our district we hold classes four days a week. all but Kindergarten and 5th grade are blended, our largest classroom holds 36 third and fourth graders in a facility that is over 100 years old. Each year our teachers and support staff are asked to do more with less. We hope our boiler holds out and the roof holds out the weather.

WE need you to take a long hard look at what is happening to kids across Oregon and their education. We need you to take responsibility for it. You have the power to change the course of our education vessel. You are not the blame for these problems, but YOU ARE the solution. You can step up and correct issues caused by a poor economy, voter enacted property tax limits and rising costs of benefits.

First, please step up and do more to solve our on-going PERS costs. Senate Bill 822 is a good start, PERS obligation in the Marcola School District for the last three years has continued to grow. from \$221,878 in 20910 to a projected \$280,866 for 2013. These costs, tie the district's hands making it impossible to purchase new curriculum vital to educating our children. By lessening the PERS burden our district could hire more teachers and reduce blended class rooms.

We believe PERS reform can be done in a fair way, but there is much about the system that is UNFAIR now, especially to current employees who will have to take unpaid days to pay for additional PERS costs unless you do more. And it is certainly unfair to kids.

But we will still need YOU to do more. Please step up and find reasonable ways to find more revenue in any way possible, whether by closing tax loopholes, limiting tax breaks for those who can afford it, and certainly with kicker reform.

We need you to put aside partisanship, and have the courage to take tough political positions for the sake of strong Oregon schools. That is the top priority for economic reasons, and for moral reasons. Put the kids, not the adults, first.

Thank you
Val Rylands
PO Box 678
Marcola, OR

From: CHARLIE SWANSON <cswanee@msn.com>
Sent: Friday, April 12, 2013 6:17 PM
To: waysandmeans budget
Subject: Testimony given on April 12 at LCC

Thank you for running this road show.

One of the well-known tendencies in a capitalist system is that the wealthy find it easier to make even more money. Recent research indicates that great wealth and income inequality is harmful to a society, even, to some degree, to the wealthy within the unequal society. A method that has been used with some success to partially alleviate problems caused by this tendency towards inequality is progressive taxation. Progressive taxation has the further benefit of having those who have benefitted so greatly from the design of our economic system contribute a little more to the system.

We have moved away from progressive taxes, especially over the last 30 years. In Oregon, overall tax rates for the bottom 20% are higher than for the top 20%. There is a proposal before the legislature to change this somewhat, while also raising desperately needed revenue. Limiting itemized deductions for those making over \$250k is a very good idea – it would raise revenue and move us slightly towards a fairer tax system.*

While it is a good idea to end some tax expenditures, there are two in particular that should not be sunsetted. One is the Earned Income tax credit, which does a little to make Oregon taxes less regressive. The other is the political contribution credit. While most of the benefit of this credit goes to the upper middle class, it is still important to help slightly counteract the dominant political influence of the very wealthy. In future years, something like New York City's 6 to 1 contribution match (see <http://www.nyccfb.info/candidates/candidates/publicmatchingfunds.aspx>) for all voters (not just taxpayers) should be considered.**

For longer term costs that the state will face, the most problematic is probably health care. HB 3260, which requires a study of how to best fund our health care needs, is especially important.

Charlie Swanson

* A straightforward more progressive income tax would be better than limits on itemized deductions. This would get around the small tendency of limiting itemized deductions to cause decreased charitable contributions. (I suspect that it is a small tendency, because the deduction still exists for federal taxes.)

Several people at the April 12 hearing proposed consideration of a sales tax. If it could be designed to be truly progressive (have higher income Oregonians pay a higher percentage of their income in taxes), that could make a lot of sense. It will probably not be possible to design a sales tax that is progressive at the upper end of incomes, but as long as it was progressive through the first \$100,000 or so of income it might be ok.

** To be more useful for political access, contributions for measures as well as to candidates should be matched, up to some total amount per voter. New York City gives a 6 to 1 match up to a \$175 contribution,

which is probably more than Oregon should do. But perhaps a 6 to 1 match up to \$25, which could cost up to \$150 per voter? The match could be for contributions to any PAC registered in Oregon that does not contribute to campaigns outside of Oregon.

From: Rebecca Gladstone <ra1ph@yahoo.com>
Sent: Friday, April 12, 2013 3:01 PM
To: waysandmeans budget
Subject: Testimony, 12 April 2013, Eugene hearing

Joint Chairs Buckley & Devlin, Joint Ways and Means Committee members,

Thank you for holding these hearings, taking testimony from citizens and organizations. It is gratifying to see so many people engaging in governmental proceedings. Sen. Devlin, glad you're feeling better.

I encourage you to consider bringing forth a new proposal to help balance our state budget with a sales tax. At a Springfield Town Hall on Tuesday night, Sen. Beyer called for an informal poll, how many present would support the emphatically progressive sales tax we'd been discussing. Those supporting outnumbered nay votes about two to one.

The Eugene Register-Guard underscored our discussion this morning with an editorial in support of re-introducing a sales tax.

These are different times and I believe our electorate will be more receptive to a well considered, very progressive proposal, balanced with trade-offs in property tax, for example. We can create an opportunity for our tourism industry to participate. I look forward to seeing corporations invited to step up, too.

Our citizens believe in paying our bills, taking care of each other, educating our kids, and maintaining our infrastructure.

Plenty of examples of compelling need will be presented here and around the state. I urge you to consider bringing this before the people, again.

Thank you,

Rebecca Gladstone
2713 Fairmount Blvd.
Eugene, OR 97403

Testimony for the Oregon Joint Ways and Means Committee

Public Hearing on 4/12/13

By Dave Porter

Creating an Oregon "Educating for Exports" Program

Chairpersons Representative Buckley and Senator Devlin and members of the Oregon Joint Ways and Means Committee:

Please begin to adapt Oregon's education system and economy to today's global economic realities. Please do the following:

- (1) Per HB 5523, fund one person in the Governor's Office to coordinate a high-level, high-priority, and strategic effort across diplomatic, educational and economic development domains to increase the export of Oregon goods and services.
- (2) Per SB 5548, fund one staff person with the Oregon Education Investment Board to staff the "Educating for Exports Program."
- (3) Per HB 3232, adopt the changes below to create the "Educating for Exports Program" and fund both more dual language immersion programs and high school study abroad programs.

In this era of globalization, with rapidly growing, large economies abroad, Oregon's best business opportunities and its best prospects for sustained economic growth are abroad. Unfortunately, Oregon now has neither a workforce with the skills nor an education system teaching the skills needed to develop, produce and sell Oregon good and services abroad. This needs to change and, with relatively small adjustments listed above, you can begin that change process.

Al Gore in his 2013 book "The Future: Six Drivers of Global Change" writes:

The global economy is being transformed by changes far greater in speed and scale than any in human history...

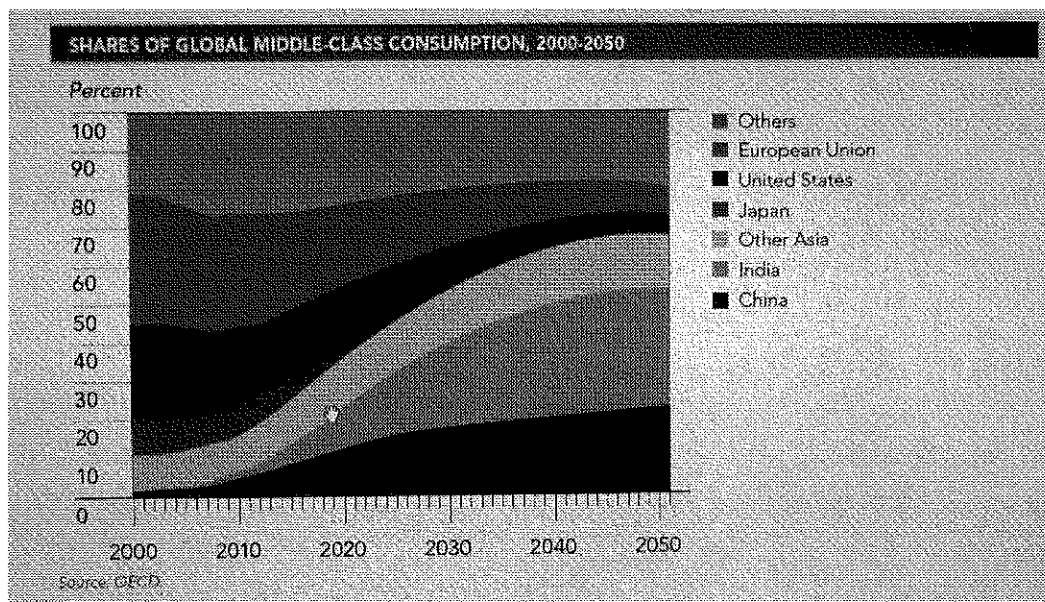
And:

...The impacts of this global economic revolution are already producing a tectonic reordering of the relative roles of the United States, Europe, China, and other emerging economies. China's economy, one third the size of the United States economy only ten years ago, will surpass the U.S. as the largest economy in the world within this decade.



Indeed, China has already moved beyond America in manufacturing output, new fixed investment, exports, steel consumption, energy consumption, CO2 emissions, car sales, new patents granted to residents and mobile phones. It now has twice the numbers of Internet users. China's rise has become the most powerful symbol of the new pattern in the global economy quickly supplanting the one long associated with U.S. dominance.

Further, the following chart from the 2013 U.S. National Intelligence Council's report "Global Trends 2030: Alternative Worlds" highlights the opportunities and challenges before Oregon.



First, note the shrinking over time of US middle-class consumption as a percentage of total global middle-class consumption. Second, note the growth of both China's and India's middle-class consumption as a percentage of total global middle-class consumption. This is the underlying economic dynamics to which I am asking you to respond. Oregon needs to develop a workforce with the skills to sell in these growing middle-class markets abroad.

To those ends, and to create an "Educating for Exports Program," I have urged the following changes in HB 3232:

Add a whereas that states "Whereas Oregon's best future opportunities for economic growth are abroad."

Add to Section 1. (The Oregon Education Investment Board shall design and implement programs that make strategic investments to:)

"(k) Prepare graduates to develop, produce and sell more Oregon goods and services abroad."

Add to Section 2. (The board shall establish the following programs to encourage and monitor strategic investments:)

“(d) The Educating for Exports Program, as established in Section 11 of this 2013 Act.”

Add a Section 11 (or renumber appropriately):

“Section 11. (1) The Oregon Education Investment Board shall establish the Educating for Exports Program to:

- (b) Increase the number of Oregon graduates at all levels who are fluent in foreign languages critical for Oregon’s economic future.
- (b) Increase the number of Oregon students at the high school level and above who are studying abroad in countries critical for Oregon’s future economic growth.
- (c) Increase other educational programs that prepare Oregon students to develop, produce and sell Oregon goods and services abroad.
- (2) To accomplish the purposes of the Educating for Exports Program, the Oregon Education Investment Board shall distribute moneys for strategic investments that advance at least one of the following missions:
 - (a) Support the development of dual language immersion programs in foreign languages critical for Oregon’s economic future.
 - (b) Support the development of high school, community college or university study abroad programs in countries or economic markets critical for Oregon’s economic future.”

Please fund all these components of an Oregon “Educating for Exports” Program.

Thank You.

Dave Porter
1113 SE Cora St.
Portland, OR 9720