

March 3, 2021



81st Legislative Assembly 2021

State budget

On February 24, in a joint meeting of the House and Senate Revenue Committees state economists Mark McMullen and Josh Lehner presented the first Economic Outlook & Revenue Forecast of the year. During the last forecast, McMullen and Lehner provided an optimistic view of the state's economy. This [joint meeting](#) again painted an increasingly optimistic perspective. Their [PowerPoint presentation](#) and [summary](#) are available for you to dig in further.

Revenue

Economists [predicted](#) that lawmakers have an additional \$800 million to work with, compared to the previous forecast. While this is helpful for budget writers, it could also mean that Oregon's unique 'kicker' law could come into effect next year. If the kicker kicks, we will be looking at a relatively flat couple of biennia.

Just before the pandemic hit, we were very close to hitting the kicker threshold. With all the ways that federal aid and corporate earnings helped to stabilize our overall economy, we are now on track to see a combined \$570 million personal and corporate kicker. We won't know for sure until the 2021 tax season is over.

Economy

Oregon's [economic outlook](#) is "more and more positive," according to McMullen and Lehner. We are now able to see the impact of federal aid that went into effect earlier this year. Total personal incomes are 4-5% higher than they were this time last year and personal savings are sizable, although this is mostly consolidated to high- and middle-income households. Absent from federal aid, total personal income is relatively flat.

One of the biggest surprises came in the form of employment data. In a typical recession, economists consistently find that rural areas are hit harder and faster in terms of unemployment, and have a harder time recovering. However, this recession is very different from any we have seen in recent memory. Urban areas of Oregon have seen worse, more prolonged unemployment in comparison to rural Oregon. Overall, economists have adjusted their predictions, moving up the timeline of getting back to pre-COVID-19 employment numbers by 6-9 months. This is definitely good news for our state's recovery.

Senate Republicans deny quorum during floor session

For the third straight session, a quorum was denied in the Oregon Senate. Last week, state senators were slated to introduce several dozen bills and 'second read' a few bills that have been voted out of committee. However, during the roll call portion of the session, all 11 Republican members were absent, preventing the two-thirds quorum required for official business. If it feels like we are repeating ourselves, that is because the same situation happened in the 2019 and 2020 legislative sessions.

Shortly after the walk out, the caucus issued a letter to Governor Brown, which reportedly underscored issues with the state's current COVID-19 restrictions, stating "Our previous efforts to bring these issues to your attention have gone unacknowledged. Thus, we are protesting today's floor session. In this show of solidarity with Oregonians who are being failed by the current direction of your policies, we hope this action conveys the importance of these issues."

According to [OPB](#), a Senate Republicans spokesperson "could not say whether it might be part of a sustained pressure campaign that would stop up action in the Senate for weeks to come."

Governor extends state of emergency another 60 days, to May 2

We have updated you all every time that Governor Brown has extended the state of emergency that is the legal underpinning for the state's COVID-19 pandemic response. On February 25, she [extended it once more](#), to May 2. While this may not come as a surprise to anyone, it does remind us all that we are still in the thick of this pandemic. "When I issued my first state of emergency declaration last March, there were 14 known cases of COVID-19 in Oregon," said Governor Brown. "Today, we have now seen more than 150,000 cases across the state, and, sadly, 2,194 deaths."

Vaccines open more broadly March 29; all Oregonians 16 and older eligible July 1

Last weekend marked one year since the first diagnosed COVID-19 case in Oregon. On Friday February 26, Governor Brown and Oregon Health Authority (OHA) officials held a press conference outlining the next steps in vaccine rollout for the state. You can take a look at the OHA's [PowerPoint slides here](#).

People 65 and older are now eligible to receive a vaccine starting as of **March 1** as previously scheduled. The state will then focus on reaching all eligible populations for the month of March.

The next big milestone will come four weeks later on **March 29**, when eligibility will open up for a much larger portion of the general public than we have seen before. These are largely in line with the Vaccine Advisory Committee's recommendations.

- Oregonians 45 and older with one or more underlying health conditions, as defined by the CDC (including diabetes, cancer, chronic kidney disease, sickle cell disease, obesity & severe obesity, [and many others](#))
- Migrant and seasonal farm workers
- Seafood, agricultural, and food processing workers
- People living in low-income senior housing, senior congregate care, and independent living centers
- People who are houseless
- People who are displaced by the wildfires from 2020
- Wildfire firefighters

The next wave of eligibility to open up will take place on **May 1** with the addition of all frontline workers as defined by the CDC, multigenerational household members, and individuals ages 16-45 who have one or more underlying health conditions. The CDC definition of a frontline worker includes those who work in higher education, restaurants, grocery stores, hotels, gas stations, public transit, members of state legislatures, and many more ([see Table 2](#)).

Public health officials anticipate we will be ready by **June 1** to introduce all individuals who are 45 and older into the vaccine pipeline, and by **July 1**, all Oregonians over the age of 16.

Vaccine supply

Rampant throughout the press conference were qualifiers about vaccine supply; in other words, we can't increase shots in arms unless we have the shots on hand. OHA director Pat Allen spoke of a doubling of vaccine supply to Oregon starting in mid-March, however the timeline above follows "a conservative approach" to preempt the issues we experienced earlier during the vaccination process with overpromises from the federal government.

Johnson & Johnson's COVID-19 vaccine received an emergency use authorization from the FDA over the weekend, prompting swift distribution across the country. Oregon expects 34,000 doses this week, [according to the Oregon Health Authority](#) (OHA). This particular vaccine is highly effective after just one dose, and it only needs to be stored in a typical refrigerator, eliminating two logistical hurdles we are experiencing with the Pfizer and Moderna vaccines, both of which require two doses and ultra-cold storage.

OHA officials are optimistic that this additional vaccine will help to speed up the timeline, although they caution that this initial shipment is larger than will be expected over the next few weeks while the company ramps up production [with the help of Merck](#).

Vaccination sites across the state are close to reaching 1 million shots in arms. So far, the OHA counts 997,448 first and second doses administered.

There are optimistic trials and results being published from [Oxford-AstraZeneca vaccine](#) which was just approved in Canada. More vaccines could mean greater supply coming to states, but with all the steps between the FDA's authorization to an Oregonian's arm, we are waiting to see.

White House

Biden Administration Announces Next Cohort of CHCs Receiving Vaccine Direct Shipments

Last week, the Biden administration and [HRSA announced the 250 health centers](#) in the next phase to receive direct shipments of the COVID-19 vaccine. The Bureau for Primary Health Care (BPHC) has emphasized that these vaccines are intended to complement, not supplant, vaccines received through these health centers' state and local public health departments. NACHC recently released [this letter](#) on this issue. CHC responses to the **Weekly HRSA/BPHC COVID-19 Survey** were one element considered to determine which CHCs were prepared to receive vaccinations.

Capitol Hill

House Passes COVID-Package

Early Saturday morning on [February 26, 2021](#), the House passed the America Rescue Plan of 2021 with a vote of 219-212, with no Republicans voting for the bill and two Democrats voting against. Included in this package are the following funding items related to health centers:

1. \$7.6 billion in flexible emergency COVID-19 funding for health centers and health center program look-alikes (LALs);
2. \$800 million for the National Health Service Corps, \$200 million for the Nurse Corps, and \$330 million for the Teaching Health Center Graduate Medical Education programs, all which support the health center workforce;
3. Investments in Medicaid to support vaccination efforts and other critical services;
4. \$7.5 billion in funding for CDC for vaccine administration and distribution, to be dispersed to support states, local, tribal, and territorial public health departments, community vaccination centers, and mobile vaccination units;
5. \$47.8 billion to HHS to implement a national testing strategy and contact tracing surveillance; and
6. \$7.6 billion to HHS to expand the public health workforce
7. Expansion of children's health programs, ACA exchange upgrades, and mental/behavioral health care.

The package formerly included a \$15 minimum wage increase, which the Senate has already stripped from the bill based on a ruling by the Senate Parliamentarian. Senate Democrats were trying to find ways around the stripped provision, but have now dropped that effort to speed up the passage of the package. Democrats want the bill signed into law by March 14, 2021, which would save 11 million people from losing unemployment benefits that expire that day. The Senate will take up the package later this week for debate.

Rep. Peter DeFazio (D-OR) leads infrastructure push in Congress

Rep. Peter DeFazio (D-OR) said Wednesday, [February 24, 2021](#), that Democrats are working on a "transformative" infrastructure bill that will include policy changes. "I don't think you're going to see a status quo bill out of either the House or the Senate," he said at an American Association of State Highway and Transportation Officials event. Lawmakers are discussing an infrastructure bill as the second major economic relief package to move through Congress under President

Biden, following the COVID-19 relief bill. Republicans urged Democrats to keep the infrastructure package bipartisan, instead of turning to the budget reconciliation process they are using for the COVID-19 package. DeFazio stated he is open to bipartisan discussions on this infrastructure package.

Regulatory

NACHC files amicus brief in support of HHS' position on 340B case

Last month, Eli Lilly filed a motion seeking a preliminary injunction to block HHS' Administrative Dispute Resolution rule from going into effect. HHS responded with a brief requesting the Court to reject Eli Lilly's motion, which would prevent HHS from establishing their ADR panel to resolve disputes in the 340B program. In strong opposition, HHS recognizes that the 340B program has served a critical role in facilitating health care for vulnerable patients for over 30 years. This week, NACHC filed [an amicus brief](#) opposing Lilly's motion to block the rule and the ADR process. If the Court rules in Eli Lilly's favor, the result would suspend the claims filed by over 225 FQHCs for ongoing unlawful overcharging by manufacturers. This injunction would remove the only process available for FQHCs to seek relief from unlawful drug manufacturers overcharging for critical drugs for the communities they serve.