

A City Club Report on Measure 96: Dedicate Lottery Funds to Veterans Services

Published in the City Club of Portland Bulletin, Vol. 99, No. 1, Aug. 17, 2016



During the 2016 Oregon Legislative session, both the Senate and the House unanimously referred joint resolution LR 2016-404 for voter approval. It became Ballot Measure 96 and will appear on the Nov. 8, 2016 general election ballot. The measure would amend the Oregon Constitution to require 1.5 percent of net lottery proceeds be dedicated to a veterans' service fund to provide assistance with employment, education, housing and physical/mental health care. Based on the March 2016 lottery revenue forecast by the Office of Economic Analysis, 1.5 percent is estimated to raise \$19.5 million in the 2017-19 biennium. The amount generated would vary each biennium based on lottery revenue. If approved by voters, the measure would take effect on July 1, 2017.

Majority Summary

The majority of your committee concluded that amending the Oregon Constitution to require 1.5 percent of lottery proceeds to be used for a veterans' fund would significantly benefit Oregon veterans. Your committee determined that increasing veteran outreach services, one result of the dedicated lottery appropriations, justifies supporting the measure.

Proponents of the measure estimate that added outreach by county veteran service officers would bring \$4 billion more federal veteran benefits annually to Oregon. Additionally, the measure would likely have secondary beneficial effects on the Oregon economy. Considering the favorable impact on Oregon's valued service members and the many positive effects on the state, the majority supports a "Yes" vote for Measure 96.

Recommendation: The majority recommends a "Yes" vote.

Minority Summary

The minority of your committee agrees with the majority that the current veterans benefit system is broken and difficult to navigate, which prevents veterans from accessing benefits they have earned.

Increasing the number of veteran service officers who locate and enroll eligible veterans is practical, sensible and a worthy effort. The minority of your committee takes issue with the use of constitutional initiatives to address funding issues.

Amending the Oregon Constitution in this way places limitations upon the Legislature's ability to do its job — create a balanced budget. The legislature could accomplish the same result — bringing additional federal veteran funding to Oregon — by appropriating general fund dollars for veterans' services through a statutory process that would not interfere with lawmakers' ability to allocate funding as they see fit.

Recommendation: The minority recommends a “No” vote.

City Club members will debate this report on Wednesday, Aug. 24, 2016 at the Club's Ballot-Palooza event. Club members will vote on the report beginning Thursday, Aug. 25 and finishing Monday, Aug. 29. Until the membership votes, City Club of Portland does not have an official position on this report and Measure 96. The outcome of the vote will be reported on Aug. 30 in the City Club of Portland Bulletin Vol. 99, No. 2 and online at pdxcityclub.org.

TABLE OF CONTENTS

INTRODUCTION.....	4
BACKGROUND.....	4
What Measure 96 does not do	5
About the lottery.....	5
Existing state and local veterans’ funding and services	6
Oregon Department of Veterans Affairs revenue sources.....	6
Oregon Department of Veterans Affairs program expenditures	7
County veteran services	7
Prior City Club of Portland research reports.....	8
Major assertions made in favor of Measure 96.....	9
Major assertions made against Measure 96.....	9
MAJORITY DISCUSSION & ANALYSIS	10
Majority conclusions	11
Majority recommendation	12
Signatures.....	12
MINORITY DISCUSSION & ANALYSIS	13
Minority conclusion.....	14
Minority recommendation	14
Signatures.....	14
ACKNOWLEDGEMENTS.....	15
WITNESSES.....	15
BIBLIOGRAPHY	15
ABOUT CITY CLUB	18
END NOTES	18

INTRODUCTION

Measure 96 will appear on the Nov. 8, 2016 ballot as follows:

Amends Constitution: Dedicates 1.5% of state lottery net proceeds to funding support services for Oregon veterans.

RESULT OF “YES” VOTE: “Yes” vote dedicates 1.5% of state lottery net proceeds to fund veterans’ services, including assistance with employment, education, housing, and physical/mental health care.

RESULT OF A “NO” VOTE: “No” vote retains current list of authorized purposes for spending state lottery net proceeds; 1.5% dedication to fund veterans’ services not required.

SUMMARY: Amends Constitution, dedicates lottery funding for veterans’ support services. Currently, Constitution requires that state lottery proceeds be used to create jobs, further economic development and finance public education; dedicates some net lottery proceeds as follows: 18% to finance education stability fund, 15% to finance state parks, restoration and protection of native fish and wildlife, watersheds, water quality and wildlife habitats, 15% to finance school capital matching fund. Measure dedicates 1.5% of lottery net proceeds to fund services for Oregon veterans. Veterans’ services include assistance with employment, education, housing, physical/mental health care, addiction treatment, reintegration, access to government benefits, and other services for veterans, spouses and dependents. Other provisions.

BACKGROUND

During the 2016 Oregon Legislative session, both the Senate and the House unanimously referred joint resolution LR 2016-404 for voter approval in the November 2016 election. It appears on the ballot as Measure 96 and would amend the constitution to require 1.5 percent of net lottery proceeds for a veterans’ service fund. Based on the March 2016 lottery revenue forecast by the Office of Economic Analysis, 1.5 percent is estimated to be \$19.5 million for the 2017-19 biennium.¹ The 1.5 percent allocation would be permanent, but the actual dollar amount would vary each biennium based on lottery revenue. If approved by voters, the measure would take effect on July 1, 2017.

The language approved for the ballot by the secretary of state indicates that net revenue would fund veterans’ services that “include assistance with employment, education, housing, physical/mental health care, addiction treatment, reintegration, access to government benefits, and other services for veterans, spouses and dependents.” Yet nothing in the measure specifies what type of veteran services the money will support. Steve Bender, a principal legislative analyst in the Legislative Fiscal Office, told your committee it would be up to the Joint Committee on Ways and Means to determine how the funds are budgeted.²

During hearings on the HR 2016-404, legislators stated on the floor of the House that the money will focus on expanding outreach and identification of veterans who qualify for, but aren't yet receiving, federal veterans' benefits.

What Measure 96 does not do

The measure does not ensure that the lottery money set aside for veterans would be in addition to general fund revenue (\$12.7 million in the 2015-17 biennium)³ that now pays for some veteran programs. These lottery dollars could, in theory, be used to replace these general fund dollars, however the 2016 Voter Pamphlet states that this is not the intent. The measure's co-sponsors, State Reps. Julie Parrish and Paul Evans, said this is not the intention of the legislation being referred for voter approval.^{4,5} The proposed 1.5 percent dedication would not affect the constitutional dedications of lottery proceeds for education and natural resources.

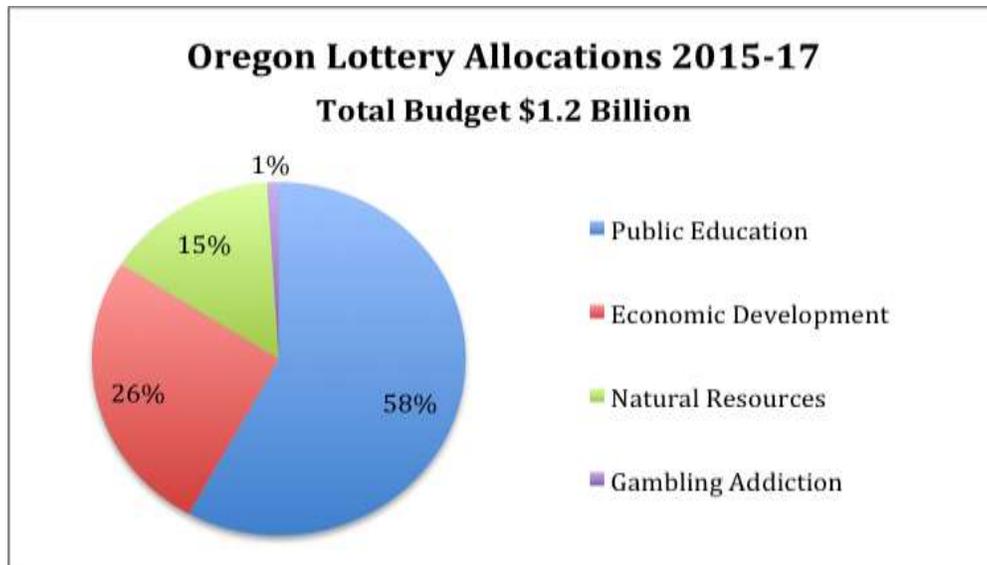
About the lottery

In November 1984, through initiative petition, voters approved an amendment to the Oregon Constitution establishing a lottery. Net proceeds from the lottery were to be used for creating jobs and economic development. Subsequent ballot measures and legislation added other programs to the list of ones that benefit from lottery dollars:

- In 1995, Measure 21 sanctioned using lottery funds for public education. The constitutional amendment also gave funding priority to lottery revenue bonds. Additionally, the measure approved using 15 percent of net proceeds for an Education Endowment Fund.
- In 1998, Measure 66, a constitutional amendment, dedicated 15 percent of lottery funds to restore and protect Oregon parks, beaches, watersheds, and critical fish and wildlife habitats.
- In 2002, Measure 19, also a constitutional amendment, converted the Education Endowment Fund to an Education Stability Fund and increased the lottery dedication to 18 percent. It also transferred \$150 million of the principal to the State School Fund. When the Education Stability Fund's balance meets or exceeds 5 percent of the prior biennium's general fund revenue, then the 18 percent dedication decreases to 15 percent and is deposited into a school capital matching subaccount instead of into the Educational Stability Fund.
- In 2005, the Oregon Legislature approved HB 3466, a statutory provision that replaced lottery games on sporting events starting in July 2007. The bill also dedicated 1 percent of lottery proceeds to fund sports programs at Oregon universities.
- Finally, in November 2010, Measure 76, a constitutional amendment, made the 15 percent dedication to parks and natural resources permanent. Of the that 15 percent, half is put into a parks subaccount and half is placed into a natural resources subaccount. Of the 50 percent in the parks subaccount, 12 percent is for regional parks and grants.⁶

There are two constitutionally dedicated allocations, public education and natural resources, and four statutorily dedicated allocations: for gambling addiction, athletic programs at public universities, county economic development programs and county fairs. Both, constitutional and statutory dedications are restricted dollars. In the 2015-17 biennium budget, dedicated allocations represent 32 percent of lottery dollars leaving 68 percent of lottery funds unrestricted.⁷

For the 2015-17 biennium, nearly \$1.2 billion in lottery funds is allocated to four categories – public education, economic development, natural resources and gambling addiction.



In the 2015-17 biennium budget, allocated unrestricted dollars increased the constitutionally mandated 18 percent for public education to a 58 percent share. No unrestricted funds were added to the natural resources spending. The remaining unrestricted lottery dollars went to economic development.⁸

If voters approve the measure, unrestricted portion of lottery funds that are unrestricted will be reduced, so less funding will be available than currently. That funding now goes to public education and economic development.

Existing state and local veterans' funding and services

Several state and local sources allocate funds for veterans' services.

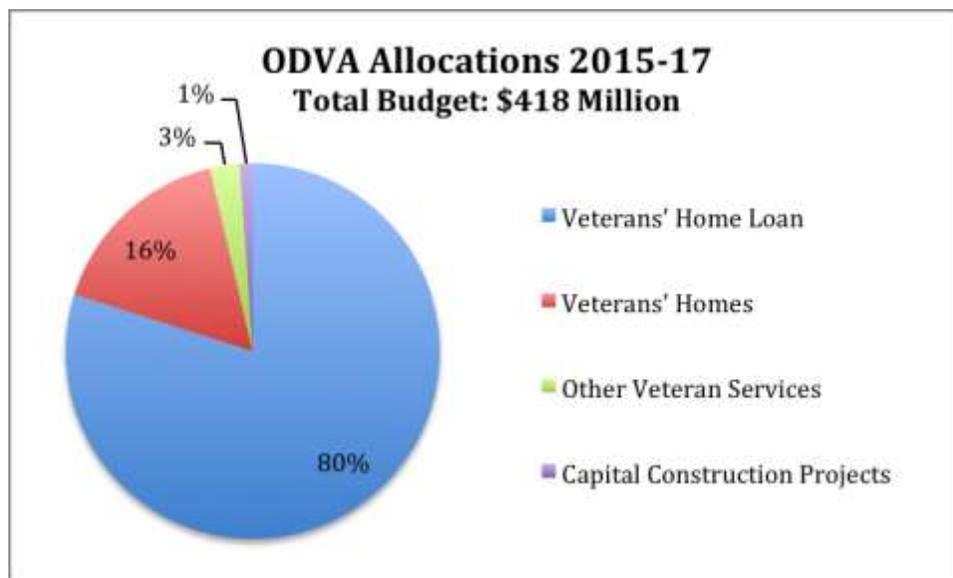
Oregon Department of Veterans Affairs revenue sources

The Oregon Department of Veterans Affairs' (ODVA) budget for the 2015-17 biennium is nearly \$418 million.⁹ Only 3 percent, or \$12.7 million, of it comes from the state's general fund. The other 97 percent comes from other funds, including general obligation bond proceeds, veteran loan repayments, conservatorship, program and loan-related services, rent from leasing space within the Veterans' Building, payments from the residents of Veterans Homes, investment earnings, and federal funds.

Oregon Department of Veterans Affairs program expenditures

Most of ODVA's revenue is used to fund the Veterans' Home Loan Program and two Veterans' Homes. Below is the budget breakdown:

- 80 percent (\$334 million) is allocated to the Veterans' Home Loan program
- 16 percent (\$69 million) goes to Veterans' Homes
- 3 percent (\$11 million) funds Other Veteran Services, including pass-through dollars to Oregon counties and national service organizations.
- 1 percent (\$4 million) supports capital construction projects

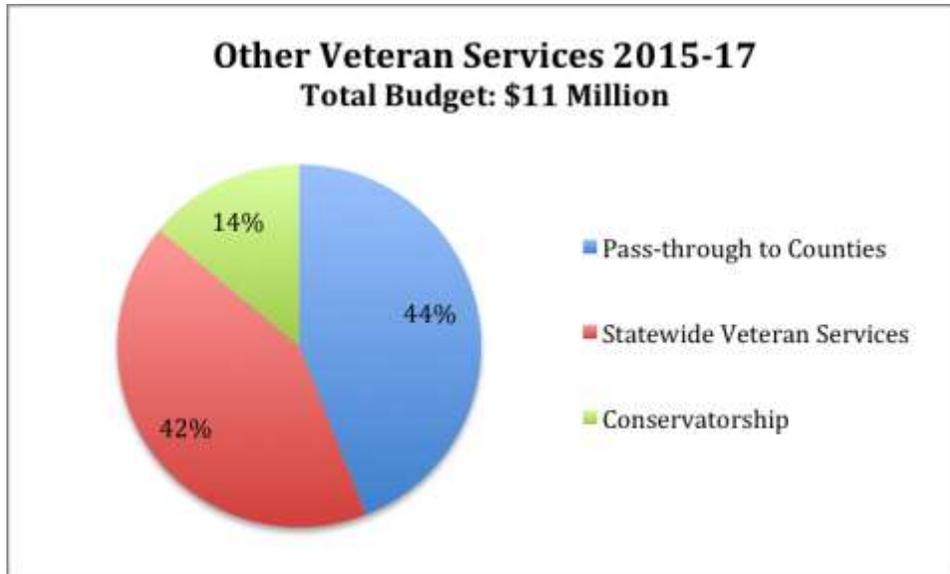


County veteran services

According to the ODVA 2015-17 budget, counties were slated to receive \$4.8 million in pass-through dollars for veteran service officers (VSOs), all from the general fund—44 percent of the 3 percent in the chart above. This is the program that lottery proceeds are intended to bolster.

Counties use these funds for outreach to veterans and assistance in applying for federal benefits. The amount counties receive from ODVA is based on the number of enrolled veterans in their county. Some counties add money from their general fund to increase resources for veteran services. However, not all counties tap their general fund to supplement ODVA dollars, so there is variation between counties.

Currently, 35 of 36 counties that receive state dollars direct them for VSO positions whose job is to connect veterans to their earned federal benefits. ODVA says that their partnership with counties assists veterans in filing federal claims and advocating for disability compensation and pension benefits. This state investment has a significant economic impact from the federal claims that county VSOs file on behalf of veterans.



According to the 2016-17 ODVA distributions, the amount of pass-through dollars to counties varies. Multnomah County receives the most (\$217,972) and Polk County the least (\$31,063).¹⁰ Multnomah County will add \$523,430 from its general fund to augment its veteran services.¹¹

In a presentation to the Senate Finance and Revenue Committee, Rep. Paul Evans said Oregon veterans received \$1.3 billion in federal dollars in 2014 in compensation and pension payments. If you add federal education and healthcare benefits, the amount increases to \$2.5 billion that Oregon veterans obtained in 2014, according to the U.S. Department of Veterans Affairs.¹²

Prior City Club of Portland research reports

City Club of Portland has studied the initiative process twice in the past 20 years.^{13 14} Both reports cautioned against using ballot measures to mandate state expenditures. These measures, they concluded, inhibit the legislature's constitutional requirement to balance the state's budget and could negatively affect the state's bond rating.

The 1996 report recommended that the state enact a constitutional amendment banning ballot measures that would require appropriations of more than \$500,000 per year if they do not also create a new source of revenue to cover the cost. Such an amendment has never been adopted.

Your committee reviewed the referenced reports and recommendations and the majority argues that they are not applicable in this instance. Article XVII, Sections 1-2 of the Oregon Constitution detail how the constitution can be amended or revised. It states that any revision sponsored by either branch of the legislative assembly must be referred to the citizens of Oregon.

Further, Article XV, Sections 4-4b states that the only legal manner to place restrictions on lottery expenditures is through a popular vote.

Major assertions made in favor of Measure 96

- It would help address critical gaps for veterans in the areas of education, health, mental health, housing, employment, transportation and welfare.
- It would fund outreach efforts, enabling veterans and their families to connect to and access the federal benefits they have earned.
- It would help generate economic and educational opportunities for veterans, particularly for those who are re-integrating into society after their service.
- An increase in state spending to support veterans would bring additional federal dollars into Oregon, thus contributing to Oregon's economic development.
- Its cost would be offset by a revenue-positive effect by shifting veterans cost to the U.S. Department of Veterans Affairs.
- There is precedent for permanent allocation of some lottery funds.
- Support for veterans' services and programs benefits a large class of Oregonians.

Major assertions made against Measure 96

- Past City Club of Portland research reports adopted by members recommend not using the initiative process for spending measures, especially when locking them into the Constitution.
- It would reduce the amount of money available for programs that now receive unrestricted lottery funds, including education.
- It does not contain a specific mechanism for generating new funds.
- Permanent dedication of state funds to particular programs interferes with the legislature's ability to create a balanced budget and could negatively affect the state's bond rating.
- It does not specify whether the 1.5 percent of lottery proceeds will be added to the ODVA's budget or will replace the general fund dollars currently allocated to it.
- No formal review mechanism to evaluate whether Measure 96's purpose is being adequately realized.

MAJORITY DISCUSSION & ANALYSIS

This ballot measure raises one main question for Oregon voters: Should the Oregon Constitution be amended to require using lottery proceeds to fund veteran services?

There is consensus among all those interviewed and your committee that Oregon veterans would benefit from increased state resources. Veterans and their families have made sacrifices for this nation, and many of them do not receive the support to which they are entitled. Approximately 100,000 of Oregon's estimated 350,000 veterans are receiving services from the U.S. Department of Veterans Affairs: In 2014, Oregon veterans received \$2.5 billion in federal veteran benefits. These federal benefits, and the process for accessing them, are complex and difficult to navigate. This amendment would fund outreach efforts enabling veterans and their families to connect to and access the federal benefits they have earned.¹⁵

According to proponents, using the added state dollars for outreach by county governments would bring additional federal benefits to Oregon veterans, estimated at \$4 billion annually. Because veterans are not yet fully accessing their federal benefits, Oregon delivers some services to veterans that duplicate what should be covered through the U.S. Department of Veterans Affairs. If current state-funded services were shifted to federal veterans programs, then demand on state resources would lessen. This would create a "revenue-positive" effect that will ultimately offset any reduction to the general fund incurred by the measure's proposed 1.5 percent allocation.¹⁶

Support for veterans' services and programs benefits a large class of Oregonians. For example, veterans' earned federal benefits can help address issues of homelessness and housing instability across Oregon.¹⁷

The disagreement among your committee members rested on whether the Oregon Lottery is an appropriate financing mechanism to place more money in the state budget for veterans.

The majority of your committee concluded that, given the multiple demands on limited state resources, using lottery proceeds to increase federally earned benefits to Oregon veterans is desirable.

Measure 96 would help address critical gaps for veterans in the areas of education, health, mental health, housing, employment, transportation and welfare by providing funds for support services and needs-based programs.¹⁸

While there was some philosophical discussion about the ethics of a lottery to support any type of government services, most of your committee felt this was not relevant to our charge. The fact is that Oregon has a lottery, established by voters, to support specific programs. This measure would add one more type of authorized program that receive funding from it. Even the only organization that testified against this measure, Tax Fairness Oregon, did not have a problem with lottery proceeds supporting state services. The group's position is that lottery dollars should go towards education, and that any allocation of unrestricted lottery funds to another group limits support for educational programs.¹⁹

The use of lottery funding for veterans' services aligns with Oregon's mandate that lottery net proceeds should be used to create jobs and support economic development and education. Measure 96 would help generate economic and educational opportunities for veterans, particularly for those who are re-integrating into society after their service.²⁰

Measure 96 would create a permanent allocation for veterans' services and programs out of the unrestricted portion of lottery net proceeds. A permanent allocation is appropriate and has a historical precedent in permanent set-asides of lottery dollars to support public education and natural resources.²¹

However, Measure 96 does not mandate that the allocation maintain the current state distribution levels to veteran services. The legislature still maintains the ability to determine the organizational or programmatic recipients of the proposed lottery proceeds, which it already does for current lottery dollars. The legislature can reduce, eliminate or alter any appropriations presently directed toward veteran services from revenue sources other than the lottery, avoiding any new encumbrance on state expenditures.

The majority of your committee assumes that in authorizing this referendum the legislature indicated it is confident that Measure 96 does not restrict its obligation to produce and maintain a balanced budget. For this reason, and because this proposal is a legislatively-sponsored constitutional amendment, which differs from a citizen-driven referendum, we believe that the recommendations herein do not conflict with past City Club precedent.

Majority conclusions

The majority of the committee agrees that more funding for outreach and case management to veterans is sorely needed. As stated above, of ODVA's \$418 million budget for this biennium, only about \$12.7 million comes from the general fund. Of that, about \$11 million is devoted to "other veteran services." These services include veteran outreach and case management of claims for federal benefits for which supporters suggest these additional funds will be used.

While the added revenue would be subject to the legislative appropriations process, the majority of your committee believes, given the legislative record, there is no reason to believe the dollars would be spent differently. Oregon has no large-scale active military bases with extensive personnel. As a result, the types of services and veteran support culture that exists around bases elsewhere is absent here. Outreach to benefits-eligible veterans suffers.

The majority further agrees with the proponents' assertions that increasing the federal benefits for Oregon veterans would likely have a positive effect on the financial and economic position of the state through multiple avenues. First, an increase in pension and disability compensation benefits would allow veterans to spend those dollars in the Oregon economy. Second, increasing vocational training and health care benefits shifts current state spending to the federal government, enabling the state to move that spending to other purposes. While the committee lacks the expertise to determine the size of these

effects, or the ability to judge the accuracy of the figures cited by proponents, even the measure's opponents concede there is a potentially large economic benefit.

The majority of the committee has concluded that despite a general sense of discomfort with the creation of constitutional language to address, specifically and perpetually, the allocation of dollars that could conceivably come from other sources, the legislature has the prerogative to place before voters constitutional amendments that determine how lottery revenue is spent.

In this case, the legislature elected to propose Measure 96 by unanimous votes in both legislative chambers. While one potential view of the referendum is that the legislature could not find the will to fund veterans' services from the state's general fund, a more favorable view is that the legislature recognizes the scope of the need and has responded with a constitutionally protected funding source.

If this were a citizen-sponsored initiative to restrict the budgetary authority of the legislature, the majority might have a different view in line with previous City Club precedent. As it stands, the legislature is following the only procedure available to it to amend the Constitution — a referral to voters. Because the legislature voted to restrict its own authority and because the restriction applies only to 0.1 percent of total state spending at a maximum, the majority believes there are no negative effects to the integrity of the state budget process.

The majority of the committee finds that Measure 96 serves a worthy purpose and creates an economic benefit for the state of Oregon with minimal budgetary impact, and thus recommends a yes vote on the measure.

Majority recommendation

The majority of your committee recommends a "Yes" vote on Measure 96.

Signatures

Respectfully submitted,

Kathy Oxborrow, lead writer

David Butts

Kyle Thomas

Erin Zollenkopf

MINORITY DISCUSSION & ANALYSIS

The minority of the committee acknowledges that the current veterans benefit system is broken and difficult to navigate, which prevents veterans from accessing benefits they have earned. The proponents' solution, that of increasing the number of VSOs to locate and enroll eligible veterans is both practical and sensible, and thus the minority supports that effort. A relatively small investment by the state of Oregon could, in turn, capture billions of federal dollars in the form of healthcare, housing, disability and educational benefits. Federal dollars could improve the overall economic health of the state through multiplier effects, as veterans use their benefits and spend their dollars in the community, and by allowing the state to reallocate state money to other programs.

The minority of the committee also recognizes that it is right and proper for the legislature to refer constitutional initiatives, and that the process that created Measure 96 and its referral to Oregon voters was fully deliberative, accountable and transparent. This process reflects the ideal recommended by the City Club report in 2008, and gave all interested parties time to debate the issue in detail.

That 2008 report and another in 1996 cautioned against using the initiative system for funding measures, especially when locking spending into the constitution. They argued that using constitutional initiatives to make budgetary decisions was contrary to the purpose of a constitution, that of "defining the powers of government, creating their most important institutions and protecting civil liberties."^{22 23} While allocating more dollars to a veteran's fund would serve a large public good, achieving that through a constitutional amendment is inappropriate.

Using the lottery to fund veterans' services means fewer resources would go to other projects already receiving unrestricted lottery funds, such as education. This is one of the main points mentioned by Elsa Porter, secretary for Tax Fairness Oregon, a nonprofit organization whose goal is to promote a tax code that is fair, progressive, serves the common good, and is fully enforced.²⁴

Although proponents anticipate a high rate of return on investment in the form of benefit money from the US Department of Veterans Affairs, this measure does not contain a specific mechanism for generating *new* funds.

The permanent dedication of state funds to particular programs interferes with the legislature's ability to create a balanced budget. Although this amendment would only affect 1.5 percent of the discretionary funds available from lottery proceeds, this does limit the legislature's ability to create a balanced budget. Unlike statutory amendments, which allow future legislators to modify the amount of funds allocated, constitutional amendments cannot be overridden by the legislature. As a matter of policy, this is why the Legislative Fiscal Office testified against the measure, according to Steve Bender.²⁵ Previous City Club reports noted that interference with the legislature's ability to create a balanced budget could affect the state's bond rating.

Moreover, language in the ballot measure does not identify if the 1.5 percent of lottery proceeds will be added to the ODVA's budget or will replace the general fund dollars currently allocated to it. Reps.

Parrish and Evans testified that the funds are intended to be additive and will support the recruitment and training of additional county VSOs, however, there is no language to ensure this goal is realized. The allocation of funds will be decided by future legislatures that could choose to use the money to replace the general fund dollars that currently go to counties for veteran outreach and to national veteran service organizations.

Finally, Measure 96 has no formal review mechanism to evaluate whether the purpose is being adequately realized. Because it will be in the Constitution, though, it cannot be easily fixed if it does not work. The requested 1.5 percent may be sufficient to address current need, but the state could find that the level of funding insufficient in the future.

Minority conclusion

The minority takes issue with using constitutional initiatives to address funding issues and placing limitations upon the legislature’s ability to do its job—create a balanced budget. The constitution is a living document that describes the relationship between a government and its citizenry, the form and structure of a government, and the rights enjoyed by its citizens. While Measure 96 is designed to improve the well-being of a specific group of people for the betterment of all, its aim is not to clarify the role of government nor to define the civil rights enjoyed by the people of Oregon. This is an inappropriate use of constitutional initiatives. Measure 96 would be more appropriate as a statutory initiative, which would not interfere with the legislature’s ability to allocate funds as it sees fit.

Minority recommendation

The minority of your committee recommends a “No” vote on Measure 96.

Signatures

Respectfully submitted,

Michelle Schilz, Chair

Muriel D. Lezak

ACKNOWLEDGEMENTS

Your committee wishes to express its appreciation to the following City Club members and staff for their help and support:

Allison Tivnon, Research Board Adviser

Lauren Fox, Research Board Adviser

Jeannemarie C. Halleck, Research & Advocacy Director

Christian Trejbal, Interim Research & Advocacy Director

Maggie Zach, Civic Associate

D Bowen, Preliminary Ballot Research Assistant

Daniela Lopez, Preliminary Ballot Research Assistant

WITNESSES

Steve Bender, Principal Legislative Analyst, Legislative Fiscal Office, June 2, 2016.

Rep. Paul Evans, District 20, Veteran, June 16, 2016.

Diane McKeel, Commissioner, Multnomah County Board of Commissioners, June 9, 2016.

Rep. Julie Parrish, District 37, May 26, 2016.

Elsa Porter, Secretary, Tax Fairness Oregon, June 30, 2016.

Martha Schrader, Commissioner, Clackamas County Board of Commissioners, June 9, 2016.

BIBLIOGRAPHY

Bender, S. (2015). *HB 5029-A Budget Report and Measure Summary*. Salem, OR: State of Oregon Legislative Fiscal Office. Retrieved from: olis.leg.state.or.us/liz/2015R1/Downloads/MeasureAnalysisDocument/32415.

Bender, S. (2016). *HB 5201-A Budget Report and Measure Summary*. Salem, OR: State of Oregon Legislative Fiscal Office. Retrieved from: olis.leg.state.or.us/liz/2016R1/Downloads/MeasureAnalysisDocument/33631.

Certified ballot title from the Attorney General on May 3, 2016, for legislative referral 2016 - 404, proposed for the November 8, 2016, General Election. (Or. 2016). Retrieved from: oregonvotes.org/irr/2016/404cbt.pdf.

City Club of Portland. (1996). The initiative and referendum in Oregon. *City Club of Portland Bulletin*, 77(36). Retrieved from: members.pdxcityclub.com/library/reportarchive/viewreportresolution?DocumentKey=5e1bfc86-586c-4dfe-9d59-1965993636e9.

City Club of Portland. (2008). Making the initiative work for Oregon: A City Club report on reforming the initiative, referendum and referral systems in Oregon. *City Club of Portland Bulletin*, 90(32). Retrieved from: members.pdxcityclub.com/library/reportarchive/viewreportresolution?DocumentKey=5d1e1aa6-c717-47eb-9123-1aace22c486d.

Evans, P. (2016 Feb 19). Dear colleagues letter. Retrieved from: olis.leg.state.or.us/liz/2016R1/Downloads/FloorLetter/1618.

Hearing on HJR 202A Before the House Committee on Human Services and House., 2016 Reg. Sess. (Or. 2016). (Statement of Andy Smith, Veterans Policy Manager, Association of Oregon Counties). Retrieved from: <https://olis.leg.state.or.us/liz/2016R1/Downloads/CommitteeMeetingDocument/89447>.

Hearing on HJR 202A Before the House Committee on Human Services and House, 2016 Reg. Sess. (Or. 2016). (Statement of Jody Wisner, Tax Fairness Oregon). Retrieved from: olis.leg.state.or.us/liz/2016R1/Downloads/CommitteeMeetingDocument/85193.

Multnomah County. (2016). *Program #25025 - ADVSD Veterans Service*. Portland, OR: Author. Retrieved from: multco.us/file/51822/download.

Office of Economic Analysis. (2016). *Oregon Economic and Revenue Forecast, March 2016* (Vol. XXXVI, No. 1). Salem, OR: Oregon Department of Administrative Services. Retrieved from: www.oregon.gov/das/OEA/Documents/forecast0316.pdf.

Or. Const. art. XV, § 4. (2014). Regulation of lotteries; state lottery; use of net proceeds from state lottery. Retrieved from: www.oregonlegislature.gov/bills_laws/Pages/OrConst.aspx.

Oregon Department of Veterans Affairs (ODVA). (2015). *2015 – 2017 Legislatively Adopted Budget*. Salem, OR: Author. Retrieved from: www.oregon.gov/odva/INFO/docs/ODVA 2015-17 LAB Budget.pdf.

Oregon Initiative Petition 3. (2016). Retrieved from: egov.sos.state.or.us/elec/web_irr_search.record_detail?p_reference=20160003..LSCY..3.

Oregon Initiative Petition 24. (2014). Retrieved from: egov.sos.state.or.us/elec/web_irr_search.record_detail?p_reference=20140024..LSCYYYPARRISH.

Oregon Initiative Petition 28. (2016). Retrieved from: egov.sos.state.or.us/elec/web_irr_search.record_detail?p_reference=20140024..LSCYYY24.

Oregon Legislative Referral 2016-404. (2016). Retrieved from: egov.sos.state.or.us/elec/web_irr_search.record_detail?p_reference=20160404..LSC..Y404.

- Or. Rev. Stat. § 461.543. (2015). Sports Lottery Account; distribution of revenues. Retrieved from: www.oregonlegislature.gov/bills_laws/ors/ors461.html.
- Or. Rev. Stat. § 461.547. (2015). Distribution of certain video lottery revenues to counties for economic development. Retrieved from: www.oregonlegislature.gov/bills_laws/ors/ors461.html.
- Or. Rev. Stat. § 461.549. (2015). 461.549 Use of video lottery proceeds for treatment of gambling-related behavioral problems. Retrieved from: www.oregonlegislature.gov/bills_laws/ors/ors461.html.
- Oregon State Legislature, Oregon Legislative Information, H. J. R. 22, 78th Leg., Reg. Sess. (Or. 2015). Retrieved from: olis.leg.state.or.us/liz/2015R1/Measures/Overview/HJR22.
- Oregon State Legislature, Oregon Legislative Information, H. J. R. 29A, 77th Leg., Reg. Sess. (Or. 2013). Retrieved from olis.leg.state.or.us/liz/2013R1/Measures/Overview/HJR29.
- Oregon State Legislature, Oregon Legislative Information, H. J. R. 202A, 78th Leg., Reg. Sess. (Or. 2016). Retrieved from: olis.leg.state.or.us/liz/2016R1/Measures/Overview/HJR202.
- Rep. Julie Parrish & Clackamas County Commissioner Martha Schrader Launch Bold Initiative to Serve Oregon Veterans* [Press release]. (2013, February 20). Retrieved from: www.oregonlegislature.gov/parrish/Documents/parrish_022013.htm.
- State of Oregon Legislative Fiscal Office. (2015). *2015-2017 Budget Highlights*. Salem, OR: Author. Retrieved from: [www.oregonlegislature.gov/lfo/Documents/2015-17 Budget Highlights.pdf](http://www.oregonlegislature.gov/lfo/Documents/2015-17%20Budget%20Highlights.pdf).
- State of Oregon Legislative Fiscal Office. (2015). *2015-17 Budget Highlights*. Salem, OR: Author. Retrieved from: [www.oregonlegislature.gov/lfo/Documents/2015-17 Budget Highlights.pdf](http://www.oregonlegislature.gov/lfo/Documents/2015-17%20Budget%20Highlights.pdf).
- United States Department of Veterans Affairs/Office Of The Assistant Secretary For Policy And Planning/Office of the Actuary. (2015). *Veteran Population Projection Model - Vetpop2014*. Washington, DC: Author. Retrieved from: va.gov/vetdata/docs/Demographics/New_Vetpop_Model/VetPop2014Document.pdf.

ABOUT CITY CLUB

City Club of Portland brings together civic-minded people to make Portland and Oregon better places to live, work and play for everyone. For more information about City Club of Portland or for additional copies of this report, visit pdxcityclub.org, email info@pdxcityclub.org or call 503-228-7231.

City Club of Portland
901 SW Washington St.
Portland, OR 97205

twitter.com/pdxcityclub • facebook.com/pdxcityclub

All photos, tables, graphs and figures used with permission.

END NOTES

- ¹ Office of Economic Analysis” March 2016 Forecast, Table B.9, Summary of Lottery Resources.”
- ² Steve Bender, City Club of Portland Research Committee “Witness Testimony Interview,” In-person, June 2, 2016.
- ³ Oregon Department of Veterans Affairs, “2015-17 Legislatively Adopted Budget,” June 12, 2016 oregon.gov/odva/INFO/docs/ODVA%202015-17%20LAB%20Budget.pdf.
- ⁴ Representative Julie Parrish, City Club of Portland Research Committee “Witness Testimony Interview,” In-person, May 26, 2016.
- ⁵ Representative Paul Evans, City Club of Portland Research Committee “Witness Testimony Interview,” In-person, June 16, 2016.
- ⁶ Mazen Malik, “Staff Measure Summary” Senate Committee on Finance and Revenue, February 26, 2016.
- ⁷ Gina Rumbaugh, Committee Manager, Oregon Legislative Fiscal Office, City Club of Portland Research Committee, “Email communication on July 15, 2016 on the Oregon Lottery’s *Allocation of New Oregon Lottery, Funds for the 2015-17 Biennium Based on June 2015 Forecast.*”
- ⁸ Ibid.
- ⁹ Oregon Department of Veterans Affairs, “2015-17 Legislatively Adopted Budget,” June 12, 2016 oregon.gov/odva/INFO/docs/ODVA%202015-17%20LAB%20Budget.pdf.
- ¹⁰ Andy Smith, Veterans Policy Manager of Oregon Association of Counties, City Club of Portland Research Committee, Email communication on June 15, 2016, Oregon Department of Veterans Affairs’ Estimated 2016-17 *Distribution of General Fund Pass-Through Dollars to Counties to Include the Addition of Polk County.*”
- ¹¹ Sean Files, Policy Advisor for Multnomah County Commissioner Diane McKeel of Multnomah County, City Club of Portland Research Committee “Email Communication on Program #25025 – ADVSD Veterans Services, Revenue and Expense Detail,” June 15, 2016.

- ¹² US Department of Veterans Affairs, "Oregon State Summary", n.d. va.gov/vetdata/docs/SpecialReports/State_Summaries_Oregon.pdf.
- ¹³ City Club of Portland, "Making the Initiative Work for Oregon: A City Club report on reforming the initiative, referendum and referral systems in Oregon, *City Club of Portland Bulletin*, 90(32), Page 22" 01, 11, 2008. members.pdxcityclub.com/library/reportarchive/viewreportresolution?DocumentKey=5d1e1aa6-c717-47eb-9123-1aace22c486d.
- ¹⁴ City Club of Portland, "The Initiative and Referendum in Oregon, *City Club of Portland Bulletin*, 77(36), page 43" 2, 16, 1996, pdxscholar.library.pdx.edu/cgi/viewcontent.cgi?article=1475&context=oscdl_cityclub.
- ¹⁵ Representative Paul Evans. "Dear Colleagues Letter" 02, 19, 2016, olis.leg.state.or.us/liz/2016R1/Downloads/FloorLetter/1618.
- ¹⁶ Ibid.
- ¹⁷ Andy Smith, Veterans Policy Manager, Association of Oregon Counties, "Hearing on HJR 202A Before the House Committee on Human Services Statement" 02, 17, 2016, olis.leg.state.or.us/liz/2016R1/Downloads/CommitteeMeetingDocument/89447.
- ¹⁸ Oregon Department of State, "Legislative Referral #404 Comments, Oregon Legislative Referral 2016-404, comments on Draft Ballot Title" April 19, 2016, egov.sos.state.or.us/elec/web_irr_search.record_detail?p_reference=20160404..LSC..Y404.
- ¹⁹ Elsa Porter, Tax Fairness Oregon, City Club of Portland Research Committee, "Witness Testimony Legislative Interview," In-person, June 30, 2016.
- ²⁰ Oregon Secretary of State, Elections Division, "Legislative Referral 2016-404 and comments on Draft Ballot Title" 2016, egov.sos.state.or.us/elec/web_irr_search.record_detail?p_reference=20160404..LSC..Y404.
- ²¹ Mazen Malik, "Staff Measure Summary" Senate Committee on Finance and Revenue, February 26, 2016.
- ²² City Club of Portland, "Making the Initiative Work for Oregon: A City Club report on reforming the initiative, referendum and referral systems in Oregon, *City Club of Portland Bulletin*, 90(32), Page 22" 01, 11, 2008. members.pdxcityclub.com/library/reportarchive/viewreportresolution?DocumentKey=5d1e1aa6-c717-47eb-9123-1aace22c486d.
- ²³ City Club of Portland, "The Initiative and Referendum in Oregon, *City Club of Portland Bulletin*, 77(36), page 43" 2, 16, 1996, pdxscholar.library.pdx.edu/cgi/viewcontent.cgi?article=1475&context=oscdl_cityclub.
- ²⁴ Elsa Porter, Tax Fairness Oregon, City Club of Portland Research Committee, "Witness Testimony Legislative Interview," In-person, June 30, 2016.
- ²⁵ Steve Bender, City Club of Portland Research Committee Witness Testimony In-person, June 2, 2016.