

guide

Ecumenical Ministries of Oregon

Fall 2016 Voters' Guide to Oregon Ballot Measures

The voter's ballot measure guide: Why we do it & how we do it

This voters' guide to the ballot measures for the 2016 Oregon general election is provided as an educational resource approved by the Ecumenical Ministries of Oregon (EMO) board of directors, based on the recommendations of the Public Policy Advocacy Committee.

The Nov. 8 general election, like all elections, is important for people of faith and for all Oregonians. The production of this guide follows a tradition established by one of EMO's predecessor bodies—the Oregon Council of Churches—over 40 years ago, and continued by EMO today. In it, we provide information, analysis and recommendations for the seven measures on the state ballot. We hope our discussion of the ballot measures will provide valuable insights for Oregon's voters, especially for people whose faith is their ultimate guide.

Foundational to our social principles is the belief that to be faithful means to “love God, and to love our neighbor as ourselves.” Christian minister William Sloan Coffin once stated, “In Christ's sight, there are no insiders or outsiders, for we are finally of one nature and one flesh and one grief and one hope. In Christ's sight, if we fail in love, we fail in all things else.”

Ecumenical Ministries of Oregon has adopted a Statement of Social Principles that guides our public policy work. In this statement, we recognize the value of religious involvement in civic affairs and the governmental process, and we identify core principles and areas of social concern:

We affirm the value of love, the respect of all life, and the dignity of every human being ... In our public witness we embrace compassion and forgiveness in all relationships, non-violence, and working in constructive and creative ways to make a better world. We commit ourselves to a society in which all persons are free to live together in peace and harmony. We affirm an inclusive community for nurturing the shared life of humankind.

As we prayerfully engage in a discussion regarding each ballot measure, we consider arguments offered by both supporters and opponents of each measure, and we rely on the Scriptures, our social principles, our past positions on similar measures, and dialogue and deliberation in our Public Policy Advocacy Committee and among the EMO board of directors. We ask that you, also, prayerfully

Our faith traditions call us to be thoughtful and active advocates for peace, social justice, human dignity and environmental stewardship. Through reflection on core principles, understanding of the political process, and knowledge of the issues, EMO seeks to empower people of faith and all Oregonians to fulfill their role in the democratic process.

EMO Statement of Social Principles

consider the wisdom of your own tradition and engage in a thoughtful process of discernment in exercising your civic duty to vote.

The EMO Statement of Social Principles identifies six key areas of social concern: *Peace and Global Justice, Human Rights and Religious Freedom, Environmental Stewardship, Economic Justice, Family and Community Well-being, and Public Witness and the Common Good.* In our discussions of the individual ballot measures found in this guide, we identify which area, or areas, of social concern relates to each measure. The complete statement of social principles can be found on our website at emoregon.org/witness_peacemaking.php.

And what does the Lord require of you ... but to do justice, to love kindness, and to walk humbly with your God. —Micah 6:8

Register to vote online or by mail

Any Oregon resident who is at least 18 years old on Election Day is eligible to vote, but voter registration is required. You may register online on the Oregon Secretary of State website at

sos.oregon.gov/voting or turn in a voter registration card to

any county election office within five calendar days after signing the card. The last day to register is Oct. 18. A registered voter who has moved, changed address or changed their name must re-register. This information may be updated through Election Day at a county election office or on the website listed above.

Let justice roll down like waters and righteousness like an everflowing stream. —Amos 5:24

The Nov. 8, 2016, election is a statewide general election and will be vote by mail. Ballots will be mailed to voters between Oct. 19 and 25. The ballots must be returned in person or by mail to a county election office by 8 p.m. on Nov. 8.

Ballot Measure Forums

A current schedule of EMO Ballot Measures Forums is posted on EMO's website at emoregon.org. If you would like to schedule a forum at your congregation or organization, contact Britt Conroy, director of Public Policy Advocacy, at bconroy@emoregon.org or (503) 221-1054, ext. 207.

Learn to do good; seek justice, rescue the oppressed, defend the orphan, plead for the widow.

—Isaiah 1:17

Ecumenical Ministries of Oregon is a statewide association of Christian denominations, congregations, ecumenical organizations, and interfaith partners working together to improve the lives of Oregonians through community ministry, ecumenical and interreligious dialogue, environmental ministry and public policy advocacy.

The Roman Catholic Archdiocese of Portland in Oregon abstained from EMO's deliberations regarding the November ballot measures. The Archdiocese releases all public policy statements through the Oregon Catholic Conference.

Measure 94: Constitutional Amendment—Repeals the mandatory judicial retirement age, which is 75 years old.

Summary & Analysis — Measure 94 repeals Oregon’s mandatory retirement age for judges, currently set at 75. Measure 94 does not impact current law requiring judges to retire due to a physical or mental disability, or any other cause that renders them incapable of performing their judicial duties.

Oregon’s current judicial retirement requirement mandates that a judge of any court retire at the end of the calendar year in which the judge reaches the age of 75 years. The mandatory retirement age can be reduced through a change in law to as low as 70 years, without having to amend the state constitution.

The all-volunteer Commission on Judicial Fitness and Disability is authorized to investigate the validity of a complaint that a judge has a disability that significantly interferes with the judge’s job performance. The Oregon Supreme Court makes the final decision on whether a judge can remain in her or his position.

There is no mandatory retirement age for any other state elected officials. Similarly, there is no mandatory retirement age for judges at the federal level. At the time the Oregon Legislature considered what was to become Measure 94 in the spring of 2015, four of the U.S. Supreme Court judges were over age 75, while 33 states and the District of Columbia had a mandatory retirement age for judges.

Supporters of Measure 94 argue that (a) there is a shortage of judges in Oregon, and that this constitutional change will help prevent a worsening of this shortage; (b) the current law constitutes age discrimination; (c) the current law is a vestige of a time when people on average lived far shorter lives; (d) the current law results in experienced judges retiring when they still have much to contribute to society; and (e) the current law violates the personal liberty of impacted judges.

There is no opposition to Measure 94.

Financial Impact — There is no financial impact on either state or local government expenditures or revenues.

EMO Recommendation — EMO is taking no position on Measure 94. We believe this measure does not directly relate to the primary social and moral concerns of our faith traditions.

Measure 95: Constitutional Amendment

—Allows Public Universities to Invest in Equities.

Summary & Analysis — Measure 95 amends the Oregon Constitution to explicitly allow public universities to own stock in companies, associations or corporations.

The Oregon Constitution prohibits the state from owning stock, except under limited circumstances where the funds invested were donated or involved in technology transfers. In 2013, the Oregon Legislative Assembly passed Senate Bill 270, allowing for independent governing boards at Oregon’s seven public universities and granting the universities the authority to manage their finances, including the ability to invest in equities.

However, independent legal analysis suggests that the constitutional prohibition against the state owning stock might apply to public universities, even with the provisions of Senate Bill 270. The state’s universities are therefore unable to invest in equities without legal risk. Measure 95 would remove this legal uncertainty in the Oregon Constitution by protecting the right of universities to invest in equities.

Supporters of Measure 95 argue this constitutional amendment is a technical fix to current law, ensuring that public universities have another means of raising revenue for their operations and diversifying their investments to reduce risk. Some supporters argue that universities should have as much autonomy as possible and should “sink or swim” in the higher education marketplace based on how they run their institutions. Supporters are hopeful that profits from investments in stocks will lead to a better education system and lower tuition for students. Addressing opponents’ concerns that poor investment returns could financially hurt students, supporters of Measure 95 note that tuition increases at public universities are capped by law. Finally, supporters state that the large donations of some philanthropists are contingent on universities having financial and governing independence.

Opponents of Measure 95 argue that public universities should not be allowed to make speculative investments because the state could ultimately be asked to cover investment losses.

Financial Impact — There is no financial impact on either state or local government expenditures or revenues. The revenue and expenditure impact on public universities is dependent upon decisions by each university on the type and amount of private equity in which they choose (or choose not) to invest and on the return on these investments.

EMO Recommendation — EMO is not taking a position on Measure 95. We believe that the debate over whether autonomous university governing boards should be allowed to invest in equities does not directly relate to the primary social and moral concerns of our faith traditions.

Measure 96: Legislative Referral—*Dedicates Lottery Proceeds for Veterans' Services.*

Summary & Analysis — Measure 96 would amend the Oregon Constitution and dedicate 1.5 percent of net lottery proceeds to fund veterans' services, including assistance with addiction treatment, reintegration, access to government benefits, employment, education, housing, and physical and mental health care.

After payment of prizes and expenses, proceeds from the sale of lottery game tickets and from the Lottery Fund support a variety of government programs. Currently, 48 percent of the Lottery Fund is constitutionally dedicated to be spent as follows: 18 percent to the Educational Stability Fund; 15 percent to the School Capital Matching Fund; and 15 percent to parks and to the restoration and protection of native fish and wildlife, wildlife habitats, watersheds and water quality. The remaining 52 percent of net lottery proceeds is to be distributed at the discretion of the Legislature to further bolster these three funds or for economic development.

During the 2013-2015 biennium (the most recent data available), the Legislature invested the 52 percent of non-constitutionally dedicated lottery net proceeds in the following ways: 24 percent to public education; 27 percent to job creation and to economic development; and one percent to problem gambling treatment. Because Measure 96 does not generate any new revenue, these are the type of programs that would see a reduction in their share of lottery proceeds if the measure were to pass.

Supporters of Measure 96 argue that we as a community have not adequately supported Oregon veterans, as seen in increasing rates of suicides, homelessness and incarceration. Furthermore, Oregon is failing to capture federal veterans' funding because it is estimated that only 100,000 of Oregon's 350,000 veterans have enrolled in U.S. Department of Veterans' Affairs systems. Supporters of Measure 96 state that investing the 1.5 percent of lottery proceeds per biennium (which would total an estimated \$18 million) to connect veterans to federal services would be leveraged to help veterans obtain as much as \$4 billion per biennium in health care, housing assistance and services for military families, based on existing Oregon Department of Veterans' Affairs enrollment efforts that capture more than \$257 in federal assistance for every dollar invested.

Some opponents argue that spending priorities should not be established in the Oregon Constitution but should be developed through the legislative process. Additionally, some opponents oppose the use of the Oregon Lottery as a means to fund state services.

Financial Impact — Based on the June 2016 forecast from the Oregon Office of Economic Analysis, 1.5 percent of net lottery proceeds for veterans' services would be approximately \$9.3 million annually for the 2017-19 biennium. Measure 96 would not have an impact on the constitutionally dedicated amounts for the Educational Stability Fund or the Parks and Natural Resources Fund. The measure does not affect the overall amount of funds collected for or expended by state government. The measure would result in an expenditure shift of \$9.3 million annually, during the 2017-2019

biennium, to the Veterans' Services Fund from economic development and public education capital expenditures.

EMO Recommendation — Vote “NO” on Measure 96, based on the EMO social principle of *Family and Community Well-being*.

We believe strongly in adequately funding programs and services for veterans. We also recognize that an increase in state funding for these services would bring in federal matching dollars to Oregon's economy for this crucial work. However, EMO has consistently opposed the existence of the Oregon Lottery. The state lottery largely depends on problem gamblers—those whose lives are severely disrupted by their gambling habits—to provide a major share of overall revenue.

A series of articles published in 2013 by *The Oregonian*—using 2012 data sourced from the Oregon Health Authority and Addictions and Mental Health Services—highlighted the Oregon Lottery's tragic dependence on these problem gamblers. In the fiscal year ending June 2013, the lottery generated \$856 million in net revenue, with 86 percent of the proceeds coming from the Oregon Lottery's most addictive offerings: video slot and poker machines. The average annual loss by those who played video slot and poker was \$2,564. There were 35,000 to 81,000 problem gamblers in Oregon, yet only 1.6 to 3.8 percent of these individuals sought treatment for gambling addiction. The average gambling debt of problem gamblers was \$26,738, while their average household income was \$32,140. The social costs of problem gambling totaled \$400 million to \$600 million annually, and included bankruptcy, divorce, unemployment, suicide, illness, crime and lost work time. Regarding suicide specifically, nearly five percent of problem gamblers attempted suicide in 2013, while more than one-quarter of problem gamblers thought about suicide.

We believe the state should not rely on the potentially financially and socially ruinous addictions of some of its most impoverished residents to fund government services. Therefore we recommend a “NO” vote on Measure 96.

Measure 97: Constitutional Amendment—Increases Corporate Minimum Tax When Sales Exceed \$25 million.

Summary & Analysis — *Budgetary context.* Measure 97 will be on the November ballot in the context of a predicted \$1.3 to \$1.6 billion budget shortfall in the 2017-2019 biennium stemming from increasing costs for Oregon's Public Employee Retirement System (PERS), health insurance for low-income residents and executive branch pay raises.

Minimum tax changes under Measure 97. Oregon corporations calculate their taxes under both the net income tax rates and the corporate minimum schedule, paying the higher of the two. Measure 97 retains the current minimum tax structure for S-Corporations, partnerships and C-Corporations with sales less than \$25 million in Oregon. For C-Corporations with sales greater than \$25 million, a new tax rate of 2.5 percent is imposed on those sales above the \$25 million threshold.

Supporters list the state's need for additional revenue. Supporters state that Oregon has the nation's fourth-lowest high school graduation rate, the third-largest class sizes, one of the shortest school years and the twelfth-lowest per-capita funding of public health programs. Meanwhile, supporters cite research showing that Oregon has the nation's lowest total effective business tax rate—the total of all state and local taxes paid by businesses or business owners. Additionally, proponents state that the share of income taxes paid by corporations in Oregon has fallen dramatically since the mid-1970s—from 18.5 percent in 1973-1975 to 6.7 percent today. The Oregon Lottery actually generates more state revenue than the corporate income tax.

More revenue, more budgetary stability. Supporters and opponents of Measure 97 agree that the measure would raise roughly \$6 billion per biennium—equal to a roughly 30 percent increase in the state's General Fund budget—and that state revenues would be more stable from year to year under Measure 97, given that volatile personal income tax receipts will comprise a smaller share of total revenue.

Opponents' concerns about impact on jobs, consumer prices. Opponents of Measure 97 cite Oregon Legislative Revenue Office (LRO) economic modeling figures showing that although not causing job cuts, the measure would slightly slow population and job growth. If Measure 97 passed, by 2022 the LRO predicts there would be 0.4 percent (17,000) fewer people living in Oregon and 0.9 percent higher average consumer prices. Higher consumer prices would result in households making under \$21,000 per year seeing an annual combined wage and price impact of -0.9 percent, or -\$372. The LRO predicts there would be 0.7 percent (20,400) net fewer jobs; specifically, 38,200 fewer private sector jobs would be created, while public sector jobs would grow by 17,700.

Supporters cite unreliable modeling. Supporters of Measure 97 argue the LRO model is designed to evaluate industry-level impacts of tax proposals, meaning it cannot produce accurate findings for a tax that will only be paid by about 1,000 businesses. Secondly, even if the LRO model were accurate, a five-year predicted change of less than one percent in population, employment and consumer prices should be considered “no economic impact,” because they are most likely within the LRO's margin of error. Additionally, Measure 97 supporters state that the LRO does not take into account that these businesses use national pricing strategies. A slight rise in Oregon taxes will not cause a large corporation to increase its prices in Oregon, they say, but rather cause them to incorporate that increased business cost into its national prices and its shareholder profits. The LRO predicts that roughly one-third of the tax's cost will be passed to consumers elsewhere and to the federal government in the form of a business expense deduction, while two-thirds of the cost will be passed to Oregon consumers. Measure 97 supporters believe the impact on Oregon prices will be far less.

How the new revenue will be spent. The LRO admits that, if invested wisely, this \$6 billion in new revenue every biennium could lead to positive economic returns they are unable to predict with their model. Measure 97 supporters argue that a better educated workforce, fewer people in poverty and a healthier population could boost economic growth. Measure 97 states that this new tax revenue must be used for K-12 public education, health care and senior services. In reality, however, under Oregon's constitution, how this revenue will be spent is determined by the Legislature.

Financial Impact — The measure is anticipated to increase state revenues by \$548 million from Jan. 1 to June 30 of 2017 and approximately \$3 billion every fiscal year after that. The financial impact on state expenditures by program is indeterminate. The increased revenue could require more expenditures by the state in the areas of public early childhood and kindergarten through grade 12 education, health care and senior services, but the exact amount and the specific uses within the three identified programs cannot be determined. Although there is no direct financial effect on local government expenditures or revenues, there is likely to be an indirect and indeterminate effect on the state economy and local government revenues and expenditures.

EMO Recommendation — Vote “YES” on Measure 97, based on the EMO social principles of *Human Rights & Religious Freedom and Public Witness & the Common Good*.

Oregon’s education system, anti-poverty and hunger programs, and many other government services are not meeting the needs of Oregonians living in poverty. The impact of Measure 97 is predicted by the LRO to include a less than one percent dampening in job growth and a less than one percent increase in consumer prices. No other budget or tax proposal exists that would generate this amount of revenue with such a relatively low, if very real, impact.

Measure 97 will increase consumer costs, with lower-income households being impacted by such cost increases to a larger degree than higher-income households. However, if spent wisely by the state Legislature, the massive increase in new tax revenue could help these same individuals, many of whom are in under-performing schools, lack sufficiently robust social safety nets and often go hungry. Drawn from our faith traditions, EMO Social Principles state, “We abhor hunger, homelessness, slavery, genocide, torture or any inhumane treatment that erodes human dignity. We affirm rights to universal education, safe and affordable housing, food, health care, honorable employment, equal opportunity and an equitable system of justice.” EMO has a “commitment to an equitable system of taxation that can adequately fund both these core public functions and those additional initiatives required for social progress, economic justice and environmental stewardship.”

With these values in mind, we support Measure 97 and commit to advocating that our elected officials wisely invest the significant revenue generated by this new corporate minimum tax.

Measure 98: Citizen Initiative—*Requires State Funding for Dropout Prevention and Career and College Readiness Programs.*

Summary & Analysis — Measure 98 would direct the Legislature to provide at least \$800 per high school student to school districts to establish or expand high school programs providing career-technical education, college-level courses and dropout-prevention strategies. All school districts would receive the same per-student amount of funding but must have their spending plans approved by the Oregon Department of Education to qualify for the funds.

Supporters of Measure 98 point out that Oregon has the fourth-highest high school dropout rate in the country. More than 10,000 Oregon students fail to graduate each year, and these individuals are likely to hold low-paying jobs, be unemployed and rely on public assistance. Furthermore,

supporters argue that Oregon’s high schools are not adequately preparing those who do graduate from high school for college or careers. For example, Measure 98 supporters state that nearly 75 percent of the Oregon high school graduates who enroll in Oregon community colleges need remedial education and that career-technical education programs are not funded sufficiently to meet demand.

There is no organized opposition to Measure 98.

However, some critics argue that the Legislature—and local school boards—should be the ones to prioritize educational spending, whether on dropout prevention or something else.

Financial Impact — The measure does not affect the aggregate amount of funds collected or expended by state or local government. The measure does, however, commit a minimum increase of \$147 million annually to expenditures on career and technical education, accelerated learning and high school graduation improvement programs. This number could be lower if state revenues do not grow by \$1.5 billion in the 2017-19 biennium. Because the measure does not raise additional revenue, it specifically provides that the Legislature determine how these program expansions will be funded.

EMO Recommendation — Vote “YES” on Measure 98, based on EMO social principle of *Family & Community Well-being*. EMO is committed to promote the economic stability of families and communities, including adequate funding of public education and other crucial government services. It is clear that Oregon is underfunding effective dropout prevention efforts and career and technical education, and that economically disadvantaged Oregonians would in particular benefit from the programs identified in Measure 98. Furthermore, Measure 98 would be funded by General Fund revenue rather than by the Oregon Lottery.

Measure 99: Citizen Initiative—*Designates Lottery Proceeds for Statewide Outdoor School Program.*

Summary & Analysis — Measure 99 would capture at minimum four percent of net lottery proceeds every quarter to fund a new Outdoor School Education Fund to provide week-long outdoor school programs statewide to every fifth- and sixth-grade student. The fund would be administered by Oregon State University (OSU). Presently, Oregon does not fund outdoor school programs statewide. Instead, to the degree that state funding is available, OSU awards grants to school districts for outdoor school programs.

Supporters of Measure 99 suggest that Outdoor School helps students build self-sufficiency, critical thinking and leadership skills. In addition, it helps students meet state standards in science, technology, engineering and math through hands-on learning experiences. Currently, only about half of Oregon students attend Outdoor School. Because school districts and students themselves need to cover much of the program’s cost, rural and lower income school districts have far fewer

students who participate. Increased funding for Outdoor School will create jobs across the state, including in rural Oregon.

Opponents argue that legislators should determine the best use of Oregon Lottery dollars through legislative debate and negotiations, rather than by voters through ballot measures. Beyond how funding decisions are made—whether by elected officials or via the ballot—opponents argue the state should prioritize other programs over Outdoor School.

Additionally, some opponents oppose the use of the Oregon Lottery as a means to fund state services. *Please see this guide’s discussion of Measure 96 for an overview of the current allocation of net lottery proceeds.*

Financial Impact (abbreviated by EMO) — The measure amends Oregon Revised Statutes to dedicate a portion of lottery proceeds for a statewide outdoor school program. In 2015, the Oregon Legislature established an Outdoor Education Account to fund an outdoor school program for fifth- and sixth-grade students across the state. The Legislature did not provide funding at that time. The measure would shift up to \$22 million annually to the Outdoor Education Account from the Department of Administrative Services Economic Development Fund. The measure does not affect the overall amount of funds collected for or expended by state government. This measure would not have an impact on the constitutionally dedicated amounts for the Educational Stability Fund or the Parks and Natural Resources Fund.

EMO Recommendation — Vote “NO” on Measure 99, based on EMO social principle of *Family and Community Well-being*. While we recognize the numerous benefits of Outdoor School, EMO has consistently opposed the existence of the Oregon Lottery, the source of funding called for by this measure. *Please see our concerns about the Oregon Lottery in this guide’s discussion of Measure 96.*

Measure 100: Citizen Initiative—*Prohibits Purchase or Sale of Parts or Products From Certain Wildlife Species.*

Summary & Analysis — Measure 100 would prohibit the purchase or sale of parts or products from any species of sea turtle, shark, ray, elephant, rhino, rhinoceros, whale, tiger, lion, leopard, cheetah, jaguar and pangolin. Certain antiques over 100 years old or weapons or musical instruments with less than 200 grams of parts of the listed animals would be exempted from this law. Owners of legal ivory items could gift them to others, so long as the transfer was not part of a commercial transaction.

It is already illegal in the United States to import endangered animal parts and products, but there is no law in Oregon banning sales or purchases of items already smuggled into the country.

Supporters of Measure 100 state that the United States is among the world’s largest markets for wildlife products and that endangered species products are found for sale in Oregon. The illicit trade in wildlife parts has led to the killing of many thousands of animals and has undermined the economies and security of developing countries. Supporters of Measure 100 state that this illicit trade is responsible for the killing every year of roughly 35,000 elephants and nearly 100 million

sharks, and that one-quarter of shark and ray species and all sea turtle species are threatened with extinction.

Furthermore, a 2014 United Nations Environment Program report stated that the illegal wildlife trade was depriving developing economies of revenue and development opportunities, undermining good governance and the rule of law, and financing militias and terrorist organizations. California, Hawaii and Washington have passed bans on the purchase or sale of animal parts.

There is no organized opposition to Measure 100.

Financial Impact — There is less than a \$100,000 financial effect on state government expenditures or revenues and no financial effect on local government expenditures or revenues.

EMO Recommendation — Vote “YES” on Measure 100, based on EMO social principles of *Peace and Global Justice* and *Environmental Stewardship*. We believe an Oregon prohibition on the purchase and sale of parts or products from endangered animals would help shrink an illegal wildlife trade that destroys life, undermines the developing world’s economic potential, and is environmentally ruinous.

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