

Government Affairs

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2009 Legislature: Super Majority May Derail Focus on the Economy

In recent memory the Oregon Legislature has been very slow to act and not done much to move us quickly through economic downturns. Oregon's archaic 2 year budgetary system is a huge part of the problem, but past leadership did not rise to the challenge – and focused on maintaining social programs and policies, not advancing economic policies, development and business needs. The increased spending for social services and drop in revenue resulted in economic development and training being cut and more fees/taxes imposed, which slowed the economic turnaround.

Oregon's Legislative leadership is now preparing for the upcoming 2009 Legislative Session. *Prior to election night I was cautiously optimistic that this session would be different.* Listening to and questioning leadership and senior members from both parties – there was a strong buzz that saving Oregon's local economy has got to be the first priority and that we need to rebound faster. And we will need a trained workforce when things turn up.



From the D leaders, who are now solidly in charge of both Chambers and all statewide offices, I was not hearing the usual “we have to take care of social services and education's needs first”. I also heard them noting that raising taxes is not a very good or viable way to help the situation. Increased/new spending was also out. Finding budget savings would be critical. Taxes/fees that might increase include a modest, tiered change to the corporate minimum tax, an increase in vehicle registration fees and a gas tax increase. Senate President Courtney is pushing bonding to fund public works construction projects to keep things moving – and it appears Oregon (unlike other states) may actually be in a fairly good situation to do that – if the bond market improves.

However, the huge D gains in the House may wreck those plans. Their constituencies feel they now have a mandate for change. With a large flock of new D legislators coming in and many changes in leadership positions – the big question is whether the D leaders can get their troops to pull together – and stay with the play book. The lobbyists for social services, public employees and education – citing the election “mandate”- will pull out all the stops to take care of their constituencies' budget “needs” first. And they will play their campaign “investments” in many legislators very hard. Other groups such as environmentalists will see this as the “opportunity of a lifetime” to make all kinds of policy changes. If those groups don't get their way this session – look for a civil war in the Democratic Party in the next primary election.

The heavily outnumbered Rs will dig in and focus on stopping tax increases and new regulations and new programs. D leaders will still need their help occasionally – and developing some type of working relationship is essential. But that – due to political positioning is unlikely.

And a big question is - will **the Governor** (who is a lame duck) and his administration be a leadership factor in the session? He is on record that his budget proposal will not tap into the rainy day funds and that the economy must be saved. Will the Legislature support that and will it stay focused on improving the economy? This is his defining moment. The answer lies in large part with the performance of newly elected Speaker of the House – Dave Hunt. A huge burden now rests on his shoulders.

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