

Voters passed three ballot measuresⁱ in 2016 that give specific instructions about spending money on programs for veterans, CTE and dropout prevention, and outdoor school. Those measures put a new \$356 million pressure on the budget, making the budget hole deeper. High priority, yes, but higher than which other programs? resources for foster families and foster kids, health care, lowering class size in K-12 schools, or helping working families with day care?

These voter-initiated measures do not go through the rigor of legislative review and debate. There are no public hearings, no deep dive analysis by nonpartisan offices or by parties with differing points of view. To compare the legislative process to citizen initiatives: in the most recent long legislative session, 2017, the Legislative Fiscal Office prepared statements of Minimal or No Fiscal Impact for 1,650 bills, and written fiscal impact statements for 1,234 bills. But they don't write them for initiatives.

Oregon is apparently one of only 14 states with this mechanismⁱⁱ – citizens *directly* putting legislation on the ballot – and sometimes that will add a demand on the budget.

The National Conference of State Legislaturesⁱⁱⁱ tells us that “Fiscal impact statements are an important component of voter education on initiative proposals. Voters often do not have the budgetary perspective necessary to make an informed decision about an initiative. Often, they enact a measure and it is left to the legislature to determine where the money will come from, which can mean redirecting funds from other programs.”

NCSL goes on to say, “One may argue that, even if voters have fiscal information, it is meaningless unless the public knows how big the budget is. Simply attaching a dollar amount to a measure may not provide enough information. To make a fiscal statement meaningful, it must be considered in the context of the fiscal resources of the state.”^{iv}

Just publishing the cost isn't necessarily sufficient. The voters won't know the context of the choices: what should be cut to pay for a new program? Or should there be a tax or fee increase?

The Secretary of State does have a process to review voter-initiated ballot measures. The SOS reviews the text of the prospective initiative petition and considers whether it meets requirements of the constitution, but does not review it for substantive constitutional or legal sufficiency, or for that matter, administrative feasibility, or how it impacts preparation of a balanced budget. As part of the responsibilities established in Oregon statute, a Financial Estimate Committee^v is charged with preparing a financial estimate statement.

The Committee estimates the amount of direct expenditure, reduction of expenditure, reduction in state revenues, tax revenue or indebtedness and interest that will be required to meet the provisions of the measure, and the aggregate

amount the same by any local government to meet the provisions. The statement is printed in the voter's pamphlet.^{vi} It's included on the page with the Ballot Title. I've read a few of them. I suspect that a survey of voters would yield few who read the entire ballot title, including all the text of the summary and the estimate of financial impact, which is usually two or three paragraphs. Do you read the legal language on every website or app you open before you click "Accept"? Do you think voters are reading the entire printed page under the Ballot Title? I'm guessing they don't. I think there should be a simple, bottom-line statement, clear, *and* noticeable.

That's all this measure does: alert the voter about the fiscal impact – that a measure will cost money, and it's not known where the money will come from.

There isn't a new revenue source, or a fee or tax increase to go along with it, so it's not known how the legislature will find the money to pay for it. Maybe a tax increase? Those are VERY, VERY difficult, so unlikely. Increasing fees for something? Also not likely. Cutting some other program? Maybe. Just don't know.

To reiterate, all this measure does is alert the voter that the measure costs money, without an identified revenue source. This bill does not at all impact whether or how voters can initiative changes to state law or constitution.

ⁱ 96: **Veterans:** 1.5% LF to veterans' programs: \$18.5 M LF

98: **CTE and other dropout prevention strategies:** \$294 M GF

99: **Outdoor School.** \$44 M LF

ⁱⁱ Of the 24 states that have an initiative process, 16 require some kind of fiscal impact analysis. Six of those states (Alaska, California, Maine, Missouri, Montana, and Utah) require the statement to be published on the petition form itself, and some states require the fiscal impact to be published on the ballot.

ⁱⁱⁱ NCSL: It is currently the law in 13 states that, if a proposed initiative will have a monetary effect on the state's budget, a fiscal impact statement must be drafted. A legislative fiscal agency generally writes it, and it appears on the petition, in the voter info pamphlet, and/or on the ballot.

^{iv} Suggestions include printing pie charts or graphs to illustrate the fiscal impact of the proposed measure in the context of state resources, and including a general statement in the Voters' Pamphlet that lists the estimated financial effects of each ballot measure upon the general fund and the combined effect if all were to be approved.

^v The committee is comprised of the Secretary of State who convenes the committee, the State Treasurer, Director of Department of Administrative Services, Director of Department of Revenue, and a local government representative who is agreed upon by the four other members. The Legislative Policy and Research Office (LPRO) facilitates the work. They usually meet for two meetings 3 months prior to the election.

^{vi} (If the estimate is an impact less than \$100,000, the statement must be printed in the voter's pamphlet. ORS 250.125 subsection 5 requires that the estimate be submitted for measures that would cost more than \$100,000 The statement must include;

- A statement of the amount of financial effect on state, local or tribal government expenditures, revenues or indebtedness, expressed as a specific amount or as a range of amounts;
- A statement of any recurring annual amount of financial effect on state, local or tribal government expenditures, revenues or indebtedness;
- A description of the most likely financial effect or effects of the adoption of the measure; and
- If an estimate is made under subsection (3) of this section, a description of the most likely financial effect or effects if the measure is not enacted