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DEFICITS
PATH
PERS



TAXES
JOB



COMPROMISE
SPENDING

HEALTH
INVESTMENT



BUDGET
GROWTH
EDUCATION



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PATRICK CRITESER

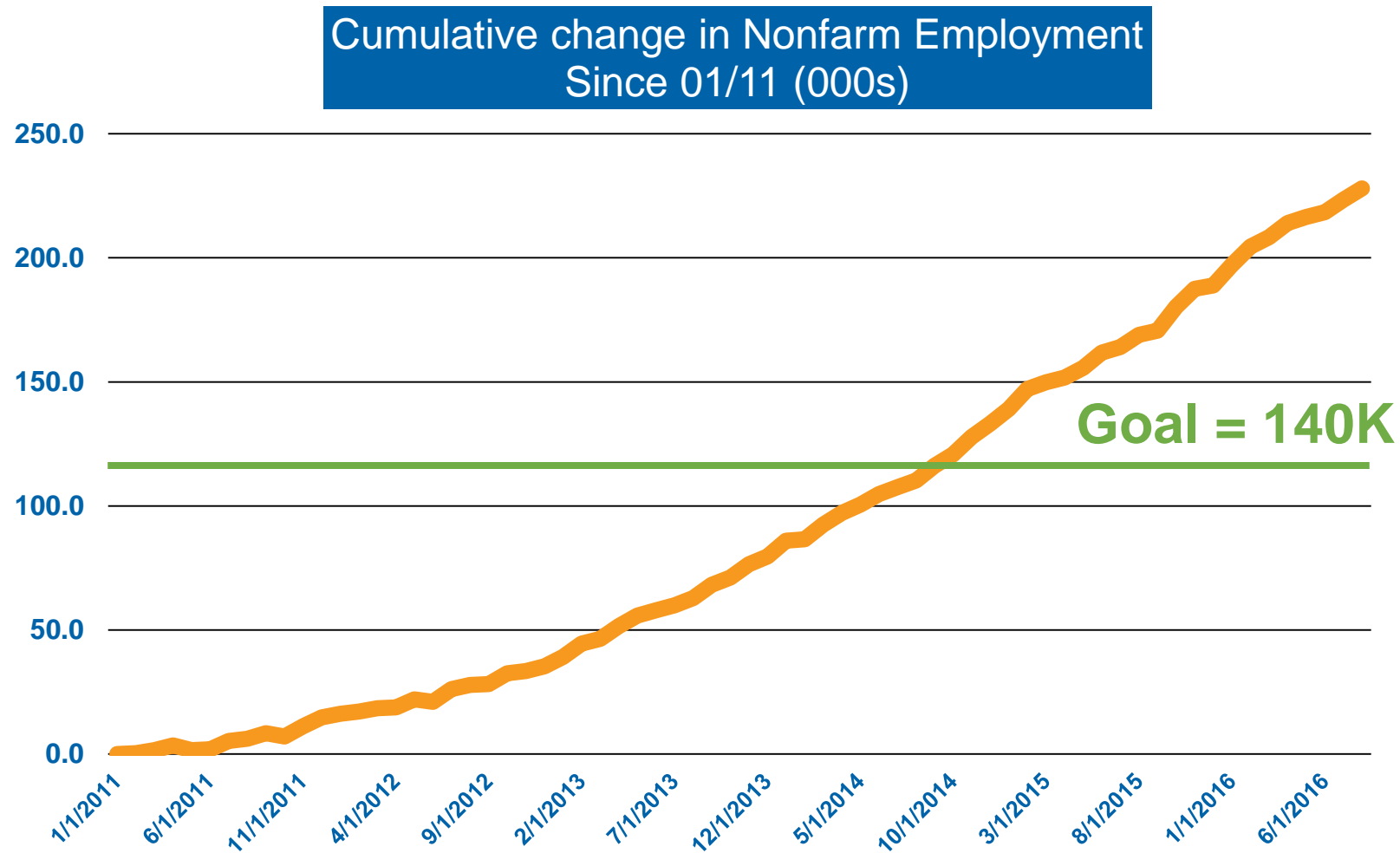
**TILLAMOOK COUNTY CREAMERY
ASSOCIATION; OREGON BUSINESS PLAN
CHAIR**

BALANCE
VISION
CHALLENGE
PARTNERSHIP
PATH
PROGRESS
INVESTMENT
LEADERSHIP
COMMUNITY
INCLUSION

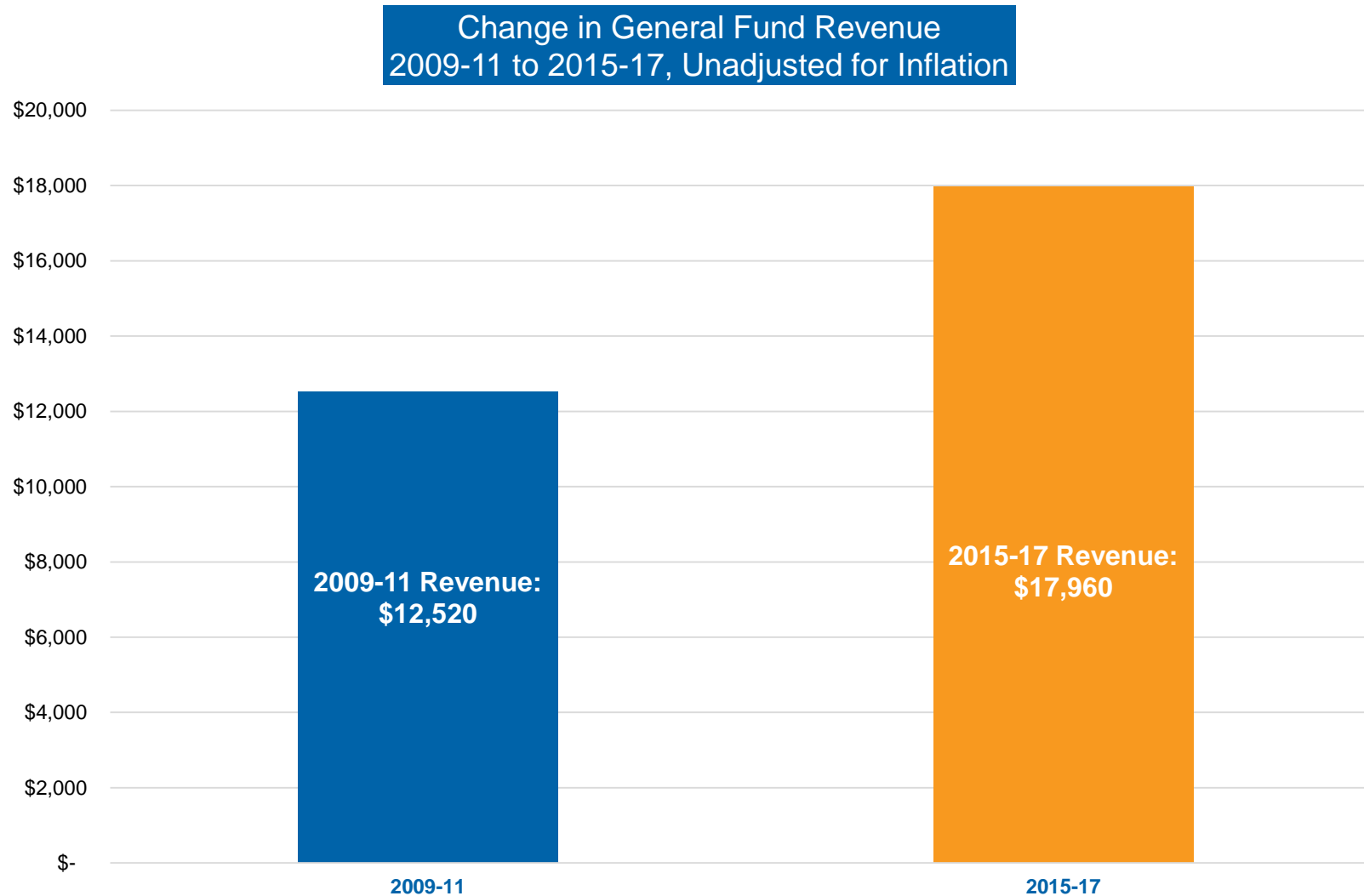
Vision for Oregon

1. STRONG ECONOMY WITH A STRONG MIDDLE CLASS
2. WELL-EDUCATED PEOPLE WITH ACCESS TO QUALITY EDUCATION
3. HEALTHY PEOPLE AND ACCESS TO QUALITY HEALTH CARE
4. SAFE COMMUNITIES AND JUST INCARCERATION POLICIES
5. GREAT PLACE TO LIVE

Oregon Exceeding Jobs Goals

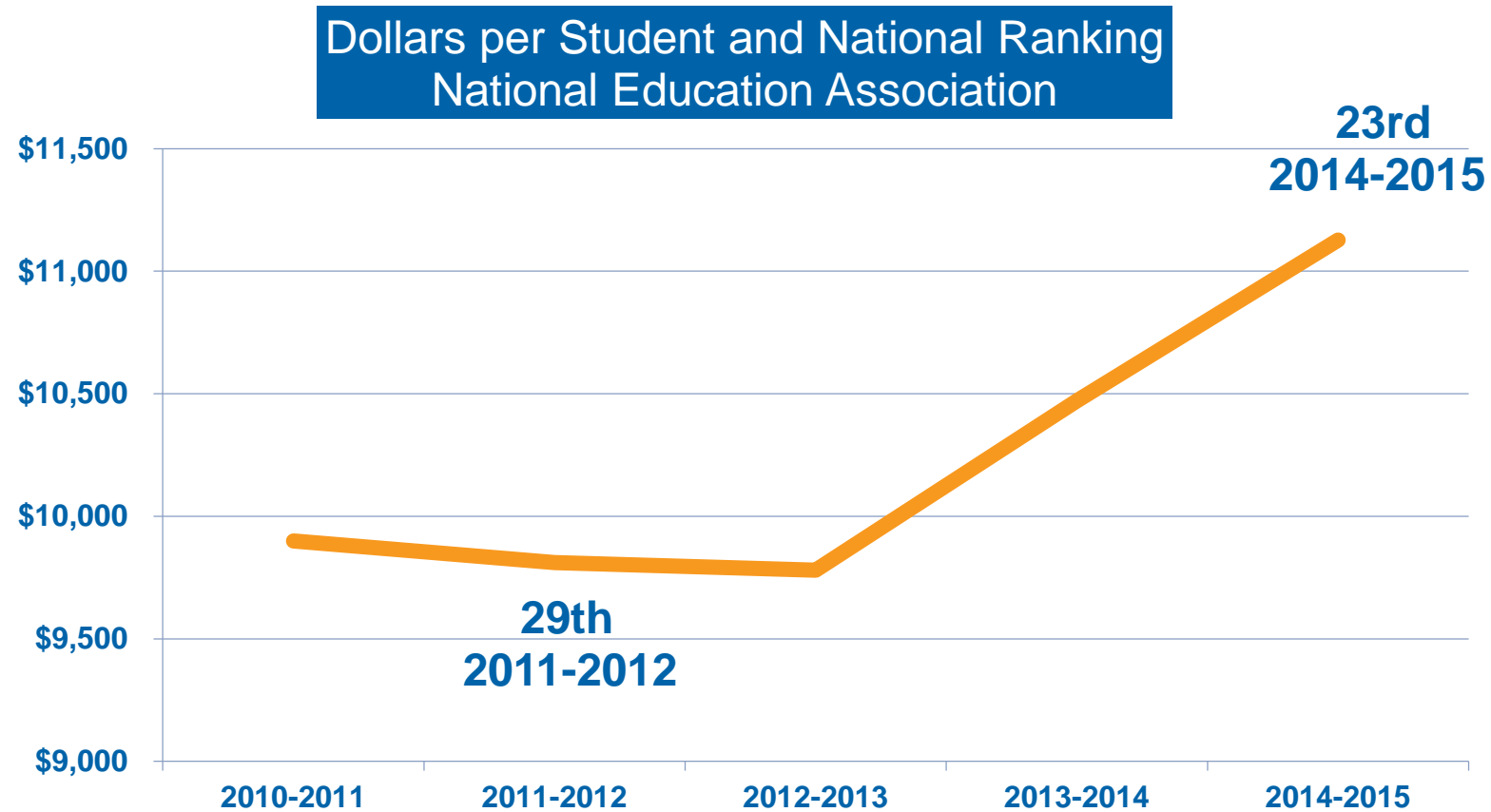


State Revenues Up 40% Since 2009-2011

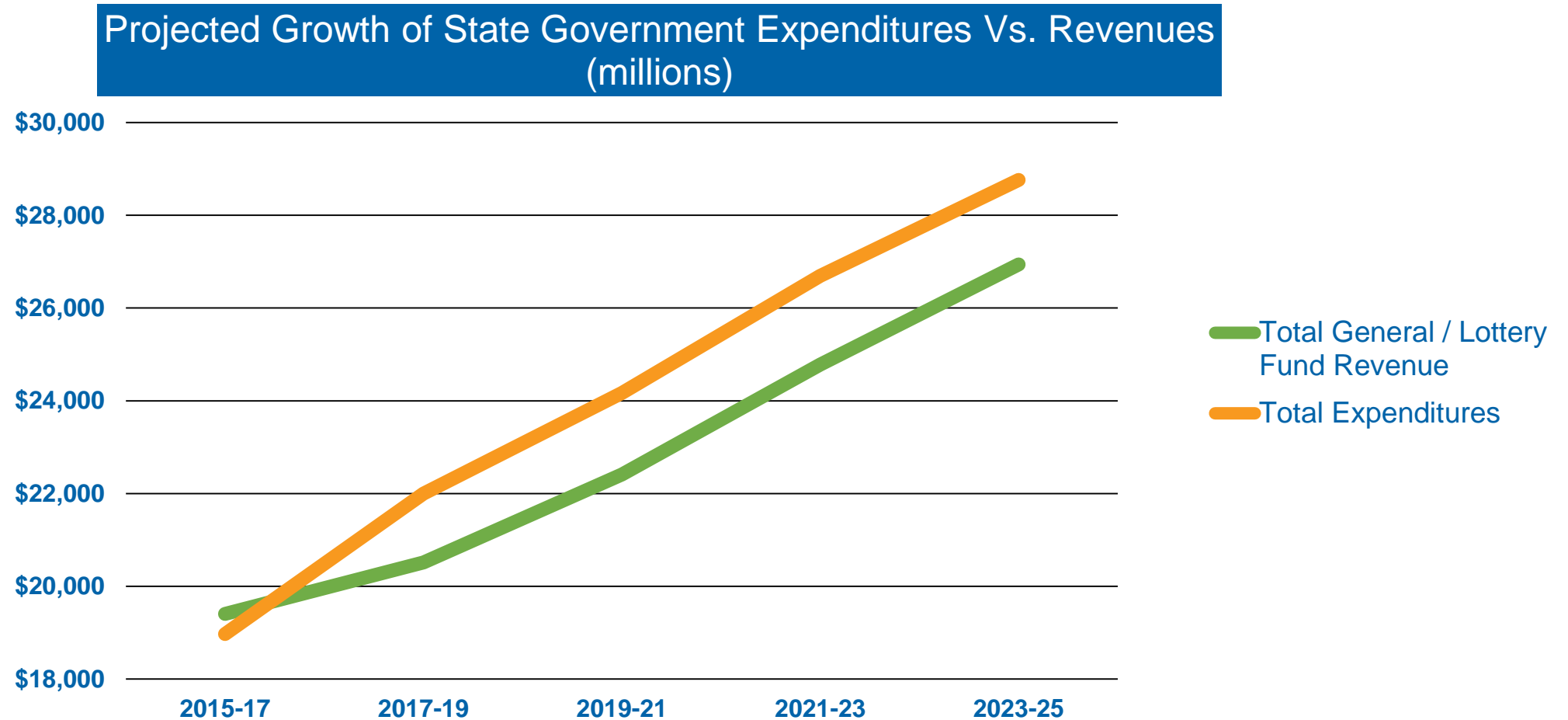


Source: Legislative Fiscal Office and Office of Economic Analysis

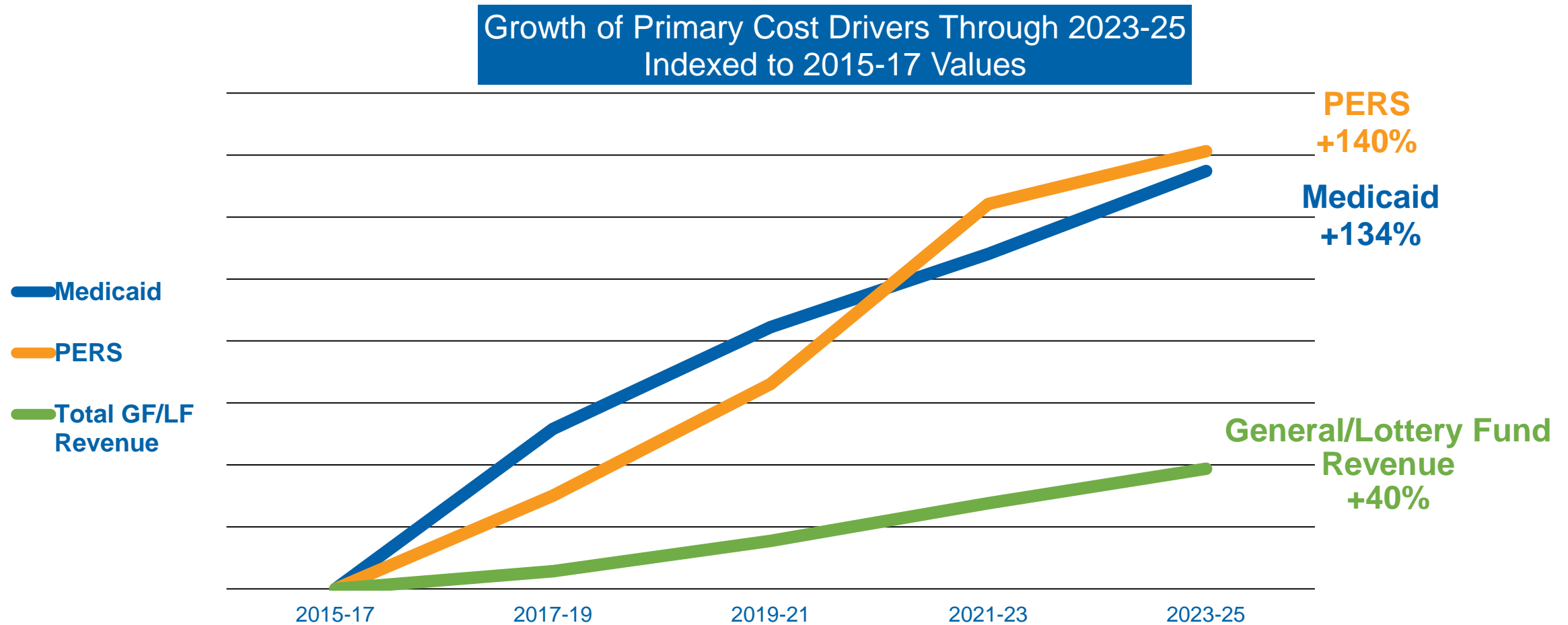
Oregon Making Big Gains in K-12 Spending



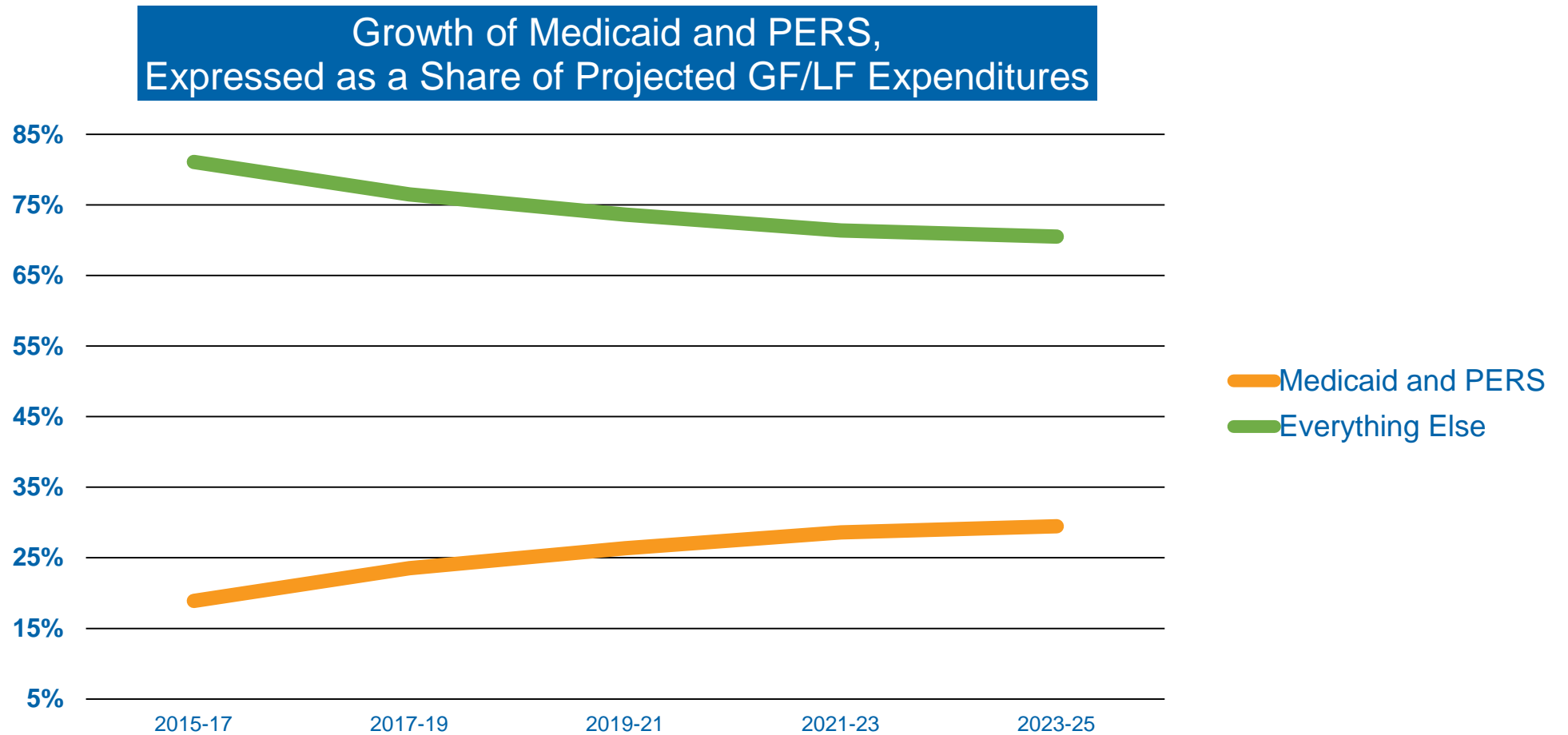
Expenditures Growing Faster than Revenues



Revenue vs. PERS and Medicaid Growth



Medicaid + PERS Consuming Growing Share of Budget



A Path Forward

- Economic Growth
- Cost/Spending Reform
- Tax Reform

CARMEN RUBIO
EXECUTIVE DIRECTOR, LATINO
NETWORK



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A Path Forward

- Economic Growth
- Cost/Spending Reform
- Tax Reform

Grow the Economy

- Transportation
- Research and Development
- Do No Harm

RUKAIYAH ADAMS

**MEMBER, OREGON INVESTMENT
COUNCIL**

PENSION EQUITY **KIDS** WEALTH TRANSFER
INVESTMENTS UNFUNDED LIABILITY
MORAL IMPERATIVE INTERGENERATIONAL
KEEP PROMISE **PROSPERITY**
EDUCATION SOCIAL SERVICES
INFRASTRUCTURE

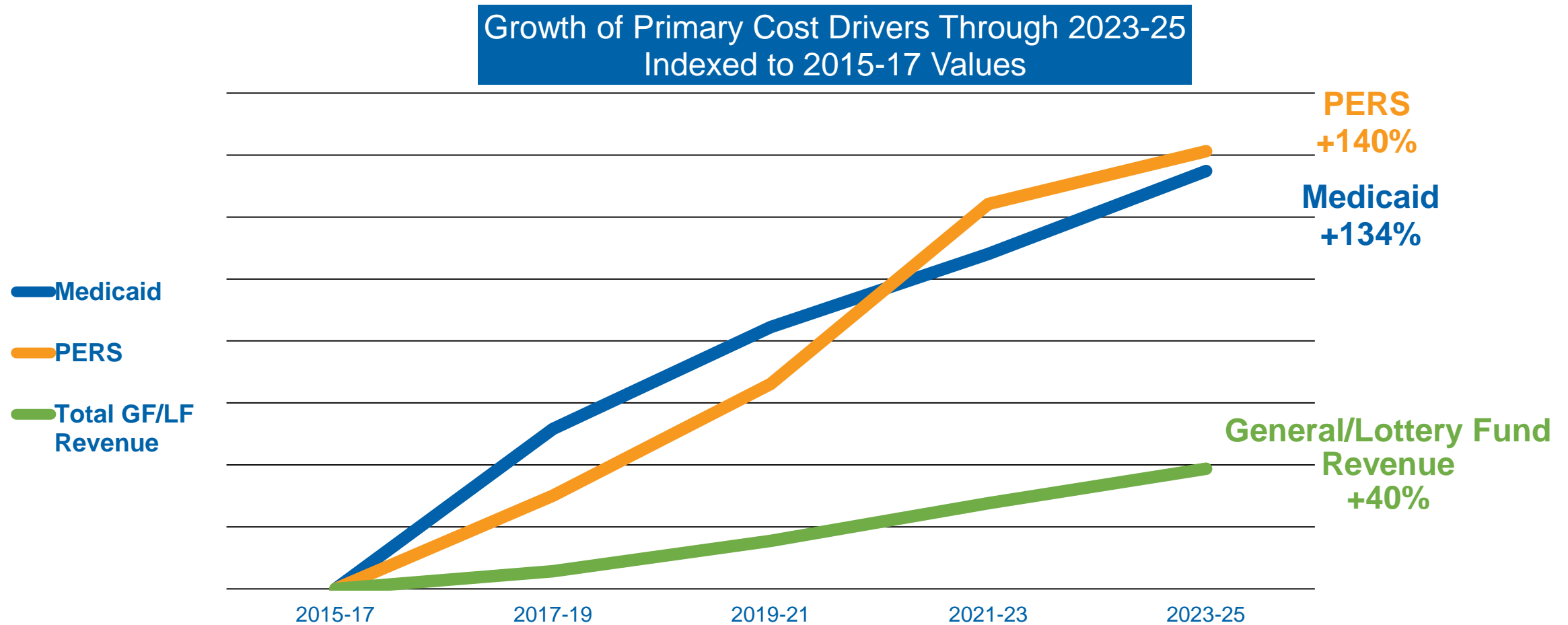
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TIM NESBITT
CONSULTANT

EQUITY
IMPERATIVE
FUTURE
RESPONSIBILITY
PERS
PENSIONS
LEGACY
EMPLOYEES
REFORM
RETIREMENT
FAIRNESS

Revenue vs. PERS and Medicaid Growth



Redirecting IAP

18%

Current Employer Rate

12%

Future Employer
Rate Increase

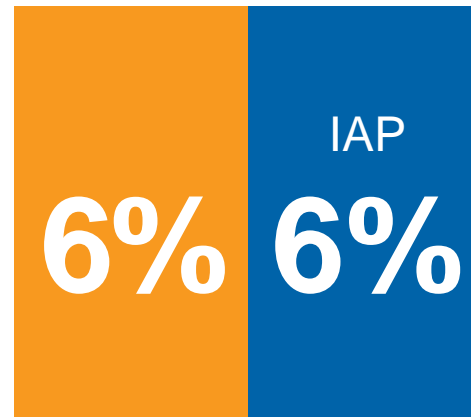
IAP
6%

Employee
Contribution

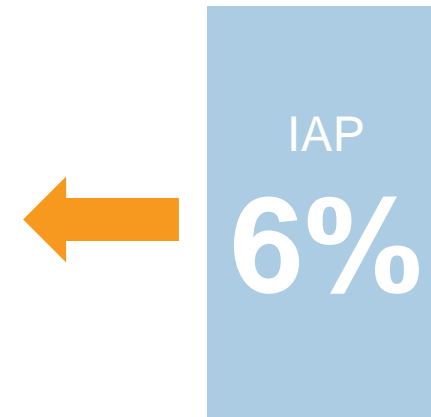
Redirecting IAP



Current Employer Rate



Shared responsibility



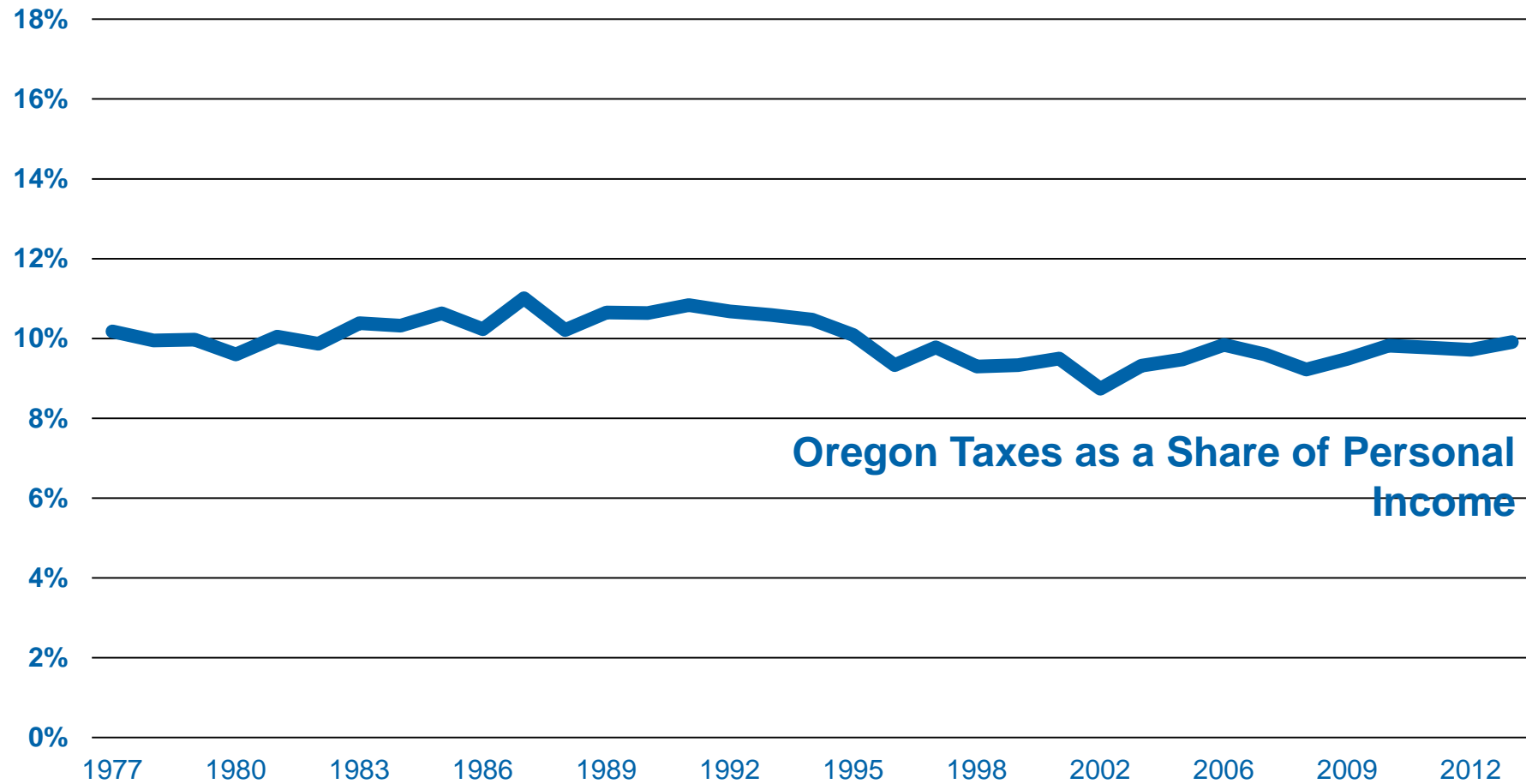
Employee
Contribution

JOHN TAPOGNA
MANAGING DIRECTOR,
ECONORTHWEST

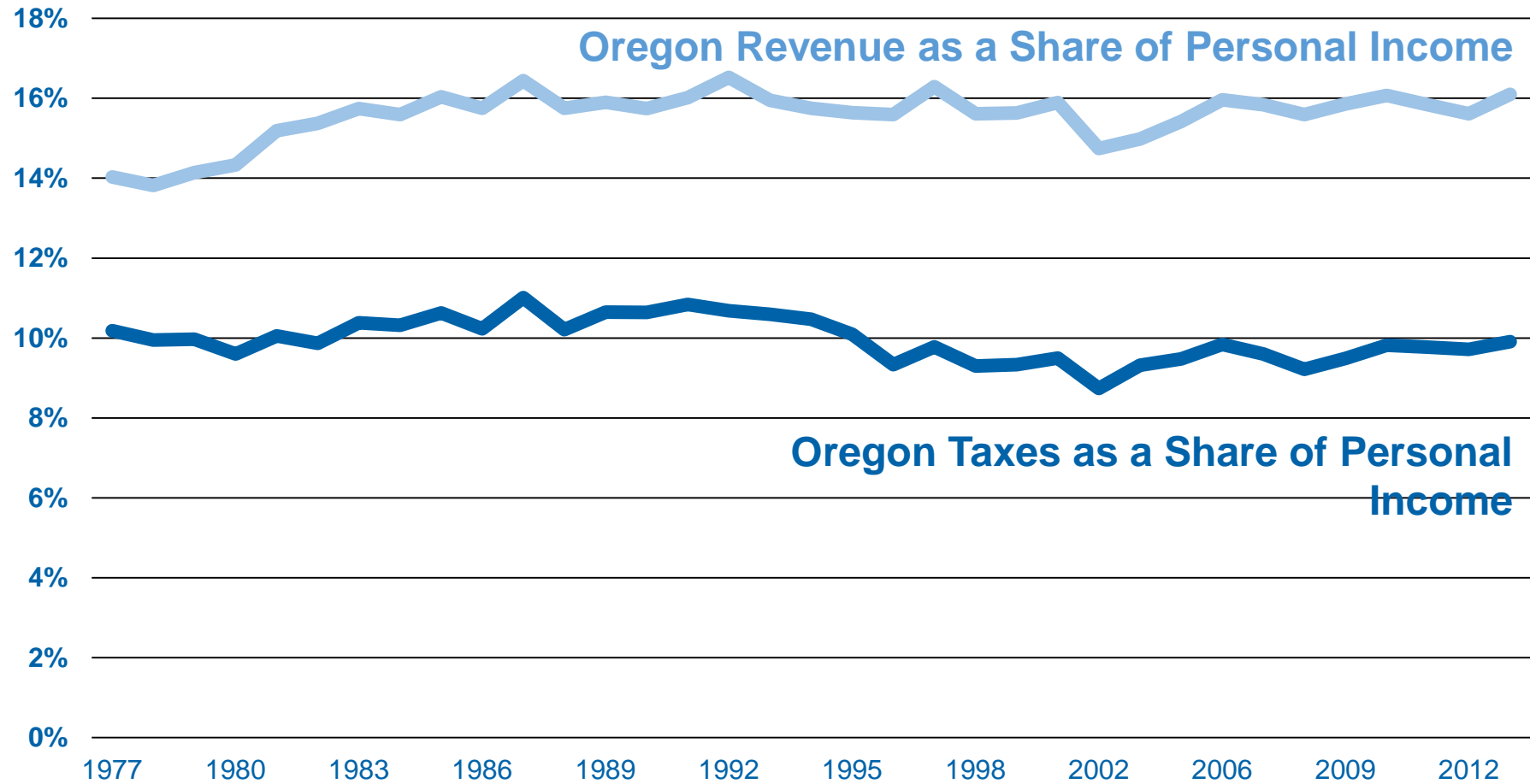
BUSINESS
PROGRESSIVE ADEQUACY
STATEHOUSEHOLDS STABILITY
REVENUE FEES
RAINY DAY LOCAL REGRESSIVE
EQUITY TAXES

Adequacy

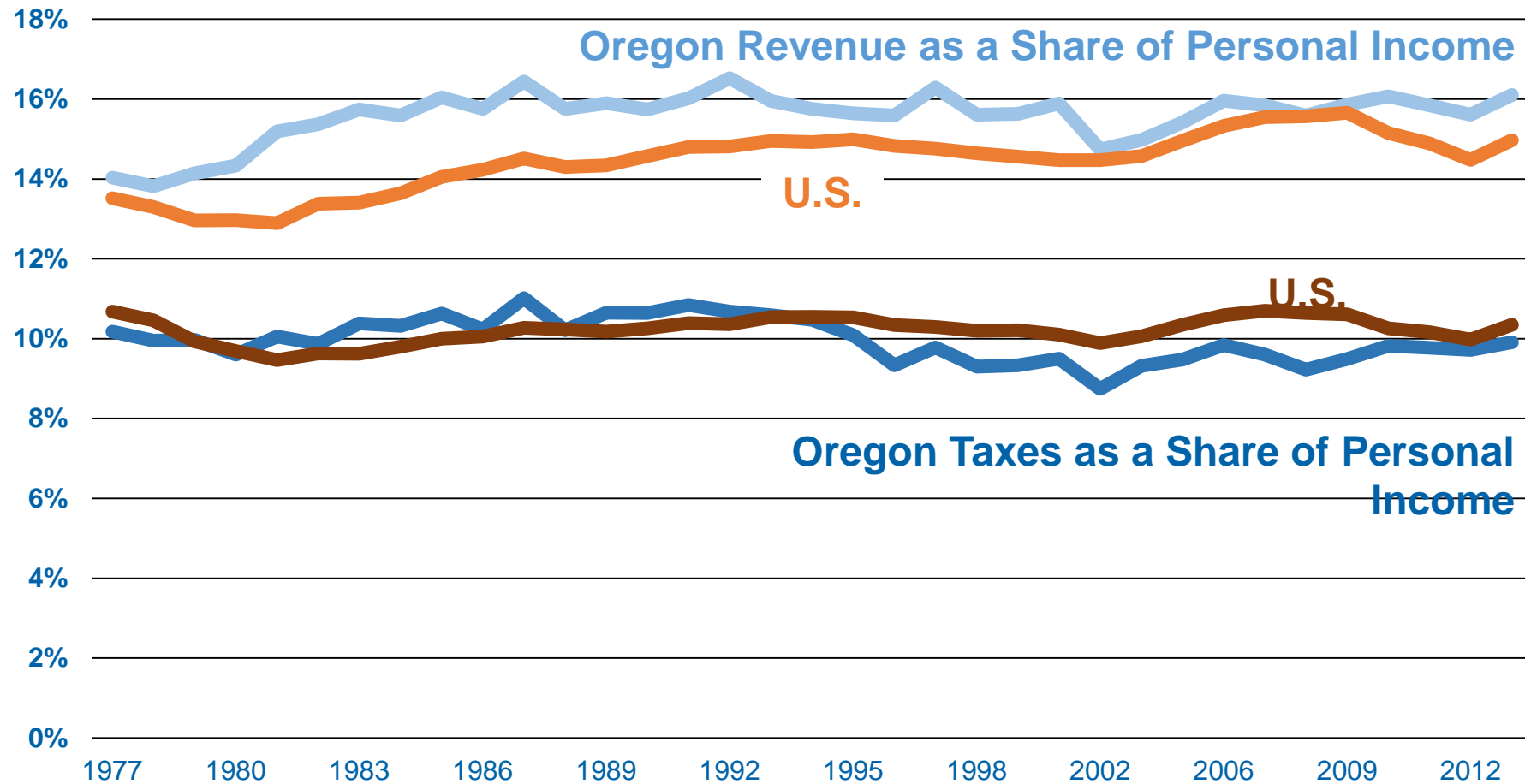
Adequacy



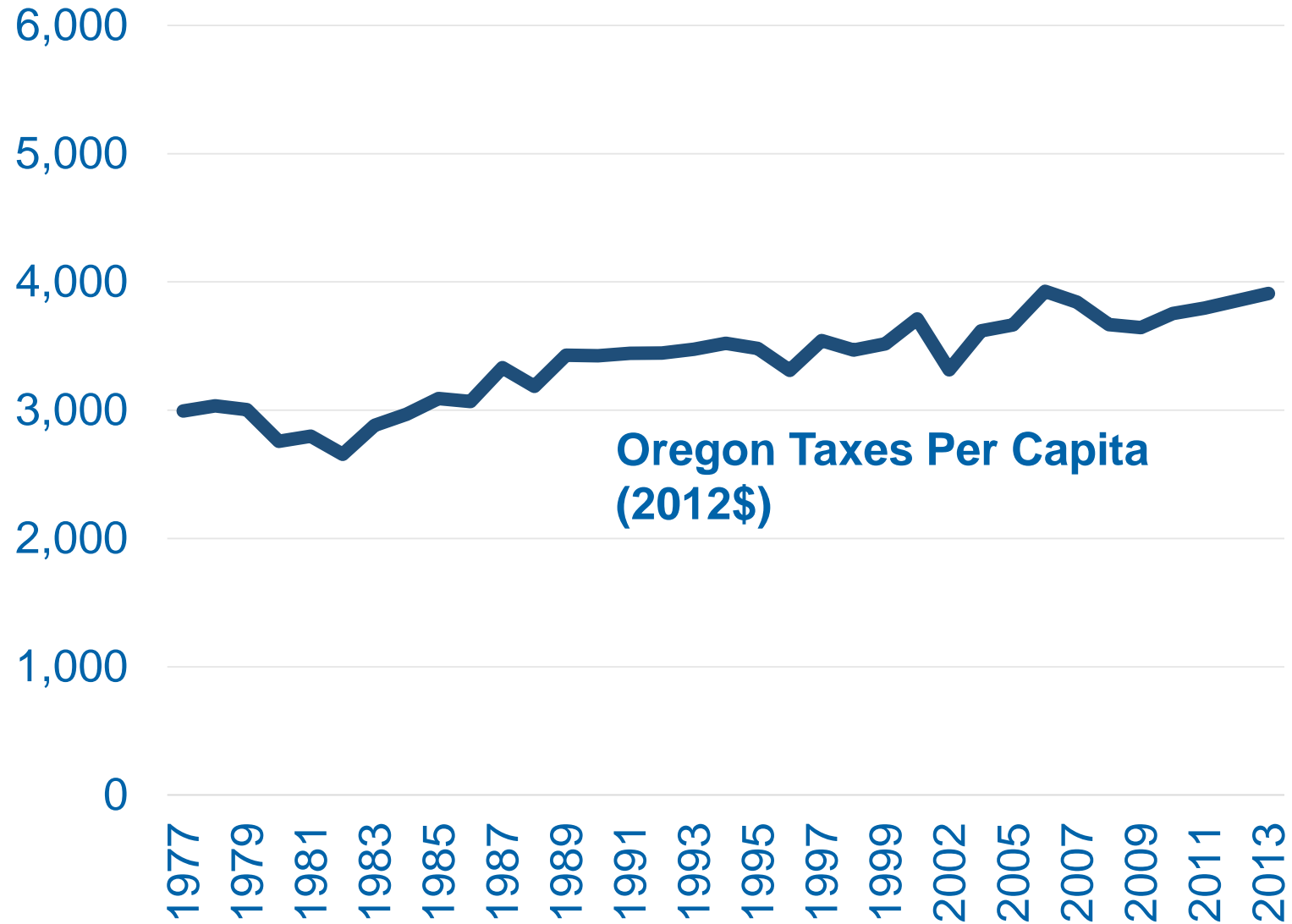
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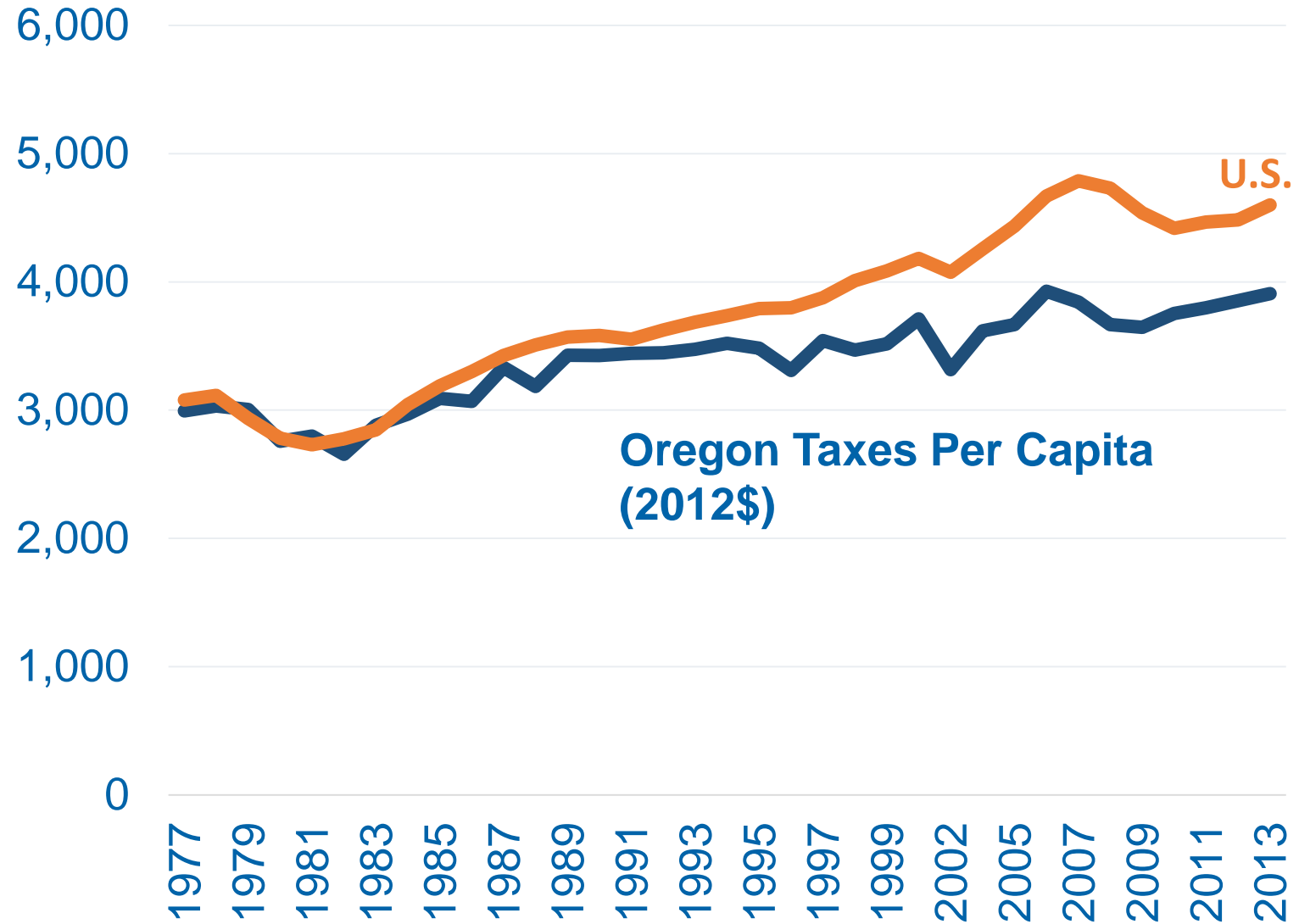
Adequacy



Adequacy



Adequacy

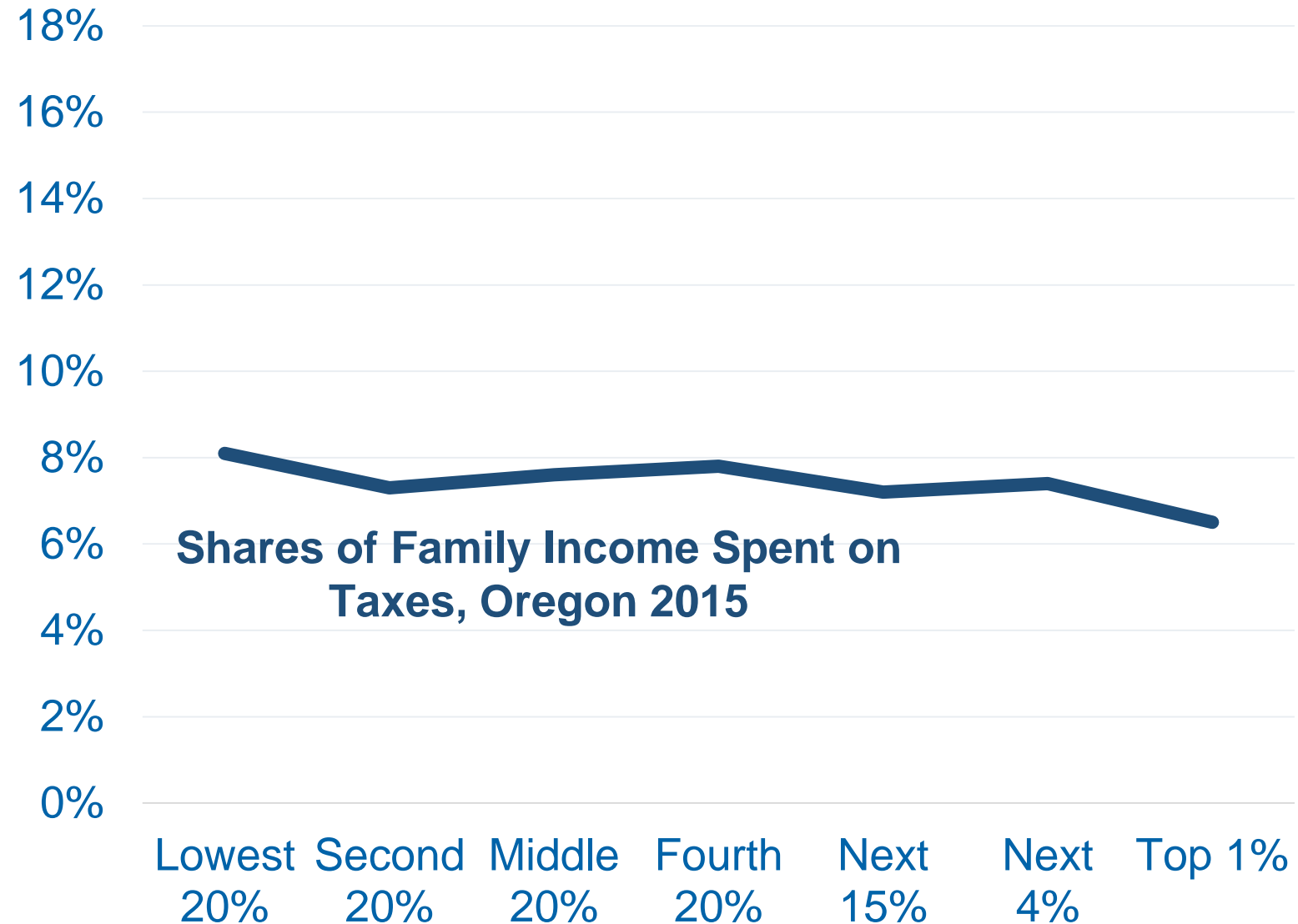


Stability

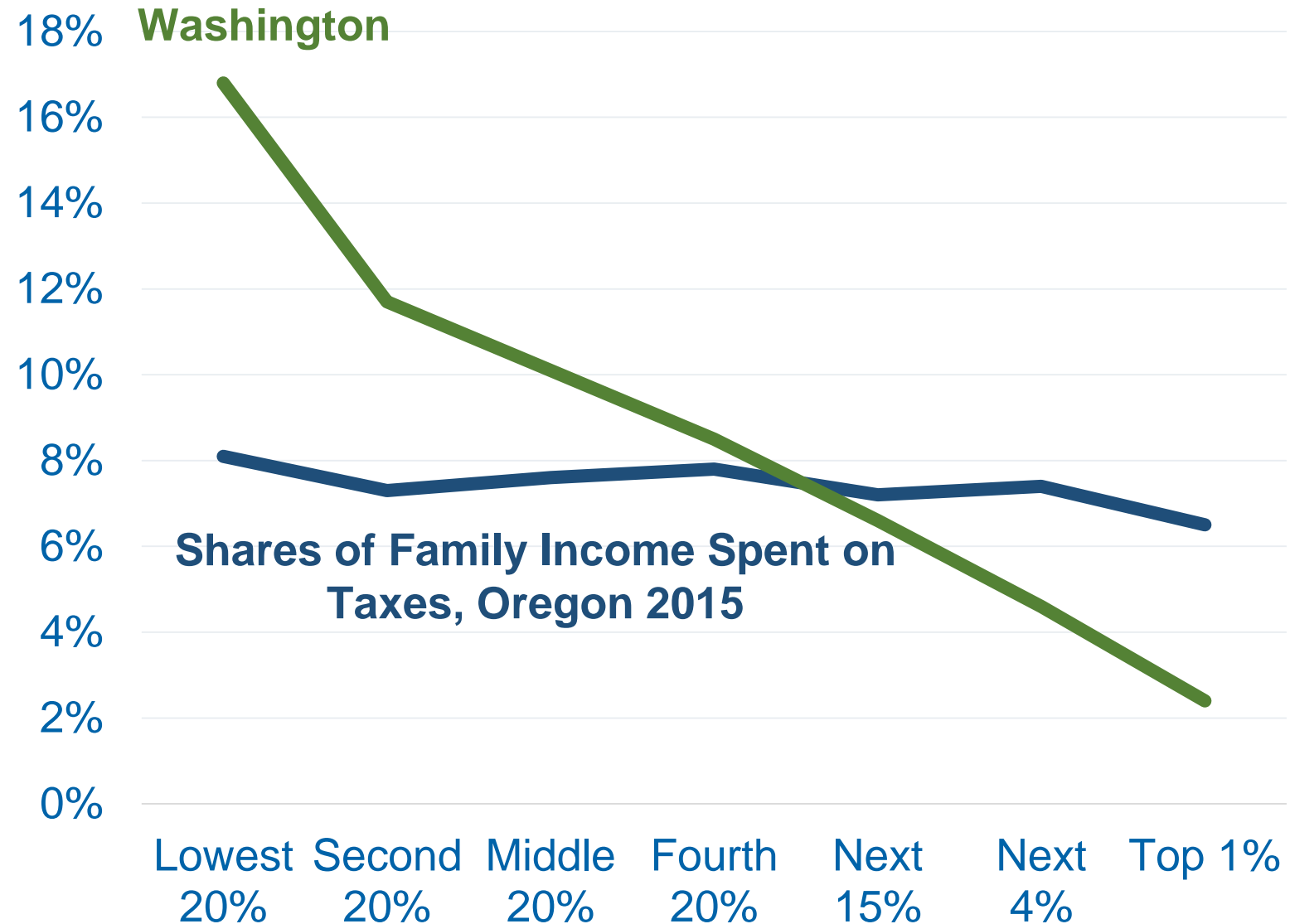


Equity

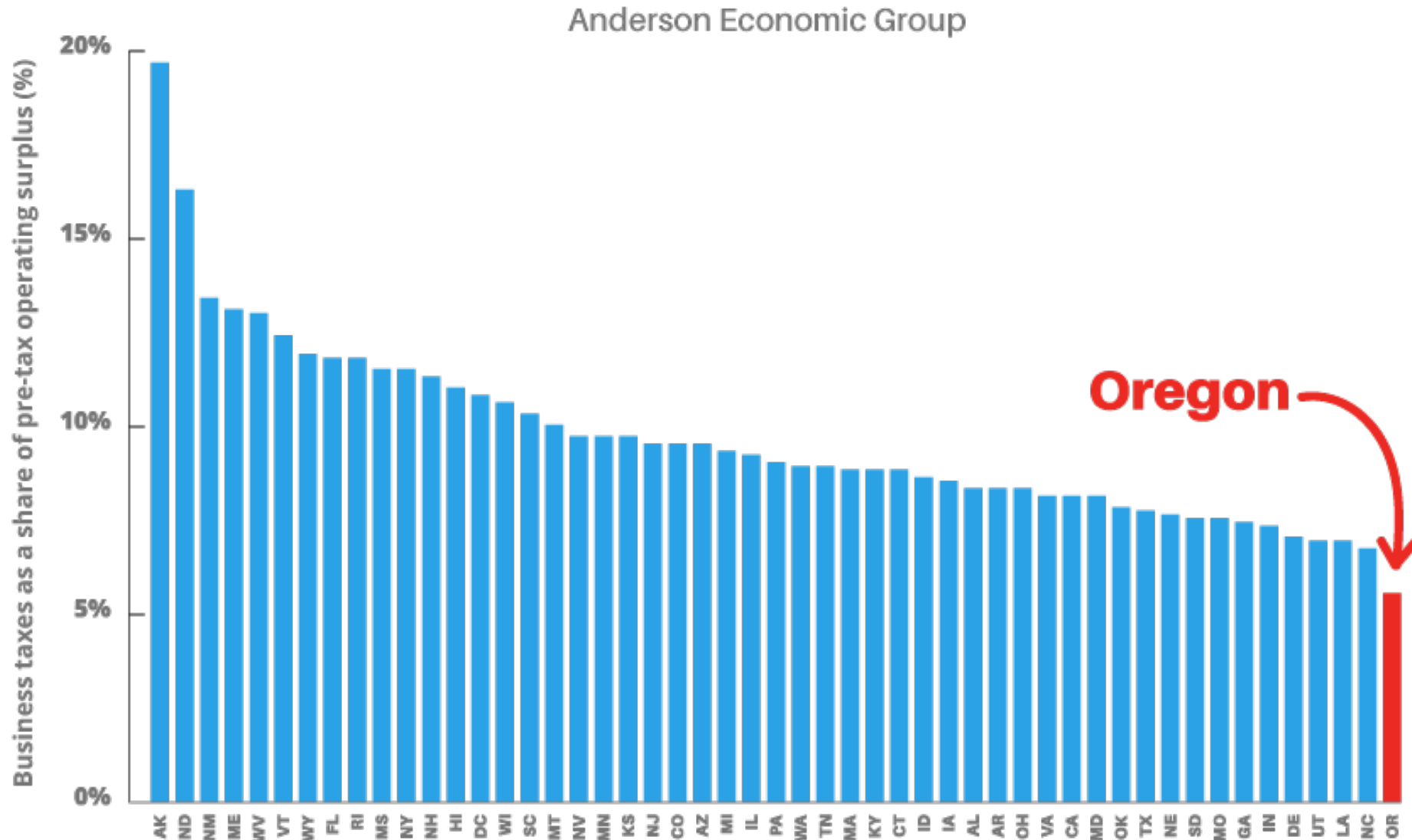
Shares of Family Income Spent on Taxes, Oregon 2015



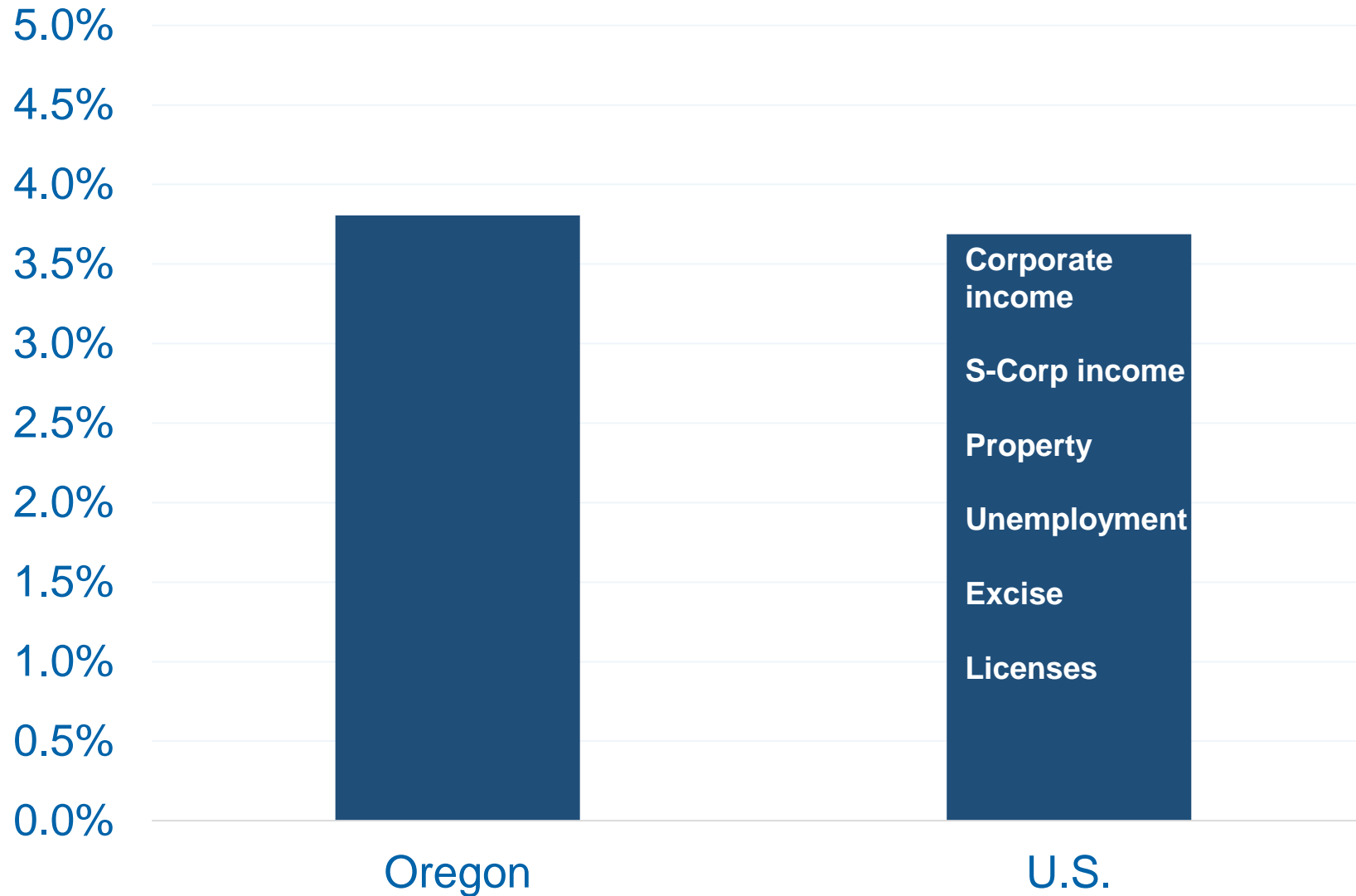
Shares of Family Income Spent on Taxes, Oregon 2015



2016 State Business Tax Burden Rankings

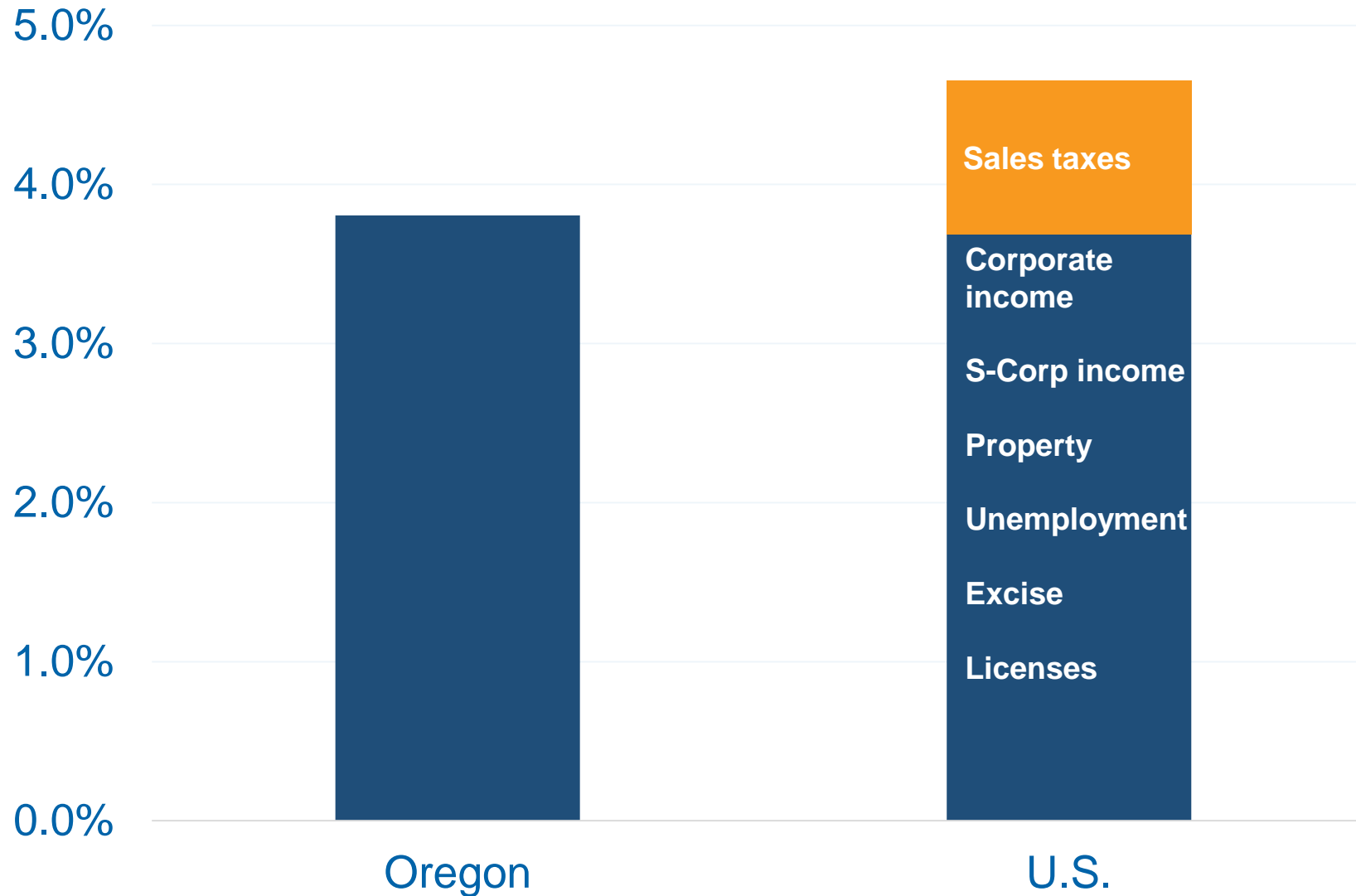


State and Local Business Taxes As a Share of the Economy FY 2014



Source: : COST/EY October 2015

State and Local Business Taxes as a Share of the Economy FY 2014



Source: : COST/EY October 2015

ADAM DAVIS
PARTNER, DHM RESEARCH

TAXATION
IGNORANCE
WASTEFUL
DIVIDED
ANXIETY
PERS
NEGATIVE
CHANGE
INEFFICIENT
GOVERNMENT

AWARENESS
CHANGE
EFFICIENCY
INVESTMENT

BEHAVIOR

ATTITUDE
ANXIETY

What is the most important issue you want your local and state government officials to do something about?

Top 3 Response Categories:

Economy and jobs

Government spending & taxation

Education



Directly Relate To The Oregon Business Plan

Grow the Economy

- Anxiety about the economy
- One of top 3 issues
- Not all Oregonians connect the importance of a good economy to having what they value about living in Oregon and the public services they consider most important
- They want economic growth that doesn't jeopardize environmental quality
- They strongly support helping small businesses grow and boosting job training and workforce development

Agreement

About it being desirable to build and communicate
a pro-business attitude in local and state governments

56%

Slowing Costs and Tying Spending to Outcomes

- Low awareness and knowledge levels about the ABC's of government, including public finance
- One of top 3 issues
- Strongly feel that government is wasteful and inefficient
- Public records access, independent audits, baseline/benchmark evaluations of government performance all supported

Agreement

About government being wasteful and inefficient with
our taxes and cannot be trusted to make good
decisions

64%

Taxes

- Again, low awareness
- Not against taxes per se
- Support tax reform but no agreement on type of reform
- Do not support more taxes to pay for general services
- Qualified willingness pay more for emergency services, education (K-12 and job training and workforce development), services for low income children and seniors, transportation improvements, and protection of water and air quality
- Believe large businesses can afford to pay more

Agreement

About our tax system being unfair

63%

Agreement

About our tax system needing to be changed

64%

Moving Forward

Voter support for new revenue depends on them believing a proposal is:

- Tied very specifically to things they want like education and workforce training, services for low-income individuals, transportation, etc.
- Government is more efficient and less costly (e.g. PERS)
- The proposal is fair (e.g. includes taxes on larger businesses)

A Path Forward

- Economic Growth
- Cost/Spending Reform
- Tax Reform

SAM TANNAHILL

A TO Z WINEWORKS; OBA BOARD CHAIR

PAT REITEN

PACIFICORP; AOI BOARD CHAIR

KATY BROOKS

PRESIDENT, BEND CHAMBER OF COMMERCE

EFFECTIVE
BALANCED

UNITED
SUPPORTIVE

COMMUNITY
BUSINESS
UNIFIED

LEEANN LARSEN

BEAVERTON SCHOOL DISTRICT BOARD OF DIRECTORS

DEANNA PALM

PORTLAND COMMUNITY COLLEGE BOARD OF DIRECTORS

BILL THORNDIKE

SOUTHERN OREGON UNIVERSITY BOARD OF DIRECTORS

SPENDING
FUTURE REALITY
EDUCATION INVESTMENT
STUDENTS CLASSROOM

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REPRESENTATIVE MIKE MCLANE

HOUSE REPUBLICAN LEADER

Oregon Business Plan .org



SENATOR PETER COURTNEY

SENATE PRESIDENT

SENATOR RICHARD DEVLIN

SENATE WAYS AND MEANS CO-CHAIR

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REPRESENTATIVE TINA KOTEK

SPEAKER OF THE HOUSE

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U.S. SENATOR RON WYDEN

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GOVERNOR KATE BROWN

CHRIS HARDER

BUSINESS OREGON DIRECTOR

ADRIAN ALLEN

CO-FOUNDER OF THE ADVANCED MANUFACTURING RESEARCH CENTER

PETE HOFFMAN

BOEING VICE PRESIDENT OF INTELLECTUAL PROPERTY MANAGEMENT

MARK MITSUI

PORTLAND COMMUNITY COLLEGE PRESIDENT

SENATOR BETSY JOHNSON

PARTNERSHIP
NEW INDUSTRY
MANUFACTURING
ADVANCED

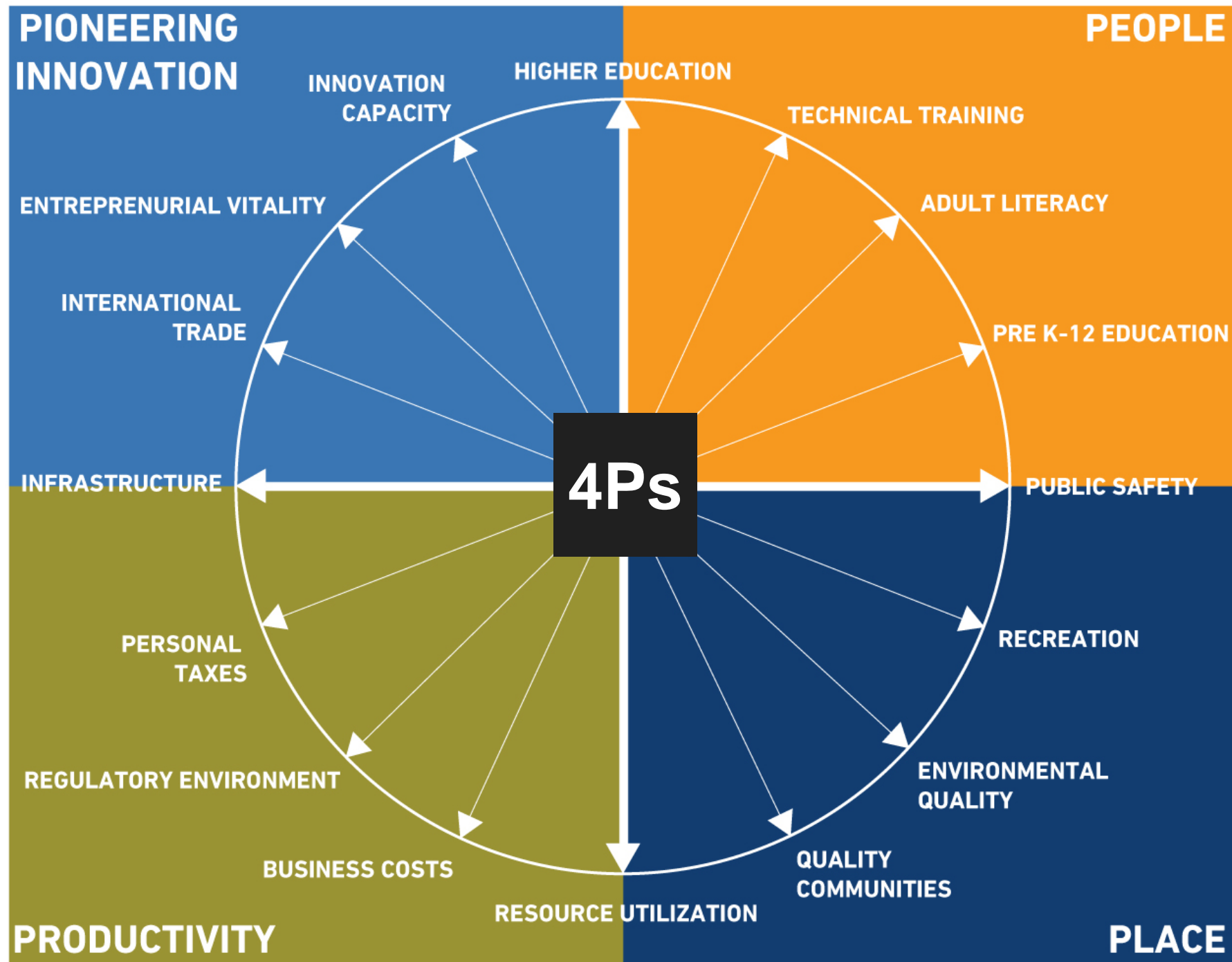
LEADERS
EXCELLENCE

WORLD RENOWNED
INNOVATION
STRATEGIC
SUCCESS

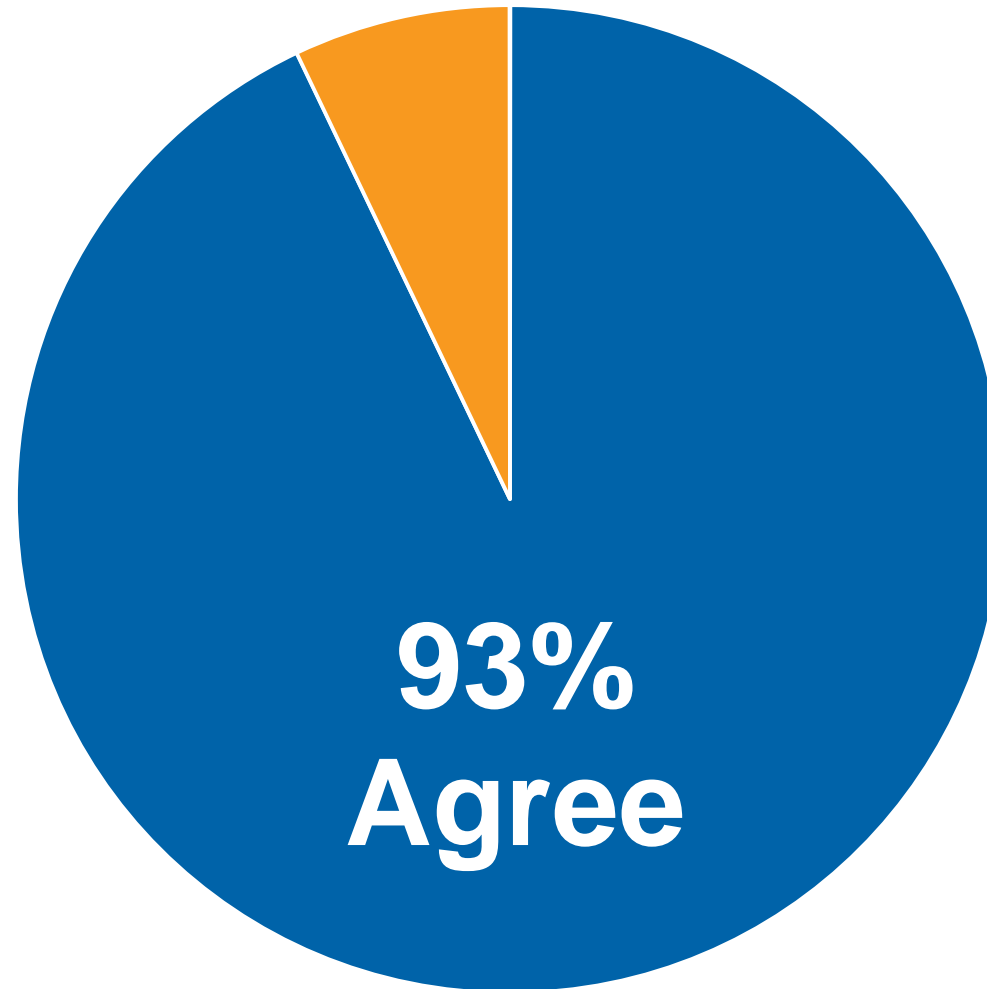
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PATRICK CRITESER
TILLAMOOK COUNTY CREAMERY
ASSOCIATION;
OREGON BUSINESS PLAN CHAIR



4P: Is This the Right Framework?



Top Issues to Address

- Quality K-12 Education
- Career and Technical Education and Training
- Job Applicants with “Soft Skills”
- Management Talent
- Regulation
- Entrepreneurial Support
- Infrastructure
- Housing Access and Affordability
- Taxes
- Health Care Costs

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