

OPCA Weekly Legislative Report

February 8, 2010

2010 Supplemental Session: Hitting the Ground Running

The Oregon legislature kicked off the short 2010 session by passing almost a dozen non-controversial bills and moving ahead on several more ambitious efforts. Serious action had to wait for today's release of the state revenue forecast, which tells legislators how much money they will have to allocate for the remainder of the 2009 – 11 biennium.

Revenues Likely to Plummet

Unfortunately, revenue numbers were worse than expected. In just two short months, **estimates for the amount of revenue that the state will receive by the end of the budget cycle have fallen by \$185 million.**



As a result, **the state could face a negative ending balance of \$106 million**, after accounting for cost cutting and other measures. The bulk of the drop is due to high unemployment rates and the corresponding lack of revenue from personal income taxes, which make up most of Oregon's tax revenue.

Fortunately, the state has approximately \$314 million in two reserve accounts (the Rainy Day Fund and the Education Stability Fund), so large cuts might be avoided this month.



Key Session Dates

- February 1: Session begins.
- February 11: Deadline for policy committees to take action on bills from the house of origin.
- February 19: Most policy committees will wrap up work on bills for this session.
- February 26: Scheduled adjournment.

More Bad Budget News Ahead?

Looking ahead to the 2011 – 13 cycle, today's budget forecast estimated that state revenues will drop \$446 million from earlier estimates.

Given this news, plus the expiration of the enhanced Medicaid match and the disappearance of federal stimulus funds, the 2011 legislative session might be a tough one.

Health Care Bills of Note

Health care committees were busy last week. Here's a look at some emerging bills:

- House Joint Resolution 100 would add to the Oregon Constitution a guarantee of health coverage for every legal resident.
- HB 3642 would allow supervising physician organizations to collectively supervise physician assistants.

- HB 3662 (SB 1046) would give psychologists the authority to prescribe certain medications.
- SB 1011 would require employers and health providers to ensure that all of their employees have been vaccinated for a series of diseases.
- HB 3639 would give \$10,000 annually in loan repayments to any primary care physician who treats any number of Medicaid patients.
- SB 1047 (HB 3603) would eliminate the insurance premium tax passed last year by the legislature, thus killing the Healthy Kids program. (This bill is quite unlikely to pass.)

Food for Thought

As the session rushes toward a quick close, keep in mind that Senate President Peter Courtney would like to convince voters to overturn a current Constitutional ban on annual legislative sessions.

This bill is being rewritten. Likely changes will focus the bill on rural areas, cap the total repayment amount and limit the payments to practices that specialize in Medicaid patients. The bill faces an uncertain future, given our current economic situation.