



from the

## OREGON REPUBLICAN LEADERS

### **For Immediate Release**

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### **ICYMI: Republican Leaders Send Joint Letter to President Wagner & Speaker Rayfield Addressing Fiscal Responsibility of the Legislature**

**SALEM, OR** – On the first day of the 2023 Legislative Session, House Republican Leader Vikki Breese-Iverson (R- Prineville) and Senate Republican Leader Tim Knopp (R- Bend) sent a letter to Senate President Rob Wagner (D – Lake Oswego) and Speaker of the House Dan Rayfield (D-Corvallis) to address the legislature’s fiscal responsibility.

*“In December of 2022, the Legislative Fiscal Office and the Chief Financial Office indicated revenues will be short about \$560 million of expected government spending this upcoming fiscal biennium. When government spending gets out of hand, government should revisit its scope and size,” **said the Republican Leaders in the letter.** “Thus, we are requesting that the Legislative Assembly carry out its duty and obligation to fiscal responsibility in this Session. We request the Assembly exercise its authority and hold committee hearings which identify fiscal issues and solutions, ensuring that government spending is effectual.”*

The Republican Leaders highlighted five areas of concern looking ahead to the Legislative Session:

- American Rescue Plan Act (ARPA)
- Housing and Homelessness
- Wildfire Relief
- Drought Relief
- K-12 Summer Enrichment

*“We request a public and transparent committee process, early in the Session, to provide clear oversight from the Assembly, to further understand public expenditure, and to discuss the role and scope of government,” **said the Republican Leaders in the letter.***

The final letter is attached.

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## Oregon State Legislature

January 17, 2023

### **Via Electronic Mail**

The Honorable Dan Rayfield  
Speaker of the House

The Honorable Robert Wagner  
President of the Senate

### **Dear President Wagner & Speaker Rayfield:**

In December of 2022, the Legislative Fiscal Office and the Chief Financial Office indicated revenues will be short about \$560 million of expected government spending this upcoming fiscal biennium. When government spending gets out of hand, government should revisit its scope and size. Thus, we are requesting that the Legislative Assembly carry out its duty and obligation to fiscal responsibility in this Session. We request the Assembly exercise its authority and hold committee hearings which identify fiscal issues and solutions, ensuring that government spending is effectual.

At this early juncture in the Session, we highlight five areas of concern:

1. American Rescue Plan Act (ARPA): As you know, the State received \$2.6 billion in subsidies from the federal government as part of the nation's Covid-19 recovery. The FY 21-23 Budget provides a myriad of uses for such funds. But it is apparent that, despite high-profile economic forecasts to the contrary, state and local governments did not suffer significant revenue loss and, as such, did not need the significant amount of funding it received. The spending of this money has, it appears, greatly exacerbated the recent outbreak of inflation, not just in Oregon, but nationwide. Accordingly, we request that the Assembly investigate potential waste, abuse, and mismanagement of Covid relief funds.
2. Housing and Homelessness: Last fiscal biennium, the Legislature appropriated \$937 million for the Housing and Community Services Department, in addition to federal aid also allocated for housing issues. It is no secret that housing access, homelessness, and affordability continue to be a significant issue for Oregonians, and our Caucuses are in full agreement that reform is necessary to resolve this perpetual crisis. However, after nearly \$1 billion in funding, and limited, significant improvements, we question whether the monies allocated to resolve the problem are effective, or whether the appropriations are simply going to the coffers of private and non-profit entities. As



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such, we request a committee hearing and update to address the pitfalls between significant government spending on housing policy and the lack of meaningful progress.

3. Wildfire Relief: The State has both appropriated and received funds for wildfire recovery in response to the 2020 Labor Day wildfires. This includes \$422 million in federal funding. As wildfires continue to be a growing, yearly concern we request an update as to the allocation of recovery funds and an audit to ensure that recovery funds are going to the families and communities that need them most.
4. Drought Relief: As you know, drought issues have plagued our State for many years. More than one-third of Oregonians have been in severe drought and according to the federal government, more than half of Oregon is in “severe to exceptional” drought. While this Assembly has allocated funding responsive to drought concerns in rural communities, including about \$100 million in December of 2021, rural Oregon, and indeed those impacted statewide, need substantive solutions to help better the impact of drought conditions. To that end, we request a spending update which addresses what, if any, continual protections are planned for the forthcoming biennium.
5. K-12 Summer Enrichment: In 2021, the legislature provided \$200 million to support summer credit earning and enrichment opportunities for students in grades K-12 across the state. In 2022, the legislature approved an additional \$150 million. Yet school districts already received federal funding from ARPA – about \$1.1 billion. Further, while the Department of Education claims the program has been a success, reporting has clearly shown that the program has struggled to maintain adequate staffing and access. While our Caucuses uniformly support public education funding, we request an audit of the enrichment program to ensure earmarked revenue is spent to its best effect on public education, with measurable results and a meaningful impact. Simply, Oregon’s bottom-tier education funding status is unsustainable for long-term enrichment.

These five areas are, perhaps, the most pressing. Yet they are not the only areas worth financial investigation at the state level. A general audit of government expenditures is prudent given the economic forecast of continued inflation, recession, and deficit spending. Oregon’s fiscal outlook is on the verge of a downward spiral. We must ensure that government spending is effective and that we eliminate any wasteful, ineffectual appropriations. To that end, we request a public and transparent



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committee process, early in the Session, to provide clear oversight from the Assembly, to further understand public expenditure, and to discuss the role and scope of government.

We look forward to working with your offices to achieve these goals.

Sincerely,

**Vikki Breese-Iverson**  
Republican Leader  
Oregon House of Representatives

**Tim Knopp**  
Republican Leader  
Oregon State Senate

CC:  
Senator Elizabeth Steiner  
Senator Michael Dembrow  
Senator Jeff Golden  
Senator Kayse Jama  
Representative Maxine Dexter  
Representative Ken Helm  
Representative Courtney Neron  
Representative Tawna Sanchez

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