

# Oregon Business Plan .org



Patrick Criteser, Chair  
Oregon Business Plan

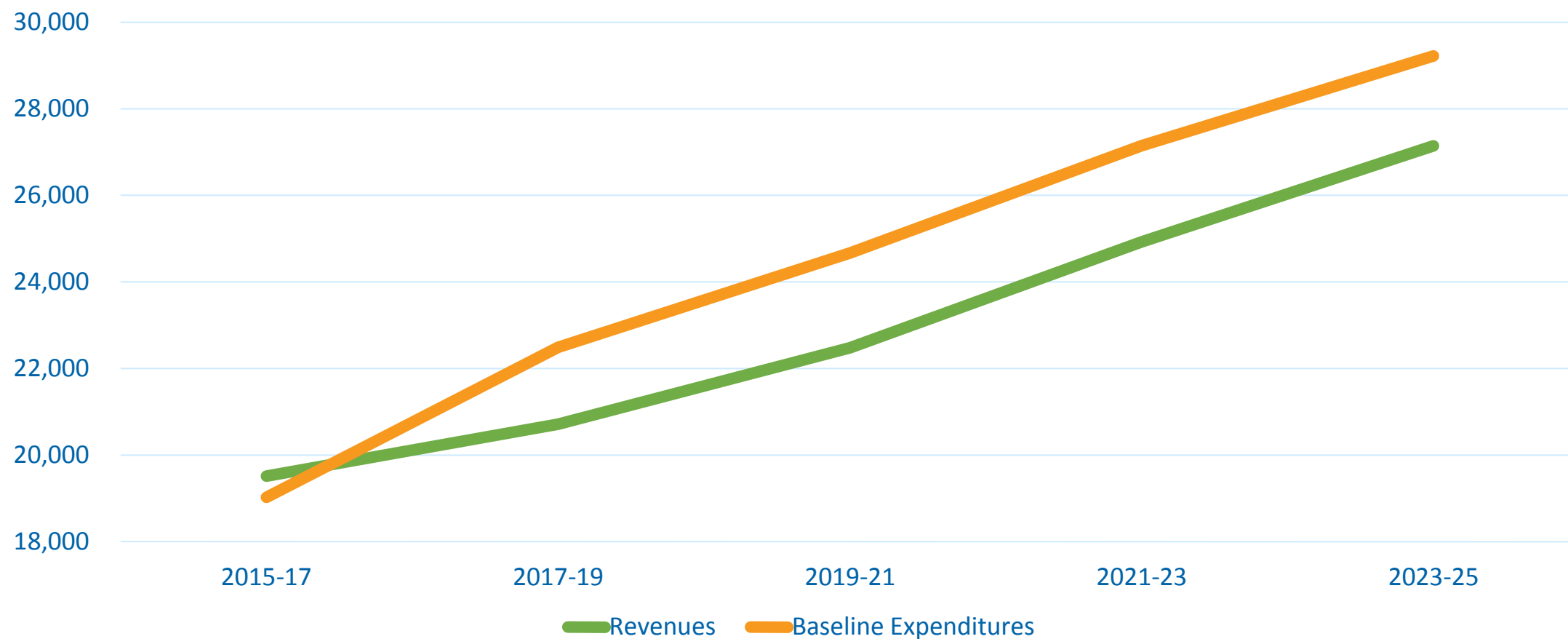
# Oregon Business Plan Fiscal Strategy

1. Grow the Economy. It's the best way to generate revenue.
2. Control the unsustainable growth of costs in state government.
3. New revenue for targeted investments that improve education and healthcare outcomes for Oregonians.

# Goals for OBP Fiscal Strategy

1. Preserve critical state services, including gains in education funding and the Medicaid expansion.
2. Additional education funding to help kids read by 3<sup>rd</sup> grade, graduate high school and attend and complete college.
3. Avoid damaging ballot measure fights so we can work together to achieve better outcomes for Oregonians.

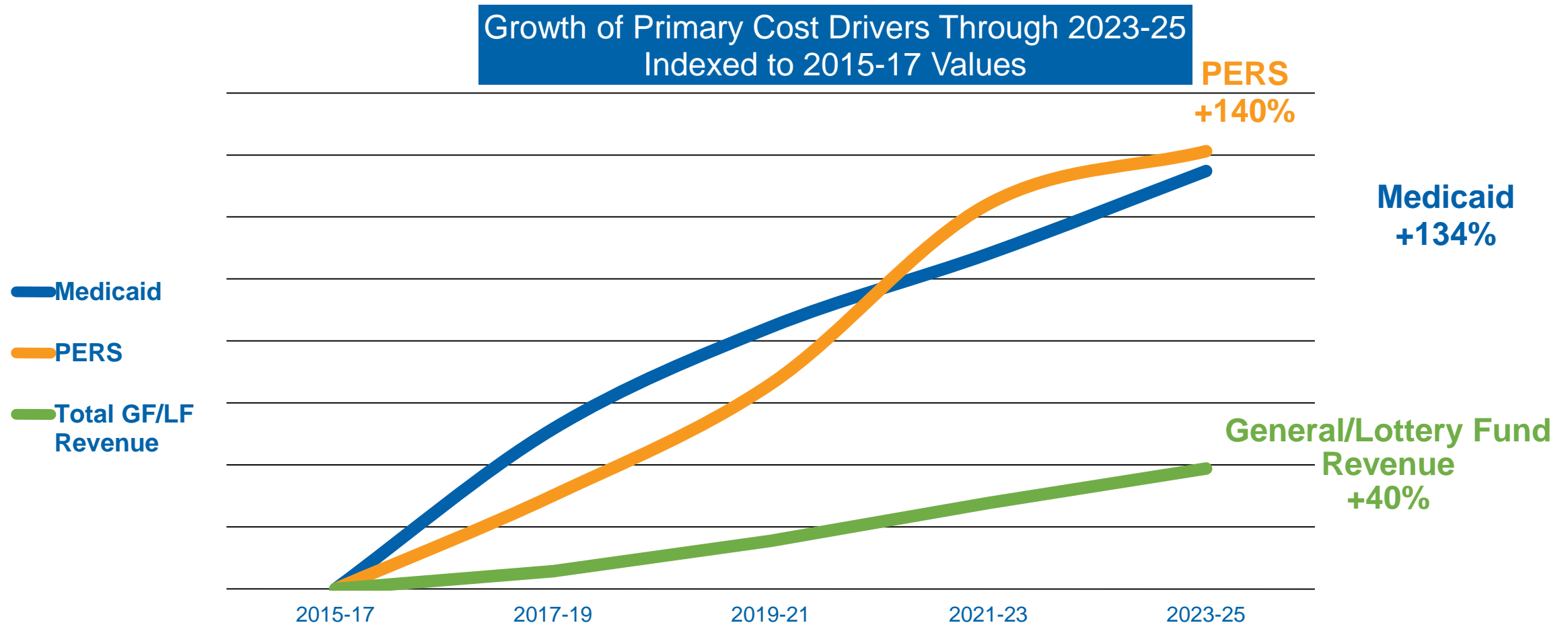
# Projected Growth of State Government Expenditures vs. Revenues (millions)



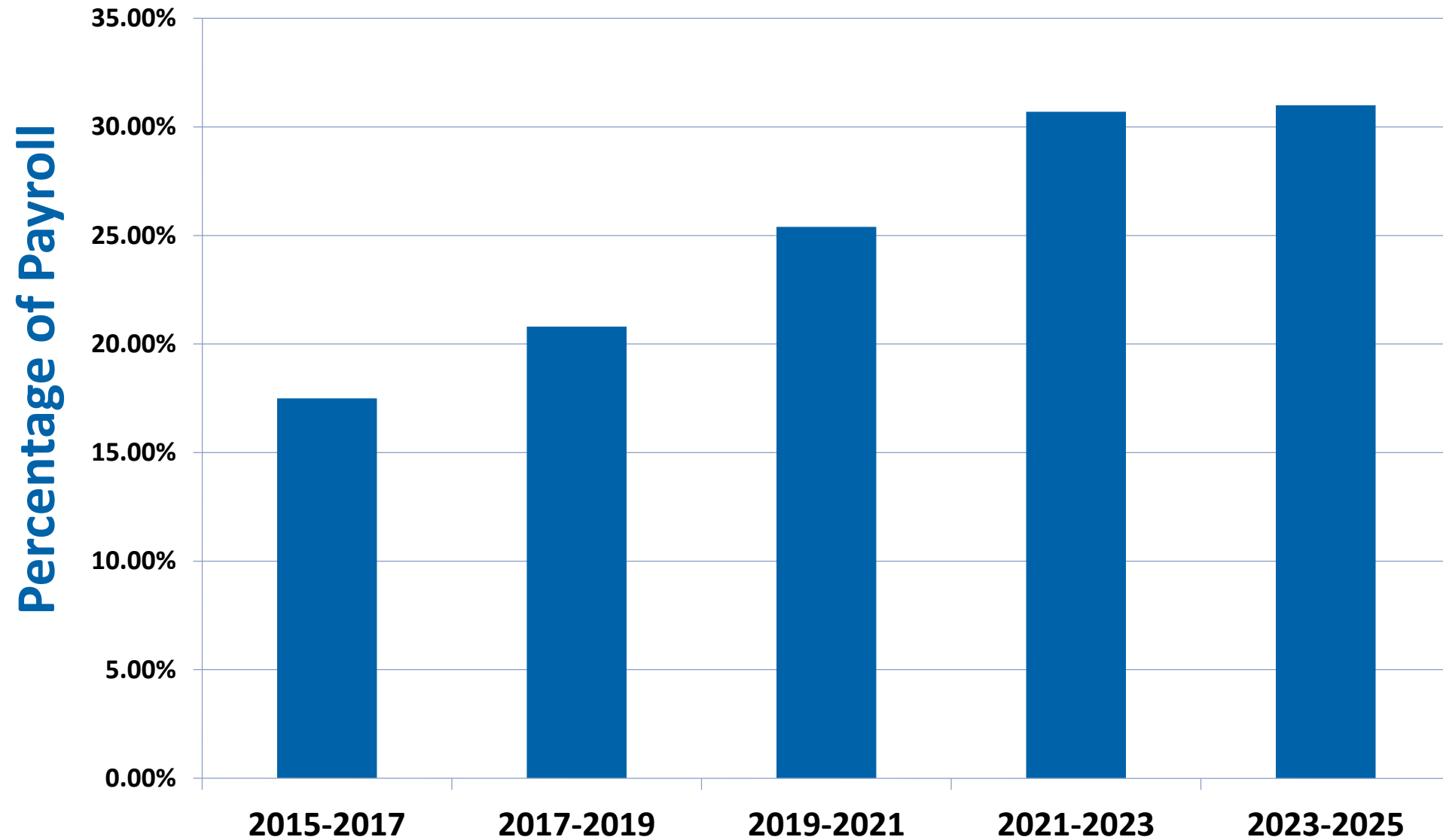
# Balance the Budget

1. Control growth in PERS costs.
2. Control growth in state employee healthcare costs.
3. Criminal justice reform.
4. Additional operating cost control.
5. Medicaid solutions, including maximize federal Medicaid match and implement provider taxes.

# Revenue vs. PERS and Medicaid Growth

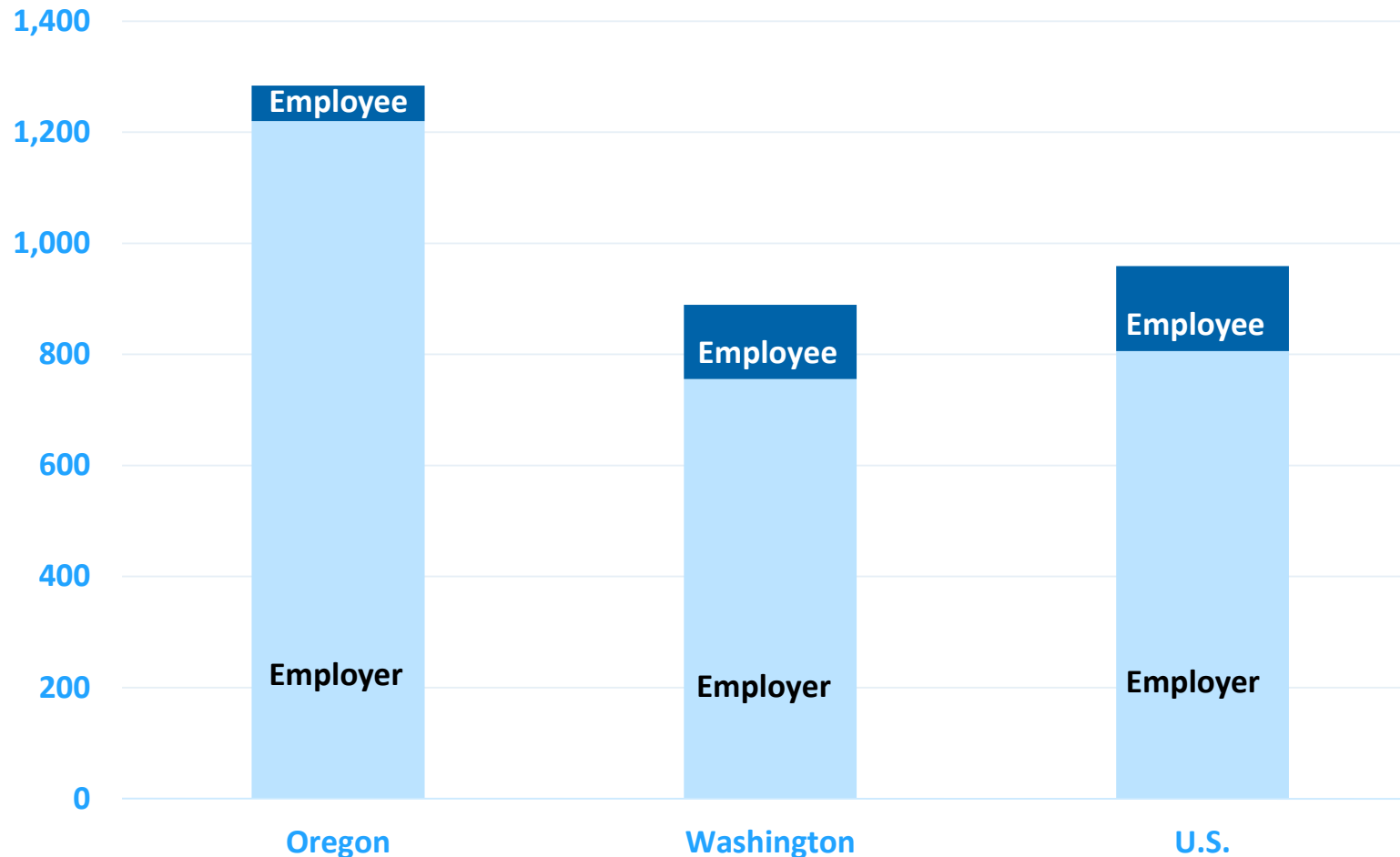


# Projected PERS Employer Rates



# Average Monthly Premiums for State Agency Health Plans

## 2013 Employer and Employee Contributions for Oregon, Washington and U.S.



### Oregon Rankings

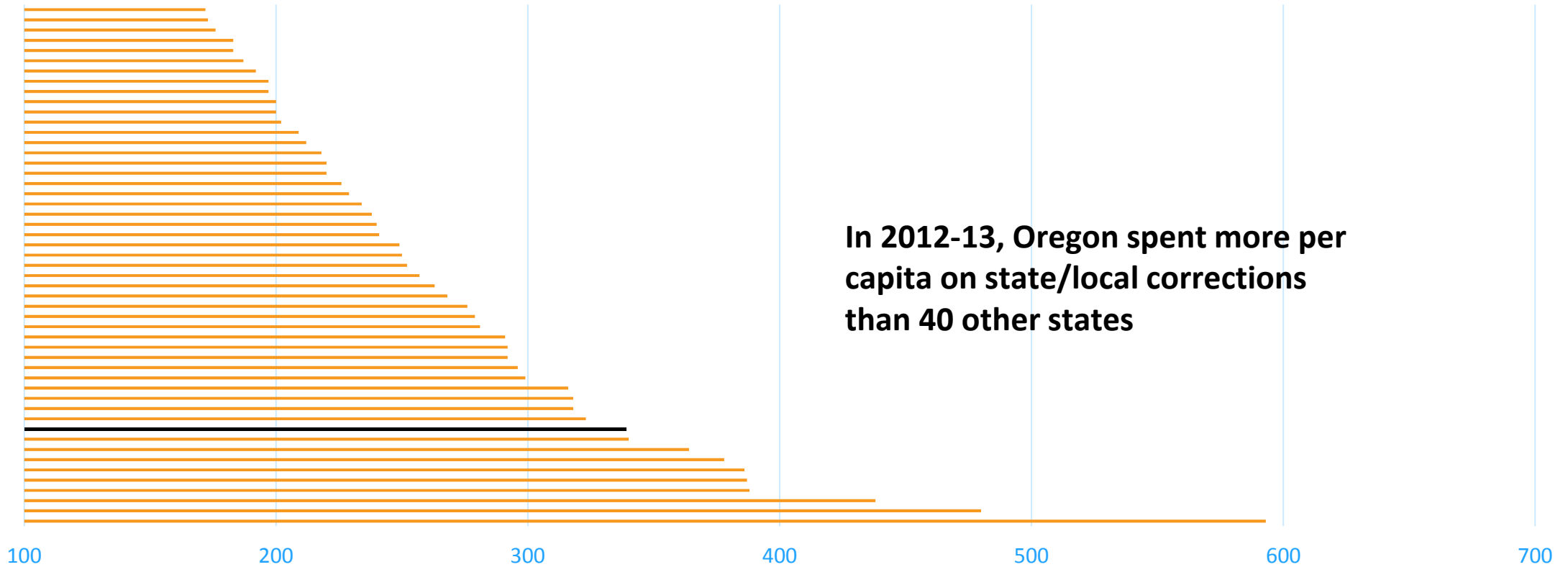
- 6<sup>th</sup> highest average total premium
- 5<sup>th</sup> lowest average employee contribution percentage

Source: ECONorthwest, The Pew Charitable Trusts. (August 2014) *State Employee Health Plan Spending*. Table 1. Analysis does not include school district or local government employees.



# State and Local Corrections Spending Per Cap

## State/Local Per Capita Corrections Spending



Source: US Department of Education, *“State and Local Expenditures on Corrections and Education: A Brief from the US Department of Education, Policy and Program Studies Service.”* July 2016

# Investments in Oregon

With a balanced budget, we can make new investments in education with new revenues.

We are targeting \$500M directed at outcomes in:

- Age 3 to Grade 3 literacy

- K-12 student success

- Higher Education access and affordability

# Bridge Tax Options

We are committed to supporting and participating in long-term, sensible tax reform. However, we don't believe a CAT or GRT is viable at this time.

Options for near-term increase in education funding:

- Corporate Income Tax increase.
- Refining 2013 pass-through tax cut.
- Eliminate commercial property tax early payment discount.
- Healthcare premium tax.

# Summary

- The budget can be balanced through cost containment and Medicaid solutions.
- With meaningful cost containment, there is a broad base of business support for raising revenue to fund critical education investments.
- As we have been doing for the past several months, we are interested in working with elected leaders to achieve our shared objectives for Oregon.

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Thank You