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**LEGISLATIVE UPDATE**

Prepared for OAFP

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**Legislators Balance the Budget**

The second Special Session of 2020 came and went yesterday as lawmakers gaveled in at 8 a.m. and worked late into the evening. The primary goal was to balance Oregon's budget without deep cuts to the Oregon Health Plan or education, and legislators utilized a series of smaller cuts and program savings to fill the \$1 billion budget gap in the current biennium.

The most notable health care related "savings" came from retroactive rate adjustments to CCOs. Despite the increased number of Oregonians on Medicaid, and those rate adjustments equaling an average decrease of 2.1% per member, a 6.2% increase in the federal match rate for Medicaid recipients helped to offset the decreased per member rate to CCOs.

Legislators also took up a few policy bills on unemployment benefits and police accountability. Bureau of Labor and Industries Commissioner Val Hoyle, and the state's largest business association, Oregon Business and Industry, came together to support one bill that raised the salary cap for part-time workers to continue receiving unemployment benefits. Both chambers overwhelmingly voted to limit police officers' use of deadly force and to bar most uses of chokeholds as well.

But many Republicans criticized the lack of transparency and public access to the Special Session. As House Republican Leader Christine Drazan (R-Canby) put it, "At the end of the day our budget is balanced, but Democrats made the unprecedented decision to deny access to Oregonians, not even allowing for remote public testimony. The lack of public access to this process is unacceptable, and the people of Oregon deserve better."

Just one bill failed to pass out of Committee. Sen. Betsy Johnson (D-Scappoose) joined Republicans to block a proposal which would have made it easier for furloughed school employees to qualify for unemployment benefits. The Governor issued a press release lambasting Republicans for the bill's failure, without mention of Johnson's critical swing vote, causing tensions to erupt in the Senate. Senate Republican leader Fred Girod (R-Stayton) stated in a floor speech that "obviously there's two republicans out of five on the committee, so my conclusion is that the number of republicans equal the IQ of the Governor."

Despite the criticisms and flare ups, the Legislature was able to finish its work. Now policymakers will turn their attention to an even bigger problem—the \$4.4 billion budget hole expected in the next biennium—and continue negotiating a potential 3<sup>rd</sup> Special Session to deal with lingering policy issues.

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