

OREGON PERS RETIREES, INC.

2024 **LEGISLATIVE** **REPORT**



PUBLIC AFFAIRS
C O U N S E L

2024 Oregon Legislative Session Recap (February 5 – March 7)

The 2024 Oregon legislature performed almost exactly to script: Heavy bipartisan focus on reforming Measure 110 and increasing housing supply, very few overtly partisan issues, and prolific spending fueled by ever-increasing tax revenues that had accumulated since the end of the 2023 session.

The Legislature conducted its business in 32 days, adjourning on Thursday evening, March 7th, with three days to spare before the 35-day Constitutional deadline of March 10th.

The 2024 session saw the introduction of 291 bills – an enormous number of bills to consider in just one month’s time – but nowhere near the 3,000 bills introduced in a typical long session. Still, the session pushed the limits of a 35-day session as many of the bills were far too complicated and pushed too far with inadequate time for vetting.

But through it all, most of the potentially controversial, party-line bills failed to advance past the session’s second week, and most bills that ended up passing did so with bipartisan support.

Ultimately, the 2024 legislature did exactly what it set out to do, with one major 11th hour addition:

- **Measure 110 Reforms (HB 4002, HB 5204):** The legislature officially ended Oregon’s Measure 110 drug decriminalization experiment by re-establishing possession of small amounts of hard drugs as a misdemeanor crime. HB 4002 also permits counties to set up systems offering “deflection,” where those facing possession charges can opt for treatment. HB 5204 allocated \$211 million to expand treatment programs.
- **Housing (SB 1530, SB 1537):** Governor Kotek made very clear her goal of creating a framework in which Oregon could add 36,000 new housing units per year. The most controversial aspect of SB 1537 would allow cities to modestly expand their UGB’s when certain conditions are met. The less controversial aspect was the \$376 million housing package, including a new \$75 million revolving loan fund for local governments to help finance affordable and moderate-income housing construction; \$94 million for 44 infrastructure projects; and \$65 million for emergency shelters. The legislature also created a state Housing Accountability and Production Office to support local governments in meeting housing goals. While the package was a significant cut from the \$500 million and initial policy goals sought by the Governor, it was still very substantial.

- **Campaign Finance Limits (HB 4024):** The 11th hour addition of campaign finance reform into the “deliverables” of the 2024 session was the result of some very stringent campaign finance reform measures that were poised to qualify for the 2024 ballot. For the first time since 1996, there will be limits on contributions that can be given to candidates from businesses, unions and PACs. However, those limits will not apply until after the 2026 elections.
- **Spend, spend, spend:** The 2024 Legislature had an inordinate amount of money at its disposal to spend – far more than any other short session in recent memory - due to consistent revenue gains with each quarterly forecast. All told, the legislature had over \$1 billion in “new” revenues since the conclusion of the 2023 session. All told, budget writers allocated that \$1 billion among the Measure 110 reforms (\$211 million), Governor’s housing package (\$376 million), summer educational programs (\$30 million), and over \$400 million in final discretionary expenditures which included over \$40 million for forest fire suppression costs and \$39 million for highway maintenance.

The 2024 session ended as it began - on an upbeat note - as the parties coordinated the resignation of Dan Rayfield (D-Corvallis) as Speaker of the House, and the election of Rep. Julie Fahey as the new Speaker. Although Rayfield is not resigning from the House, he is the Democratic front-runner for Attorney General. Prior to her ascension to Speaker, Fahey, who’s known as a policy wonk, was the House Majority Leader.

As of now, known changes in the legislature will include the loss of the following seven senators and seven representatives:

SENATE

- Sen Art Robinson (R- Grants Pass): Out due to Measure 113
- Sen Brian Boquist (R- Dallas): Out due to Measure 113
- Sen Michael Dembrow (D- Portland): Retiring
- Sen Tim Knopp (R- Bend; **Republican Leader**): Out due to Measure 113
- Sen Dennis Linthicum (R- Klamath Falls): Out due to Measure 113
- Sen Bill Hansell (R- Athena): Retiring
- Sen Lynn Findley (R- Vale): Retiring

HOUSE

- Rep Christine Goodwin (R- Canyonville): Running for State Senate
- Rep Paul Holvey (D- Eugene; ***Speaker Pro Tem***): Retiring
- Rep Dan Rayfield (D- Corvallis; ***Speaker of the House***): Running for Attorney General
- Rep Brian Stout (R- Scappoose): Retiring
- Rep Maxine Dexter (D- Portland): Running for Congress
- Rep Janelle Bynum (D- Clackamas): Running for Congress
- Rep Khan Pham (D- Portland): Running for State Senate

Oregon PERS Retirees, Inc (OPRI) 2024 Legislative Session Summary

Public Affairs Counsel was pleased to advocate and monitor the following issues for Oregon PERS Retirees, Inc during the 2024 Oregon legislative session. This is a recap of issues that were identified as top legislative priorities for OPRI during the 32-day legislative session.

Public Safety Workforce Stabilization Act (HB 4045): HB 4045 was a comprehensive PERS expansion for public safety workers known as “The Public Safety Workforce Stabilization Act of 2024.”

HB 4045 does three things: (1) It adds elected District Attorneys into the ‘Police and Fire’ category; (2) it creates a new PERS category for ‘hazardous positions’ dedicated to front-line workers who work at the Oregon State Hospital or are 911 call dispatchers; and (3) it lowers the retirement age for OPSRP ‘Police and Fire’ positions from age 60 to age 55 (or age 53 if accompanied with 25 years of service). ***OPRI actively supported the legislation.*** The bill was intended to help support these professions and help address emerging workforce shortages in these positions.

- **Final Action:** Despite an estimated cost in excess of \$60 million to the PERS system, the legislature moved forward with this legislation in an attempt to help bolster its public safety workforce. The bill garnered strong bipartisan support.
HB 4045-A passed.

COAL Act (HB 4083): HB 4083 directs the Oregon Investment Council and the State Treasurer to make efforts to eliminate investments in thermal coal companies. It gives some flexibility that divestments must be accomplished without monetary loss to the investment funds. Finally, it allows for investments to be retained in a thermal coal company that is transitioning to clean energy. HB 4083 was a modified attempt to leverage state investments to reduce greenhouse gas emissions. It gained much more traction than previous efforts to wholesale divest from fossil fuel energy investments. The State Treasurers Office did not oppose this legislation as it had in previous attempts. As the legislation evolved, the Treasurer supported the bill.

- **Final Action:** HB 4083 gained enormous traction over the course of the 2024 session and ultimately passed both the House and Senate on party-line votes.
HB 4083 passed.

Campaign Finance Reform (HB 4024): Campaign finance reform is now a reality in Oregon for the first time since 1996. The Oregon legislature responded to the prospect of two very stringent campaign finance measures that appeared poised to qualify for the 2024 ballot. Rather than being hamstrung by tight limits, both parties worked to produce a bill that would seek a middle ground and disallow large contributions from businesses, individuals, unions and PACs. OPRI is still analyzing the effects of the law and how it may impact OPRI-PAC. It is very likely that OPRI will not be severely impacted as it is a 'small dollar' PAC that the new law gives a significant preference to.

- **Final Action: HB 4024 passed.** There will be new limits in how much businesses, unions, and Political Action Committees (PACs) can raise and spend on political candidates. However, the new law will not take effect until 2027. It is unclear how the bill will impact OPRI's 'small dollar' PAC. OPRI currently raises over 99% of its political money through small donations of \$100 or less.



HB 4045: PUBLIC SAFETY WORKFORCE STABILIZATION ACT OF 2024

ADDS DISTRICT ATTORNEYS TO THE POLICE & FIRE CATEGORY

Why? Deputy District Attorneys are already in the P&F category, but their upward mobility is limited because they will lose their P&F benefits if they decide to serve as the Elected DA. In many small and medium size counties the Elected DA serves as the primary DA, while carrying a caseload and operating in a full-time DDA role.

What will it cost? This applies to 36 Elected DA positions across the State, which is a small number of people serving a critically important role to Public Safety. Expected General Fund budget impact is negligible and less than \$250,000 per year.

LOWERS RETIREMENT AGE OF OPSRP POLICE & FIRE TO 55 (53 IF 25 YRS SERVED)

Why? As police officers and firefighters age in these physically demanding roles, their rate of injury, workers comp claims, and other paid leave claims dramatically increases. This is not only an expensive burden on these systems, but it also raises concerns that above the age of 55, the job is increasingly risky for these workers and those they serve. This change also makes recruitment for these jobs more competitive at a critical time of addressing workforce shortages.

What will it cost? This will raise PERS contribution amounts by less than 1% (estimates of 0.7%) and add just over \$60 million to the UAL. Implementation cost to PERS should be low, as all these members already receive PERS.

CREATES A NEW PERS CATEGORY FOR HAZARDOUS POSITIONS

Why? Workers at the Oregon State Hospital (OSH) and 911 call centers face physically dangerous and/or psychologically stressful job conditions, but they do not receive retirement benefits commensurate with those inherent job risks. At PERS' suggestion, this new category would help 3,200 public safety workers qualify for the benefits they deserve at a time of extreme workforce shortages.

What will it cost? This category will be set up once PERS has completed its modernization projects, which they have said on the record will make this effort significantly more cost-effective. PERS' estimate for the cost without that modernization effort is ~17 million (+/- 50%), we expect the final fiscal to be significantly lower. The guard rails on qualifying employees will also help limit increased PERS contribution amounts from employers.

The COAL Act

Clean Oregon Assets Legislation

Oregon Treasury invests at least \$1 BILLION in coal*

Oregon's public equity coal investments have underperformed by an estimated **half a billion** dollars in the past 10 years*



Coal...

- is a dying industry
- has declining value over time
- pollutes and is harmful to health – low income and people of color are most likely to be impacted



Oregon started phasing out coal as a power source in 2016.

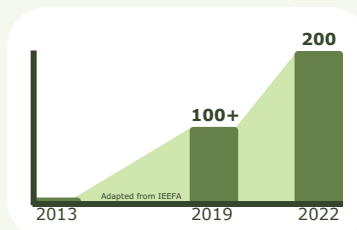


California SB 185 mandated coal investment exit in 2015.

CalPERS estimates a positive impact of \$598 million in the first 6 years.



An increasing number of financial institutions are exiting from coal to avoid stranded assets



2024 Legislation

- ✓ Phase out coal investments according to the Intergovernmental Panel on Climate Change guidelines
- ✓ No new coal investments
- ✓ Report on the phase out of coal and its economic benefit

This legislation aligns with the Oregon State Treasury's fiduciary duty to protect PERS members' retirement funds.



HB 4024A | CONTRIBUTION LIMITS OPERATIVE JAN 1, 2027

| DONORS Ⓡ | RECIPIENTS | | | | | | | |
|---|---|--|----------------------------|-------------------|-------------------|-------------------|--------------------------|---|
| | Legislative Candidate Committee | Statewide Candidate Committee | Multi Candidate Committee | Party Committee | Caucus Committee | Measure Committee | Small Donor Committee | Membership Organization / Membership Org Committee |
| Persons | \$3,300 per election | \$3,300 per election | \$5,000 per election cycle | \$10,000 per year | \$10,000 per year | Unlimited | \$250 (individuals only) | Unlimited |
| Candidate Committee | \$2,000 per election | \$2,000 per election cycle | \$5,000 per year | \$5,000 per year | \$5,000 per year | Unlimited | Prohibited | Prohibited |
| Multi Candidate Committee | \$5,000 per election cycle | \$5,000 per election cycle | \$5,000 per year | \$15,000 per year | \$15,000 per year | Unlimited | Prohibited | Prohibited |
| Party Committees | \$15,000 per election | \$30,000 per election | \$5,000 per election cycle | \$15,000 per year | \$15,000 per year | Unlimited | Prohibited | Prohibited |
| Caucus Committee | \$15,000 per election | \$30,000 per election | \$5,000 per year | \$15,000 per year | \$15,000 per year | Unlimited | Prohibited | Prohibited |
| Membership Organization / Membership Org Committee | \$3,300 x4 (\$13,200) per election | \$3,300 x8 (\$26,400) per election | \$5,000 per year | \$10,000 per year | \$10,000 per year | Unlimited | Prohibited | Unlimited |
| Small Donor Committee | \$5 x number of contributors to SDC per election | \$10 x number of contributors to SDC per election | \$5,000 per year | \$10,000 per year | \$10,000 per year | Unlimited | Prohibited | Prohibited |

NOTES:
 References to \$3,300 per election are for illustration only; language in the bill would set the amounts and tie them all to inflation in January
 When the term "election" is used: the primary election and the general election are separate elections

2024 Legislative Session Report

Report Date: March 14, 2024

Oregon PERS Retirees

| Bill Number | Priority | Position | Status |
|---|-------------|----------|---------|
| HB 4024 | 1 | Watch | Pending |
| <p>Requires the Secretary of State to study how best to improve the campaign finance system in the State of Oregon.</p> <p>Relating to campaign finance; creating new provisions; amending ORS 162.005, 260.005, 260.042, 260.232, 260.266, 260.345, 260.402, 260.715 and 260.995; repealing ORS 260.275, 260.281 and 260.285 and chapter 3, Oregon Laws 2007; and prescribing an effective date.</p> | | | |
| HB 4045 | 2 | Support | Pending |
| <p>Provides that district attorneys, and forensic scientists and evidence technicians employed by the Department of State Police, qualify as police officers under the Public Employees Retirement System.</p> <p>Relating to adjustments in classifications under the Public Employees Retirement System; creating new provisions; amending ORS 238.005, 238A.005, 238A.125, 238A.134, 238A.160, 238A.220, 238A.240, 338.135, 352.138 and 353.100.</p> | | | |
| HB 4083 | 2 | Watch | Pending |
| <p>Directs the Oregon Investment Council and the State Treasurer to make efforts to eliminate certain investments in thermal coal companies.</p> <p>Relating to the removal of thermal coal from the State Treasury investment portfolio.</p> | | | |
| HB 4116 | No Priority | Watch | Failed |
| <p>Provides that forensic scientists and evidence technicians employed by the Department of State Police qualify as police officers under the Public Employees Retirement System.</p> <p>Relating to police officers under the Public Employees Retirement System; creating new provisions; and amending ORS 238.005.</p> | | | |
| HB 4157 | No Priority | Support | Failed |
| <p>Provides that district attorneys qualify as police officers under the Public Employees Retirement System.</p> <p>Relating to adjustments in classifications under the Public Employees Retirement System; creating new provisions; amending ORS 238.005, 238A.005, 238A.125, 238A.134, 238A.160, 238A.220, 238A.240, 338.135, 352.138 and 353.100.</p> | | | |

2024 Interim Calendar Key Dates

- **May 21st**: Primary Election
- **May 29-31st**: Legislative Days
- **August 28th** : Revenue Forecast
- **September 23-25th** : Legislative Days
- **September 26th** : *Legislative Counsel request deadline for 2025 pre-session bills*
- **November 5th** : General Election
- **November 20th** : Revenue Forecast
- **December 10-12th** : Legislative Days
- **December 13th**: *Bill filing deadline for 2025 pre-session bills*
- **December 18th** : Revenue Forecast

2024 INTERIM CALENDAR

| APRIL | | | | | | |
|-------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | | | | |

| MAY | | | | | | |
|-----|--------------------|------------------------|--------------------------------|----------------|----------------|----|
| S | M | T | W | T | F | S |
| | | | 1 | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 Primary Election | 22 | 23 | 24 | 25 |
| 26 | 27 Memorial Day | 28 Task force | 29 Leg Days Rev Forecast | 30 Leg Days | 31 Leg Days | |

| JUNE | | | | | | |
|------|----|----|------------------|----|----|----|
| S | M | T | W | T | F | S |
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 Juneteenth | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | | | | | | |

| KEY |
|----------------------------|
| Legislative Committee Days |
| Optional task force days |
| State Holidays |
| Elections |
| Projected revenue forecast |
| LC-Related deadlines |

| JULY | | | | | | |
|------|----|----|----|---------------------|----|----|
| S | M | T | W | T | F | S |
| | 1 | 2 | 3 | 4 Fourth of July | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

| AUGUST | | | | | | |
|--------|----|----|----------------|----|----|----|
| S | M | T | W | T | F | S |
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 Forecast | 29 | 30 | 31 |

| SEPTEMBER | | | | | | |
|-----------|----------------|----------------|----------------|------------------|------------------------|----|
| S | M | T | W | T | F | S |
| 1 | 2 Labor Day | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 Leg days | 24 Leg days | 25 Leg days | 26 Task force | 27 Request Deadline | 28 |
| 29 | 30 | | | | | |

| OCTOBER | | | | | | |
|---------|----|----|----|----|----|----|
| S | M | T | W | T | F | S |
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | 31 | | |

| NOVEMBER | | | | | | |
|----------|------------------------|-----------------------|----------------|---------------------|----|----|
| S | M | T | W | T | F | S |
| | | | | | 1 | 2 |
| 3 | 4 | 5 General Election | 6 | 7 | 8 | 9 |
| 10 | 11 Veterans (Obsvd) | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 Forecast | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 Thanks-giving | 29 | 30 |

| DECEMBER | | | | | | |
|----------|-----------------|----------------|-------------------------|----------------|----------------------------|----|
| S | M | T | W | T | F | S |
| 1 | 2 | 3 | 4 LC Drafts Returned | 5 | 6 | 7 |
| 8 | 9 Task Force | 10 Leg Days | 11 Leg Days | 12 Leg Days | 13 Bill Filing Deadline | 14 |
| 15 | 16 | 17 | 18 Forecast | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 Christmas | 26 | 27 | 28 |
| 29 | 30 | 31 | | | | |