

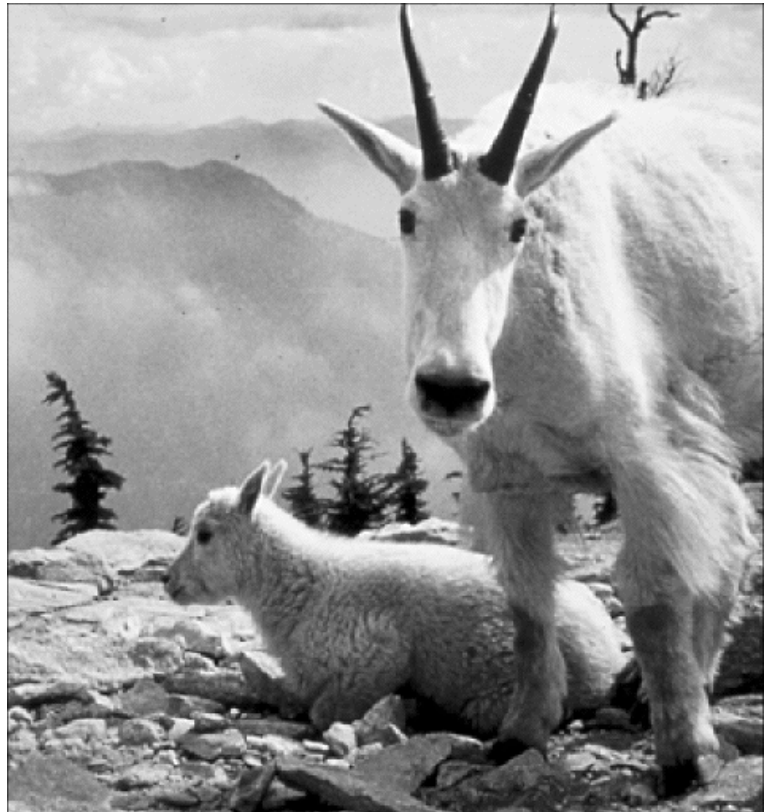


## Voters' Pamphlet | May 21, 2002 Primary Election (Measures)

Dear Oregonian

As Oregon's Secretary of State, one of my most important goals is to make sure that every Oregonian has the opportunity to register and to vote. Your vote is your voice. Voting gives each individual the power to make decisions about who leads our state and what laws are passed - and I am working hard to provide every Oregonian with the information and inspiration they need to exercise their precious right to vote.

The Voters' Pamphlet is the most direct and complete source of information on candidates and issues in our state. I encourage you to use this document as a resource to help you make thoughtful, informed decisions as you vote. Remember: the ballot you cast in May will affect all of our lives and the future of our state.



The May 2002 election will be Oregon's second statewide primary conducted entirely by mail. Two years ago, a total of over 900,000 Oregonians cast ballots in the first vote-by-mail Primary. The high turnout during the 2000 Primary reversed a steady twenty-year decline in the number of Oregonians casting Primary Election ballots. In fact, it represented a 16 percent increase over the highest number of votes ever cast in a polling place Primary Election.

This year, I challenge Oregon to do even better. The nation is experiencing a disturbing decline in voter participation, particularly among young people. We stand the risk of losing a whole generation of voters. You have the power to guarantee that does not happen, and to change Oregon for the better.

- If you have never registered to vote, are at least 18 years old, and are a U.S. citizen, seize this opportunity to make your voice heard and help shape the future of our state.
- If you are registered to vote and have not voted recently, or are not excited about the choices available to you this election, remember that your vote is the best way to have an effect on who runs for office and what measures are put on ballots and enacted into law.

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- If you regularly vote and will do so this election, please take the time to share with others the reasons you vote and encourage them to vote too.

I give you this challenge in the firm belief that WE, the people, ARE the government. The government is what we make of it. If we are not happy with the policies or priorities of those now making the decisions, we have the power and the responsibility to redirect government to match our needs. You have the power to change our government with your voice - and you have the power to change our world with your vote.

Sincerely,

Bill Bradbury  
Secretary of State

P.S. You will notice that the ballot measures contained in this document are numbered 10, 11 and 13. This is not an error; the original Measure 12 was a legislative referral that was removed from the ballot at the request of the legislature and by order of the Marion County Circuit Court.

**On the Cover:**

*A Mountain goat (*Oreamnos americanus*) stands guard over its kid in the Wallowa Mountains of Eastern Oregon in this Oregon Department of Fish and Wildlife picture.*

## Information

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### General

Your official 2002 Primary Election Voters' Pamphlet provides you with information about measures and candidates that will appear on your ballot. The pamphlet is divided into separate sections for measures and candidates. You can find page numbers for the beginning of each of these sections, as well as the alphabetical index of candidates, in the table of contents on this page.

Material in the measures section includes the state ballot title, estimate of financial impact, the complete text of the proposed measure, an impartial statement explaining the measure and any arguments filed by proponents and opponents of the measure.

The estimate of financial impact for each measure is prepared by a committee of state officials including the Secretary of State, the State Treasurer, the Director of the Oregon Department of Administrative Services and the Director of the Department of Revenue. The committee estimates only the direct impact on state and local governments.

The explanatory statement is an impartial statement explaining the measure. Each measure's explanatory statement is written by a committee of five members, including two proponents of the measure, two opponents of the measure and a fifth member appointed by the first four committee members, or, if they fail to agree on a fifth member, appointed by the Secretary of State. Explanatory statements can be appealed and may be changed by the Oregon Supreme Court.

Citizens or organizations may file arguments in favor of, or in opposition to, measures by purchasing space for \$500 or by submitting a petition signed by 1,000 voters. Arguments in favor of a measure appear first,

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followed by arguments in opposition to the measure, and are printed in the order in which they are filed with the Secretary of State's office.

Additionally, the state measures were referred to Oregon voters by the Legislature and you will find a "Legislative Argument in Support" for each of these measures. Oregon law allows the Legislature to submit, at no cost, an argument in support of each measure it refers to the people.

In the candidate section, partisan candidates appear before nonpartisan candidates. Every two years, at the primary election, the order in which each major political party's candidates appear is rotated. All space is purchased; statements and photographs are submitted by the candidates or their designated agents. The information required by law--pertaining to occupation, occupational background, educational background and prior governmental experience--has been certified by each candidate.

Miscellaneous voting aids, including congressional and district maps, drop site locations and a complete list of the state measures and candidates, are also a part of the Voters' Pamphlet. In an effort not to duplicate the printing of information, some of these voting aids are not a part of the state Voters' Pamphlet, but instead are included in your county Voters' Pamphlet, if your county has produced a Voters' Pamphlet.

The Voters' Pamphlet has been compiled by the Secretary of State since 1903, when Oregon became one of the first states to provide for the printing and distribution of such a publication. One copy of the Voters' Pamphlet is mailed to every household in the state. Additional copies are available at the State Capitol, local post offices, courthouses and all county election offices.

#### **RANDOM ALPHABET**

While the candidates' statements appear in alphabetical order by their last name in this Voters' Pamphlet, you will notice that they appear in a different order on your ballot.

Pursuant to ORS 254.155, the Secretary of State is required to complete a random order of the letters of the alphabet to determine the order in which the names of candidates appear on the ballot.

The alphabet for the 2002 Primary Election is:

W, H, G, B, K, T, I, F, A, Z, D, O, U, N, M, E, J, C, V, S, R, Q, X, L, Y, P

#### **WEBSITE**

Most of the information contained in this Voters' Pamphlet is also available in the Online Voters' Guide on the World Wide Web at <http://www.sos.state.or.us/elections/may212002/may212002.htm>

#### **ATTENTION:**

**The State of Oregon prints measure arguments and candidate statements as submitted by the author. The state *does not correct* punctuation, grammar, syntax errors or inaccurate information. The only changes made are attempts to correct spelling errors if the word as originally submitted is not in the dictionary.**

**YOUR VOTED BALLOT MUST BE RETURNED (POSTMARKS DO NOT COUNT) TO YOUR COUNTY ELECTIONS OFFICE BY ELECTION DAY, TUESDAY, MAY 21, 2002.**

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County Elections Offices are open on election day from 7 a.m. to 8 p.m.

# Voting Information

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## VOTER REGISTRATION

### Who May Register To Vote

You may register to vote for the May 21, 2002, Primary Election if:

1. You are a citizen of the United States;
2. You will be at least 18 years old by May 21, 2002; and
3. You are a resident of Oregon.

### How To Register To Vote

To register to vote in the May 21, 2002, election, your completed voter registration card must be either:

- Postmarked by April 30, 2002;
- Delivered to a county elections office by April 30, 2002; or
- Delivered to any voter registration agency (e.g., DMV) by April 30, 2002.

### If Your Name, Mailing Address or Political Party Affiliation Has Changed

If you are currently registered to vote in Oregon but your name, mailing address or party affiliation has changed since you last completed a voter registration card, complete a new voter registration card and mail it to your county elections office.

### If Your Residence Address Has Changed

If you are currently registered to vote in Oregon but your residence address has changed since you last completed a voter registration card, complete a new voter registration card and mail it to your county elections office.

If you notify your county elections office of your change of residence address after April 30, 2002, you must request that a ballot be mailed to you or go to your county elections office to get your ballot.

### Where to Obtain a Voter Registration Card

Voter registration cards can be obtained from the Secretary of State's Office, any county elections office, many state agencies, and most banks and post offices, and are also in some telephone books. It is also available on-line at the Secretary of State's web page at <http://www.sos.state.or.us/elections/other.info/vreg.htm>

## VOTE BY MAIL

### What is Vote by Mail?

Vote by Mail is a method of conducting elections. Instead of using traditional polling places where voters go

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to cast ballots on election day, a ballot is automatically mailed to each registered voter. The ballot is then voted and returned to the county elections official to be counted.

**When are the ballots mailed to the voters?**

Ballots are mailed between the 18th and 14th days before the election.

**As a voter, what do I have to do?**

Your ballot packet will automatically be mailed to you. Inside the packet you will find the ballot, a secrecy envelope and a return envelope. Once you vote the ballot, place it in the secrecy envelope and seal it in the pre-addressed return envelope. Be sure you sign the return envelope on the appropriate line. After that just return the ballot either by mail or at a designated drop site.

**What if I am uncomfortable voting my ballot at home?**

Privacy booths are available for you to cast your ballot. There are privacy booths at your county elections office and there may be others at drop site locations elsewhere in your county. For further information, call your county elections official.

**What if I make a mistake or need a new ballot?**

If your ballot is lost, destroyed, damaged or you make a mistake in marking your ballot, you may call your county elections office and request a replacement ballot. One will be mailed to you as long as you request it by May 16. After that, you may pick it up at the elections office. If you have already mailed your original ballot before you realize you made a mistake, you have cast your vote and will not be eligible for a replacement ballot.

**What if my ballot doesn't come?**

If you are registered to vote and have not received your ballot within a week after they are mailed, call your county elections office. They will check that your voter registration is current. If it is, they will mail you a replacement ballot.

**What if I have moved and have not updated my registration?**

If you were registered to vote by April 30 but now have a different address, call your county elections office for instructions on how to update your registration and receive a ballot.

**Do I have to return my ballot by mail?**

You have the choice of mailing your ballot or returning it to any county elections office or any designated drop site in the state. The times and locations of drop sites are listed in the Voters' Pamphlet and are also available at your county elections office.

**How much postage is required to mail the ballot back?**

Your voted ballot can usually be returned using a single 34¢ stamp. In those instances where additional postage is necessary, it will be clearly indicated on the ballot materials.

**When must the voted ballot be returned?**

The voted ballot must be received in any county elections office or designated drop site by 8:00 p.m. on election night. Postmarks do not count!

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**How do I know if my ballot is received?**

You can call your county elections office and ask if they received your ballot. A record is kept showing each voter whose ballot has been returned.

**Can anyone find out how I've voted once I mail my ballot?**

No. All ballots are separated from the return envelope before the ballots are inspected. This process ensures confidentiality.

**What if I forget to sign the return envelope?**

Generally, your elections office will either return it to you for signing or they will contact you, if possible, to come to the elections office to sign it. If the return envelope does not get signed before 8:00 p.m. on May 21, the ballot will not be counted.

**Can the public watch the election process?**

All steps of the process are open to observation by the public. Contact your county elections official to make arrangements.

**When will election results be known?**

Ballot counting cannot begin until election day. Initial results are released at 8:00 p.m. election night and will continue to be updated through election night until all ballots have been counted.

**VOTERS WITH DISABILITIES**

If you are unable to vote your ballot without assistance, because of a physical disability or because you are unable to read or write, contact your county elections official. They will provide two persons to assist you in voting. In order to assure the county receives your voted ballot by Election Day, contact your county elections office early to arrange for assistance. You may also select someone else of your own choice to assist you.

A cassette edition of the Voters' Pamphlet is available for Oregonians who cannot read standard print due to a visual or physical disability. To order a cassette of the Voters' Pamphlet, please contact Independent Living Resources at 503-232-7411.

# Measures

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**MEASURE 10**

Senate Joint Resolution 17--Referred to the Electorate of Oregon by the 2001 Legislature to be voted on at the Primary Election, May 21, 2002.

**BALLOT TITLE 10****AMENDS CONSTITUTION: ALLOWS PUBLIC UNIVERSITIES TO RECEIVE EQUITY IN PRIVATE COMPANIES AS COMPENSATION FOR PUBLICLY CREATED TECHNOLOGY**

**RESULT OF "YES" VOTE:** "Yes" vote allows Oregon public universities to receive equity (stock) for technology that schools create and to hold certain stocks invested in Oregon technology development.

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**RESULT OF "NO" VOTE:** "No" vote rejects proposal allowing Oregon public universities to receive equity (stock) for technology that schools create or hold stocks invested in Oregon technology development.

**SUMMARY:** Currently, the Oregon Constitution prohibits the state from subscribing to or being interested in the stock of any company. The Constitution provides exceptions to that provision, allowing public colleges and universities to receive, hold, dispose of and receive dividends from stocks donated or bequeathed for higher education purposes. This measure amends the Oregon Constitution, allowing public colleges and universities to be compensated with stock when private companies use technology the schools created. The measure also allows public colleges and universities to hold stock received before December 5, 2002, if that stock was received as a state asset invested in the creation or development of technology within Oregon. The measure does not permit the use of taxpayer money for speculation or investment in the stock market.

**ESTIMATE OF FINANCIAL IMPACT:** There is no financial effect on state or local government expenditures or revenues.

### TEXT OF MEASURE

**Be It Resolved by the Legislative Assembly of the State of Oregon:**

**PARAGRAPH 1.** Section 6, Article XI of the Constitution of the State of Oregon, is amended to read:

**Sec. 6 (1)** The state shall not subscribe to, or be interested in the stock of any company, association or corporation. However, as provided by law the state may hold and dispose of stock, including stock already received, that is donated or bequeathed; and may invest, in the stock of any company, association or corporation, any funds or moneys that:

[(1)] (a) Are donated or bequeathed for higher education purposes; [or]

[(2)] (b) Are the proceeds from the disposition of stock that is donated or bequeathed for higher education purposes, including stock already received; or

[(3)] (c) Are dividends paid with respect to stock that is donated or bequeathed for higher education purposes, including stock already received.

**(2) Notwithstanding the limits contained in subsection (1) of this section, the state may hold and dispose of stock:**

(a) Received in exchange for technology created in whole or in part by a public institution of post-secondary education; or

(b) Received prior to December 5, 2002, as a state asset invested in the creation or development of technology or resources within Oregon.

**PARAGRAPH 2.** The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at a special election held throughout this state on the same date as the next biennial primary election.

NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

## Explanatory Statement

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Ballot Measure 10 amends the Oregon Constitution and would allow Oregon's public universities and colleges to hold and dispose of stock received in exchange for technology they create.

Currently, the Oregon Constitution prohibits the state from subscribing to or being interested in the stock of any company,

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association or corporation. The Oregon Constitution does provide limited exceptions to this prohibition. However, the prohibition extends to Oregon's public colleges and universities.

Out of the 50 states, 23 allow public universities to hold stock. When a public university in those states creates a technological advance, a private company can give that university stock in exchange for that innovation or for permission for the company to market, own, sell, or license that innovation. This practice has been used to develop non-tax revenues for public higher education.

The measure also allows the state to hold and dispose of stock received prior to December 5, 2002, if the stock is held as a state asset invested for economic development purposes, and the creation or development of technology or resources within Oregon.

While Ballot Measure 10 allows public universities to receive stock, Oregon law does not allow them to use taxpayers money to invest in the stock market.

**Committee Members:**

Senator David Nelson  
Representative Rob Patridge  
Patrick Clark  
Doug Goe  
Don McIntire

**Appointed By:**

President of the Senate  
Speaker of the House  
Secretary of State  
Secretary of State  
Members of the Committee

*(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)*

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## Legislative Argument in Support

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**Ballot Measure 10 Means More Good Jobs,  
A Stronger Economy, and  
Healthier Public Colleges and Universities for Oregon**

Ballot Measure 10 was brought to the legislature by a coalition of business and higher education leaders. The reason: they wanted to make sure that Oregon has the ability to succeed in an ever more competitive world.

Ballot Measure 10 is a tool for the success of our economy and our public colleges and universities. Right now, it is a tool that Oregon lacks. That is why your legislature referred Measure 10 to the ballot.

**What it does**

Measure 10 will allow public universities to hold equity (stock) in companies that use the school's discoveries commercially. This change is a narrow one: it will not allow the use of any taxpayer dollars to invest in the stock market, and puts no public dollars at risk. Twenty-three states have given their public higher education systems this tool.

**Why We Should Do It**

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**Measure 10 will make it easier for new companies to start, grow, and succeed in Oregon** It will increase the ability of smaller, Oregon start-up companies to afford to commercialize the great ideas coming from our public universities instead of those ideas being commercialized in other states.

**Measure 10 will create good jobs and careers for Oregonians** Building local businesses around the discoveries of universities has created places like Silicon Valley, Route 128 in Massachusetts, and other sources of well-paying jobs and careers.

**Measure 10 will help Oregon's most important industries** Technological advances that Measure 10 will encourage are transforming both our new economic sectors such as high tech and biotech, and our traditional industries such as agriculture and forestry.

**Measure 10 is fair** Public universities and public dollars help create new discoveries. Measure 10 means that they can share in the success of those discoveries.

**Yes on Measure 10**  
**More Jobs, Stronger Schools, and No Risk to Taxpayers**

**Committee Members:**

Senator David Nelson

Representative Al King

Representative Rob Patridge

**Appointed By:**

President of the Senate

Speaker of the House

Speaker of the House

*(This Joint Legislative Committee was appointed to provide the legislative argument in support of the ballot measure pursuant to ORS 251.245.)*

## Arguments in Favor

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### BALLOT MEASURE 10 IN PLAIN ENGLISH

Ballot measures have to be written in legal language, to make sure they do exactly what they are supposed to do. Sometimes, however, that makes them difficult to understand.

Here is what Ballot Measure 10 would do in plain English.

Ballot Measure 10 would change a constitutional provision dating from the 19th Century, which prevents any part of Oregon's state government from owning stock.

Today, the ability of public colleges and universities to accept stock has become an important tool to build a state's economy and provide non-tax funding for universities. But Oregon's public universities aren't allowed to do this.

Some of the world's most important scientific and engineering advances are made at public universities. In most states, public universities are allowed to accept stock from private companies that want to market those discoveries. Ballot Measure 10 will amend our constitution

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and allow state-owned universities to accept equity in a company (in the form of stock), as compensation for the right to commercialize a discovery made by the school. Not only does that help create successful companies, but it allows the public to share in their success.

Ballot Measure 10 **will not** permit public universities to use taxpayer money to invest in stocks. It **will not** put taxpayers' money at risk. What it **will** do is make a small, but important change in the Oregon Constitution a change that will enable Oregon's public universities to help build Oregon companies, create Oregon jobs, and strengthen Oregon's system of higher education.

### **VOTE YES ON BALLOT MEASURE 10**

*(This information furnished by Jim Johnson, Committee for Oregon's Future.)*

#### **Argument in Favor**

##### **An Important Message from State Treasurer Randall Edwards**

### **BALLOT MEASURE 10: NO RISK TO TAXPAYERS AND A BETTER FUTURE FOR OREGON**

I enthusiastically support Ballot Measure 10. It is a proven strategy that more and more states are using to compete successfully in the national and world marketplace.

This measure is simple. It ensures that research and ideas at our public universities can become businesses, to create new jobs and strengthen our economy.

Ballot Measure 10 will also strengthen our public colleges and universities, which are important to our economy and the future of our young people.

Most of us in our daily lives don't think a lot about exchanging the rights to use technology for stock positions in start up companies. And these days, seeing the word "stocks" with public institutions could raise a question.

As your Treasurer, I thought it is also important to make very clear what Measure 10 will NOT do:

**Measure 10 does not allow the state government or public colleges and universities to invest taxpayer money in the stock market. That is not allowed by the Oregon Constitution, and Measure 10 will not change that.**

And as the official fiscal impact statement shows, Ballot Measure 10 comes at no cost to taxpayers.

It is very rare that we have the opportunity to do some much for our economy, our state and our future at no cost and no risk to Oregon taxpayers. That is why I urge you to join me in voting YES on Ballot Measure 10.

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**State Treasurer Randall Edwards**

*(This information furnished by State Treasurer Randall Edwards.)*

**Argument in Favor**

**Oregon's Chambers of Commerce  
Support Measure 10**

It's a simple formula:

**University discoveries + entrepreneurial businesses =  
new economic growth for Oregon.**

**New ideas = new businesses = new economic growth.**

It's a familiar equation in places like California, Massachusetts, and Texas, where the innovative ideas coming out of the universities have inspired hundreds of start-up companies and created thousands of new jobs.

But in Oregon we're missing an important part of the equation. Our constitution doesn't allow public universities to hold stock in the companies they help create -- a barrier that makes universities less interested in marketing their discoveries, and investors less interested in exploring partnerships with our universities.

Measure 10 solves this problem by simplifying the process by which new ideas are turned into new businesses -- a critical tool for building prosperity in Oregon.

As Chambers of Commerce we represent Main Street businesses from across the state. Measure 10 is important to our communities and should be important to everyone who is interested in a stronger economy, jobs and a better a future for Oregon. All at no risk to taxpayers.

**We urge you to vote yes on Measure 10.**

Portland Metropolitan Chamber of Commerce  
Corvallis Area Chamber of Commerce  
Bend Chamber of Commerce  
Eugene Area Chamber of Commerce

*(This information furnished by Don Krahmer, Committee for Oregon's Future.)*

**Argument in Favor**

A Message from the Oregon State Building and  
Construction Trades

**Ballot Measure 10 Means Good Jobs for Oregon**

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It may be surprising to find unions representing construction workers asking you to vote YES on Ballot Measure 10. At first glance, Ballot Measure 10 seems like it is about stock, technology and universities. But if you care about jobs, and the future of Oregon's working families, your YES vote for Ballot Measure is an important one.

As the Oregon State Building and Construction Trades, we are the union workers who build Oregon. We depend on a strong Oregon economy to be able to provide for our families, and make Oregon a better place to live.

Ballot Measure 10 will help do that. By allowing our public universities to take stock in return for technology they develop, it will make it easier for new companies to start and prosper here in Oregon. And Ballot Measure 10 will do that for Oregon's most important industries.

When that happens, it will mean jobs for the people who work in those companies. It will mean jobs for people like us, who will build them. It will mean a state with a more stable economy, which is good for the communities we live in, the schools our children go to, and the future we will all share.

**And Ballot Measure 10 can help do that at no cost and no risk to taxpayers.**

No matter your walk of life, or what you do for a living, Ballot Measure 10 means a stronger and more prosperous Oregon. That is why the working men and women of Oregon's Building Trades are asking you to join them in voting YES on Ballot Measure 10.

**Bob Shiprack**  
**Oregon State Building and Construction Trades**

*(This information furnished by Bob Shiprack, Oregon State Building and Construction Trades Council.)*

### **Argument in Favor**

#### **Oregon's University Presidents Support Ballot Measure 10**

## **HELP OUR UNIVERSITIES CREATE NEW COMPANIES, NEW JOBS, AND NEW PROSPERITY IN OREGON**

Most people understand that universities make a great impact on our young peoples' future. But our public universities also play a pivotal role in Oregon's economic future.

**That is what Ballot Measure 10 is about: helping universities build prosperity with new companies, new jobs and new opportunities for Oregonians.**

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Today, new ideas are the most powerful force for economic success. But in Oregon, there's a significant roadblock standing between new ideas and new businesses: our State Constitution bars public universities from holding stock in the companies that emerge from their research.

In states with no such restriction, universities have collaborated with the private sector to create hundreds of new businesses and jump-start the economy.

- In California, the innovative ideas coming out of the UC system and Stanford University created the basis for Silicon Valley.
- MIT has helped create nearly 4,000 companies employing more than 1.1 million people and with annual sales topping \$232 billion.

And when those companies succeed, the universities share in the success. That's only fair, and helps bring new resources to schools.

With Ballot Measure 10, we can create jobs and opportunities right here in Oregon, at no cost and no risk to taxpayers.

Nearly half the states in the nation have given this tool to their public universities. Ballot Measure 10 offers us the choice of joining them, or being left behind.

PLEASE JOIN US IN VOTING YES ON BALLOT MEASURE 10

**David B. Frohnmayer**  
**President, University of Oregon\***

**Paul G. Risser**  
**President, Oregon State University\***

**Daniel O. Bernstine**  
**President, Portland State University\***

**Elisabeth Zinser**  
**President, Southern Oregon University\***

\*Titles used for identification purposes only, and do not constitute a position on this measure by any institution of the Oregon University System or the Oregon State Board of Higher Education.

*(This information furnished by John Calhoun, Committee for Oregon's Future.)*

**Argument in Favor**

**A RETIRED BUSINESS PERSON TALKS ABOUT BALLOT MEASURE 10**

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Dear Fellow Oregonians,

I'm retired now. But for 18 years I worked as an executive here in Oregon. I am proud of the products we made, and the services we provided for customers around the world. But I am just as proud of what our company has meant to Oregon: over 4000 well-paying jobs for Oregonians, a stronger economy for our state, and opportunities for our young people to have good careers here at home.

But as I look to our future, I am also concerned. That is why I urge you to join me in voting yes on Ballot Measure 10.

Ours was a high technology company. Basically, we built on the power of new ideas. And new ideas are what will keep our economy healthy.

In Oregon, we are blessed with good public universities, which are the source of many of these ideas. There is no question that many of the discoveries made in our public universities will end up creating new businesses, new jobs and a better world.

**The question is, will that happen in Oregon, or will the benefit go to another state?**

When our public universities have a great idea with commercial potential, Ballot Measure 10 will make it more likely that an Oregon start up company will be able to develop it and succeed. In effect, it will make our public universities a partner in our economic success.

As a businessman, I've seen this tool used time after time - notably in the state of Washington. As an Oregonian, I would like to see it happen here.

Once again, I'm retired. But I still care about our future, and those who will follow us. Help give Oregon the tools to create a better future. Please vote yes on Measure 10.

Sincerely,

Robert D. "Skip" Rung  
Retired R&D executive  
Corvallis

*(This information furnished by Skip Rung.)*

## **Argument in Favor**

**Republicans AND Democrats Agree:  
Ballot Measure 10 is Important for Oregon's Future**

As Republican and Democratic legislative leaders, there are many issues we differ on.

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But Ballot Measure 10 is not one of them. We all strongly support it, and urge our fellow Oregonians to join us in voting yes.

Ballot Measure 10 was brought to the legislature by a broad coalition of Oregon's business and university leaders as a key missing piece of our economic and education future. We overwhelmingly referred it to the ballot, because:

- Measure 10 will **help build Oregon's economic future**, with new, cutting edge companies and the good jobs that come with them.
- Measure 10 will **encourage technological advances** that will strengthen Oregon's most important industries, including high technology, agriculture and forestry.
- Measure 10 will **help our public colleges and universities** share in the success of the new ideas they create.
- And Measure 10 will do all this **at no risk or cost to taxpayers**.

A healthier Oregon economy. More Oregon jobs. Stronger Oregon public colleges and universities.

Those are things that ALL Oregonians can get behind.

**Please Vote YES on Ballot Measure 10!**

Rep. Mark Simmons  
Speaker, Oregon House of Representatives

Rep. Deborah Kafoury  
House Democratic Leader

Senator David Nelson  
Senate Republican Majority Leader

Senator Kate Brown  
Senate Democratic Leader

*(This information furnished by John Calhoun, Committee for Oregon's Future.)*

**Argument in Favor**

**Ballot Measure 10 Connects Small Businesses to  
BIG IDEAS**

I am the CEO of Tripwire, Inc., a young, vital high-tech business built on software technology developed at, and previously owned by Purdue University. We started our company by obtaining owner-ship of the software in exchange for providing Purdue University stock in our company.

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Had Purdue been prohibited from receiving stock in our company, we may not have been able to start-up and grow our business to its current size of 150 employees in the Portland area and bring to Oregon \$46 million in out-of-state venture capital. Like small companies, dairy farming operations, forestry businesses or manufacturers who came before me, my company needs access to certain natural resources to survive. In our case, it was - and continues to be - the intellectual creations that are developed on our university campuses.

Oregon's intellectual resources are rich and abundant. In fact, some of the world's most prominent researchers are working at our schools of higher education, and they are making life-altering breakthroughs in medicine, engineering, and computer software.

**But right now, an outdated prohibition in Oregon's constitutions makes it near impossible for small businesses to draw on the brain-power at our state's public universities.**

Because they are barred from accepting stock, Oregon's public universities can only work with corporations large enough to pay cash for the right to turn university ideas into products a limitation that cuts small entrepreneurial companies right out of the loop.

Yet it is those young start-up companies that are most likely to stay in Oregon, create new jobs, and generate new tax revenues.

**Leading economists agree: small businesses will be the cornerstone of Oregon's economic recovery.**

If you believe innovative new companies and high-paying new jobs are good for Oregon, please vote YES on Ballot Measure 10.

W. Wyatt Starnes  
Founder, President and Chief Executive Officer, Tripwire, Inc.

**Help Small Businesses Build Oregon's Future  
Vote Yes on Ballot Measure 10**

*(This information furnished by Wyatt Starnes, Tripwire.)*

### **Argument in Favor**

A Message from Congressman Earl Blumenauer

**Measure 10 Will Help Turn Federal Funds Into  
Jobs for Oregon**

Dear Fellow Oregonian,

Ballot Measure 10 is a good idea for Oregon, allowing us to be more competitive in the world economy, by translating our technological breakthroughs into Oregon success stories.

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**But one benefit of Measure 10 might not be so obvious: it helps leverage federal funding we receive into jobs that we can keep.**

In Congress, my colleagues and I work hard to deliver federal funds to Oregon. One of the most important uses for those funds is research at our public colleges and universities. It is that research which often results in discoveries that have great commercial potential.

While federal money helps create these discoveries, all too often it is other states that reap the ultimate benefits. That is because the only way that smaller Oregon companies or start-ups can afford the rights to take these innovations to market is by offering their stock in exchange. It is a well-accepted strategy in other states. But unless we pass Measure 10, it is a strategy that is closed off to Oregon's public universities.

And that puts us at a disadvantage.

It may seem complicated, but this is the bottom line: we turn federal dollars into research for Oregon. By voting yes on Measure 10, we will also be able to turn those federal dollars into jobs and a better future.

**Please join me in voting yes on Ballot Measure 10.**

Sincerely,

Congressman Earl Blumenauer

*(This information furnished by Earl Blumenauer.)*

### **Argument in Favor**

#### **Ballot Measure 10 is Important for Oregon's Traditional Industries: Agriculture and Forestry**

When you think about technological advancement, it's easy to picture computers, microchips, or new advances in medicine.

But you might not think of farmers, ranchers or those who make their living in the forest products industries.

You should. And if you care about the future of Oregon's rural economy and traditional industries, you should care about Ballot Measure 10.

To survive, agriculture, forestry, ranching and dairy farms need new ways to be more productive, efficient and environmentally friendly. Oregon's public universities have a great tradition of making these kinds of discoveries. But right now, they are denied one of the most important tools for taking those discoveries to market.

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By allowing our public colleges and universities to take an equity interest in companies that commercialize the school's ideas, we increase the chance that these advances will turn into successful businesses, jobs and a better future right here in Oregon. And we increase the chances that these Oregon discoveries will benefit Oregon's farms, forests and a rural economy that desperately needs them.

**Help Rural Oregon's Economic Future  
Please Vote Yes on Ballot Measure 10**

**Stan Timmermann**

Pendleton wheat farmer

**Paulette Pyle**

Oregonians for Food & Shelter

**Andy Anderson, Secretary**

Oregon Farm Bureau Political Action Committee

**Ray Wilkeson, Legislative Director**

Oregon Forest Industries Council

*(This information furnished by Stan Timmermann.)*

**Argument in Favor**

**Oregon Students Support Ballot Measure 10**

We are Oregonian students, attending Oregon public colleges and universities. Clearly, we like it here and we would like to have the option of building our lives and our futures here. For that to happen, however, means having strong career opportunities: a vital economy and the jobs that go with them.

That is why we strongly support Ballot Measure 10.

Oregon's public universities create great ideas, many of which will turn into successful businesses. In other states, public universities can participate in the process, by getting a piece of the companies taking the idea to market. When that idea succeeds, the community gets a better economy and new jobs, and the university gets resources to offer a better education.

You can see why a student would be interested in that.

Right now, however, Oregon's public colleges and universities don't have that tool. That's why Measure 10 is so important.

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When you vote, please remember those of us who are students today. Even more importantly, remember those who will be in Oregon's schools tomorrow. Help Oregon be the place for all of us to learn, grow and succeed.

Signed,

Michael Pfohman, Oregon State University  
Kevin Weichbrodt, Graduate Student Portland State University  
Thomas R. Delegarde, UO Graduate student  
Kenneth Andrew Colwell, UO Graduate student

*(This information furnished by Phil Donovan, Committee for Oregon's Future.)*

## **Argument in Favor**

Ballot Measure 10 and Bioscience

### **Boosting Oregon's Most Important Emerging Industry**

Bioscience is the most powerful emerging industry of the 21st Century. What is bioscience? It is the use of advanced biological information and techniques to develop new human therapeutics, to more rapidly and accurately diagnose and cure diseases, to improve agricultural output, to provide better ways to protect the environment, to produce novel tools for research and to design the next generation of medical devices.

It has the power to make the world a better place. And it will be a tremendous source of economic strength and jobs. Both the State of Oregon and the City of Portland have targeted developing bioscience as one of Oregon's most critical economic goals.

Oregon's public universities have made some great discoveries in the field of bioscience. But while we can be very proud of the work that has been done in our schools, Oregon has not reaped nearly the economic benefit it should:

**Only about 15% percent of the technologies developed at Oregon universities and research have led to the formation and growth of Oregon Bioscience companies.**

**The remaining 75% have been licensed by companies in other states.**

One reason for that? Oregon's public universities have been shut out of one of the most effective ways of building local bioscience companies from the ground up.

By voting yes on Ballot Measure 10, we can change that. The ability to offer stock in exchange for the right to develop the commercial potential of university discoveries will help level the playing field between Oregon start-up companies and huge out-of-state corporations.

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The current recession shows how important it is for Oregon to have a stronger, diverse and advanced economy. With Ballot Measure 10, we help lead the next great industry. Without it, we risk being left behind.

*(This information furnished by Jeff Lipps, PhRMA, OrBIO.)*

## **Argument in Favor**

### **BEV STEIN SUPPORTS MEASURE 10**

Measure 10 will help create Oregon jobs and help build hundreds of Oregon companies. That fits Bev Stein's commitment as governor to get Oregon working again.

### **BEV STEIN SUPPORTS HIGHER EDUCATION**

Measure 10 will help strengthen Oregon's public colleges and universities. That fits Bev Stein's commitment as governor to improve education at all levels in Oregon.

### **BEV STEIN SUPPORTS A STRONG ECONOMY**

Measure 10 will allow Oregon's public universities and colleges to hold and dispose of stock received in exchange for technology they create. This change will mean:

- Hundreds of companies and thousands of jobs will be created here in Oregon instead of us losing them to other states.
- Oregon's most important industries will be strengthened, including high technology, agriculture, bioscience and forestry.
- Because public universities will benefit, that means you the taxpayer will benefit from the success of the schools' discoveries.

**BEV STEIN BELIEVES IF YOU PAY FOR A NEW IDEA, IT IS ONLY FAIR FOR YOU TO SHARE IN THE BENEFIT.**

The following Oregon business leaders join Bev in supporting this important change in state law:

Janice Wilson, retired bank executive  
Hiroshi Morihara, CEO, Persimmon Group  
Gale Castillo, Owner, Bellissimo Fine Gifts  
Marcus Simantel, Farmer

*(This information furnished by Bev Stein.)*

## **Arguments in Opposition**

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No arguments in opposition to this ballot measure were filed with the Secretary of State.

## MEASURE 11

House Joint Resolution 19--Referred to the Electorate of Oregon by the 2001 Legislature to be voted on at the Primary Election, May 21, 2002.

### Ballot Title

11

### AMENDS CONSTITUTION: AUTHORIZES LESS EXPENSIVE GENERAL OBLIGATION BOND FINANCING FOR OHSU MEDICAL RESEARCH AND OTHER CAPITAL COSTS

**RESULT OF "YES" VOTE:** "Yes" vote would authorize state to issue less expensive general obligation bonds rather than more expensive revenue bonds to finance OHSU medical research, capital costs.

**RESULT OF "NO" VOTE:** "No" vote rejects authorization for state to issue less expensive general obligation bonds to finance OHSU capital costs; maintains revenue bond financing under existing law.

**SUMMARY:** Amends Constitution. The measure authorizes the sale of less expensive general obligation bonds, in place of more expensive revenue bonds previously authorized by the 2001 Legislature under the Oregon Opportunity Act. Net bond proceeds, which may not exceed \$200 million, would finance statewide medical and technology research, and other capital costs, for Oregon Health and Science University (OHSU). Bond proceeds may not be used for OHSU operating expenses. The measure limits the amount of the indebtedness incurred under this measure to one-half of one percent of the real market value of all property in the state. Measure specifies sources of repayment: General Fund, lottery funds, tobacco settlement funds, and amounts appropriated from other sources, but not including ad valorem property taxes. Other provisions.

**ESTIMATE OF FINANCIAL IMPACT:** The measure authorizes the issuance of general obligation bonds for Oregon Health and Science University in an amount that produces net proceeds up to \$200 million. Principal and interest on the bonds will cost an estimated \$15.8 million per year for 20 years, for an estimated total cost to the state of \$316 million (including \$115.3 million of interest). Passage provides interest savings of approximately \$1.6 million per year totaling \$31.5 million over the 20 years.

There is no financial effect on local government expenditures or revenues.

### TEXT OF MEASURE

**Be It Resolved by the Legislative Assembly of the State of Oregon:**

**PARAGRAPH 1.** The Constitution of the State of Oregon is amended by creating a new Article to be known as Article XI-L, such Article to read:

### ARTICLE XI-L

**SECTION 1. (1)** In the manner provided by law and notwithstanding the limitations contained in section 7, Article XI of this Constitution, the credit of the State of Oregon may be loaned and indebtedness incurred, in an aggregate outstanding principal amount not to exceed, at any one time, one-half of one

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percent of the real market value of all property in the state, to provide funds to finance capital costs of Oregon Health and Science University. Bonds issued under this section may not be paid from ad valorem property taxes.

(2) Any indebtedness incurred under this section shall be in the form of general obligation bonds of the State of Oregon containing a direct promise on behalf of the State of Oregon to pay the principal, premium, if any, and interest on such bonds, in an aggregate outstanding principal amount not to exceed the amount authorized in subsection (1) of this section. The bonds shall be the direct obligation of the State of Oregon and shall be in such form, run for such period of time, have such terms and bear such rates of interest as may be provided by statute. The full faith and credit and taxing power of the State of Oregon shall be pledged to the payment of the principal, premium, if any, and interest on such bonds provided, however, that the ad valorem taxing power of the State of Oregon may not be pledged to the payment of such bonds.

(3) The proceeds from bonds issued under this section shall be used to finance capital costs of Oregon Health and Science University and costs of issuing bonds pursuant to this Article. Bonds issued under this section to finance capital costs of Oregon Health and Science University shall be issued in an aggregate principal amount that produces net proceeds for the university in an amount that does not exceed \$200 million.

(4) The proceeds from bonds issued under this section may not be used to finance operating costs of Oregon Health and Science University.

(5) As used in this Article, "bonds" means bonds, notes or other financial obligations of the State of Oregon issued under this section.

SECTION 2. The principal, premium, if any, interest and any other amounts payable with respect to bonds issued under section 1 of this Article shall be repaid as determined by the Legislative Assembly from the following sources:

(1) Amounts appropriated for such purpose by the Legislative Assembly from the General Fund, including any taxes levied to pay the bonds other than ad valorem property taxes;

(2) Amounts allocated for such purpose by the Legislative Assembly from the proceeds of the State Lottery or from the Master Settlement Agreement entered into on November 23, 1998, by the State of Oregon and leading United States tobacco product manufacturers; and

(3) Amounts appropriated or allocated for such purpose by the Legislative Assembly from other sources of revenue.

SECTION 3. Bonds issued under section 1 of this Article may be refunded with bonds of like obligation.

SECTION 4. The Legislative Assembly may enact legislation to carry out the provisions of this Article.

SECTION 5. This Article shall supersede all conflicting provisions of this Constitution.

**PARAGRAPH 2.** The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at a special election held throughout this state on the same date as the next biennial primary election.

NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

## Explanatory Statement

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Ballot Measure 11 amends the Oregon Constitution by adding an Article relating to the Oregon Health and Science University (OHSU).

Currently, the Oregon Constitution limits the amount of debt for which the state may be generally obligated. This limitation applies to the issuance of bonds for which the repayment would be a general obligation of the state.

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The measure creates an exception to the constitutional debt limitation for general obligation bonds issued to finance the capital costs of OHSU. Bond proceeds may not be used to finance the operating costs of OHSU.

The measure limits the aggregate outstanding principal amount of the bonds to no more than one-half of one percent of the real market value of property in the state. The measure limits the amount of net proceeds that may be produced from the bonds to \$200 million.

The measure provides that the bonds may be repaid from revenues raised from taxes, the tobacco Master Settlement Agreement and other sources of revenues. The measure prohibits the state from imposing an ad valorem property tax to raise revenue for repayment of the bonds.

If this measure passes, the State Treasurer is directed by law to issue general obligation bonds that would obtain net proceeds not to exceed \$200 million to finance the capital costs of the Oregon Opportunity program, created by OHSU to develop statewide medical research and biotechnology opportunities. If this measure does not pass, the State Treasurer is directed by law to issue revenue bonds that would obtain net proceeds not to exceed \$165 million to finance capital and limited non-capital costs of the Oregon Opportunity program. However, these revenue bonds would be payable solely from tobacco settlement funds and would carry a higher rate of interest than state general obligation bonds. If this measure passes the authority to issue these revenue bonds is repealed.

**Committee Members:**

Senator Jason A. Atkinson  
Representative Lane Shetterly  
Patrick Clark  
Mark C. McClanahan  
John W. Osburn

**Appointed By:**

President of the Senate  
Speaker of the House  
Secretary of State  
Secretary of State  
Members of the Committee

*(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)*

## Legislative Argument in Support

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### VOTE YES ON BALLOT MEASURE 11

A **YES vote on Measure 11** will make Oregon a national leader in medical research and scientific discoveries. A **YES vote** will give Oregonians access to the latest advances in health care. A **YES vote** means more money for Oregon, leading to more jobs and more cures.

Last year, the Oregon Legislature passed "The Oregon Opportunity Act," which authorizes the state to issue bonds to attract new medical research activities.

The money to finance these bonds will come from the tobacco Master Settlement Agreement. The question is, What type of bonds should be issued? There are two choices:

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- General obligation bonds, which are less expensive because the interest rates are lower.
  - Revenue bonds, which are more expensive because the state must pay higher interest rates.

Because general obligation bonds are less expensive to issue, they provide Oregon more for its money. General obligation bonds will return \$200 million. For the same investment, revenue bonds will raise about \$165 million, because the state would be forced to pay nearly \$35 million more in higher interest charges.

The ballot title makes this clear and reads as follows: "Amends Constitution: Authorizes Less Expensive General Obligation Bond Financing for OHSU Medical Research and Other Capital Costs."

A vote of the people is required to authorize the use of general obligation bonds, so the Legislature referred this matter to the public as Ballot Measure 11.

In summary, a **YES vote** will save Oregon nearly \$35 million in interest costs - money that can be used to support new jobs and medical advances in Oregon.

**Committee Members:**

Senator Jason A. Atkinson

Representative Betsy Johnson

Representative Lane Shetterly

**Appointed By:**

President of the Senate

Speaker of the House

Speaker of the House

*(This Joint Legislative Committee was appointed to provide the legislative argument in support of the ballot measure pursuant to ORS 251.245.)*

## Arguments in Favor

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Associated Oregon Industries (AOI) encourages Oregonians to vote YES on Measure 11.

**A YES vote will help our state:**

**Capitalize on groundbreaking research**

Currently, out-of-state companies are benefiting from Oregon's research and development efforts. For instance, while the research and clinical trials on the leukemia-fighting drug Gleevec, have been conducted in Oregon, a New York-based pharmaceutical company will end up as the primary benefactor when the drug is brought to market.

A YES vote will help keep the benefits of Oregon research and development here in Oregon.

**Establish new companies**

More than 400 inventions have come out of Oregon Health & Science University (OHSU) since 1985, and the university has entered into more than 300 agreements to license these discoveries. But because Oregon lacks both infrastructure and capital, the new companies that could market these products usually start up in other states.

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A YES vote will help new companies make a solid start in Oregon.

**Develop new products**

Bioscience development can spur economic activity in related industries. Already, local companies have begun producing bioscience-related medical devices, software and agricultural products.

A YES vote will encourage more new product development.

**Attract more federal dollars**

OHSU is attracted more than \$200 million research dollars last year. More than 97 percent of these dollars came from out-of-state. A YES vote will help OHSU toward their goal of doubling the amount of research awards they receive in the next decade.

Vote YES on Measure 11 to keep the companies, jobs and wealth in Oregon.

AOI is a business organization representing over 20,000 companies. Our member businesses employ all together more than 325,000 Oregonians over 30 percent of Oregon's private workforce.

*(This information furnished by Richard Butrick, Associated Oregon Industries)*

**ARGUMENT IN FAVOR**

**YES for Measure 11 Saves Millions in Interest Costs**

People in all parts of Oregon support a YES vote on Measure 11 to save nearly \$35,000,000 in bond interest costs providing more funding for medical research that will benefit all Oregonians.

**Ballot Title Clearly Shows Benefits of Voting**

**YES for Measure 11**

The ballot title clearly states the measure's purpose: "Yes vote would authorize state to issue less expensive general obligation bonds rather than more expensive revenue bonds to finance OHSU medical research, capital costs."

The official ballot summary adds, "The measure authorizes the sale of less expensive general obligation bonds, in place of more expensive revenue bonds previously authorized by the 2001 Legislature under the Oregon Opportunity Act."

**It's as simple as that. A YES vote saves Oregon money** that will be better used than paying higher interest costs.

**A YES vote means more money for medical research** leading to medical advances that benefit all Oregonians.

**A YES vote for Measure 11 means more jobs** construction jobs right away and then medical research and biotechnology jobs here in Oregon.

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We are volunteer members of The Oregon Opportunity Committee from across the state. We support medical research and more jobs in Oregon. **Please join us in voting YES for Measure 11:**

**Senator Mark O. Hatfield**, co-chair, Portland  
**Governor John Kitzhaber**, co-chair, Salem  
**Chris Chandler DiTorrice**, Newport  
**Karen Hinsdale**, Portland  
**John Whitty**, Coos Bay  
**Donald L. Krahmer, Jr.**, Portland,  
**Mary Botkin**, Portland  
**Elizabeth McCool**, Bend  
**George Passadore**, Portland  
**Craig Campbell**, Keizer  
**Jim Johnson**, Portland  
**Neil Bryant**, Bend  
**William Thorndike, Jr.**, Medford  
**Ronald E. Timpe**, Portland  
**Scott Gibson**, Portland  
**Brett Wilcox**, The Dalles  
**Rex Wilson, M.D.**, Baker City  
**Tom Imeson**, Portland  
**Junki Yoshida**, Portland  
**Jim Inkster**, Bend  
**Steve Forrester**, Astoria

*(This information furnished by Jim Hulden, The Oregon Opportunity Committee.)*

## **ARGUMENT IN FAVOR**

**A YES vote on Measure 11 benefits small towns, rural Oregon and communities of all sizes.**

As representatives of hospitals serving all of Oregon including small towns, rural areas and larger communities -- we urge you to vote YES vote on Measure 11.

**YES means better health care for all Oregonians.**

A YES vote supports the Oregon Opportunity, which will allow OHSU to invest in programs all across Oregon. These include the Rural Health Institute, the Physicians Practice Network and programs to extend leading edge technology to rural areas.

The Oregon Opportunity will also help improve coordination between OHSU and health care professionals around the state, so patients in all areas can be diagnosed and treated without leaving their communities.

A YES vote supports all of these important benefits.

**YES means improved access to clinical trials.**

Clinical trials play a vital role in the development of new drugs and medical discoveries. A YES vote means more people in all areas of the state will be able to participate in these trials, allowing Oregonians to benefit from new treatments years before they become generally available.

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**A YES vote is good for Oregon's health.**

OHSU has received national recognition for its support of rural and community health care. A YES vote on Measure 11 will allow them to take this commitment to the next level.

A YES vote will **not** increase your taxes. It **will** allow Oregon to get the most for its money.

A YES vote saves Oregon money, supports the Oregon Opportunity and promotes high quality care all across Oregon. We recommend voting YES on Measure 11.

Grande Ronde Hospital - La Grande  
Tuality Healthcare - Hillsboro  
Asante Health System Medford, Grants Pass, Central Point  
St. Charles Medical Center Bend  
Central Oregon Community Hospital Redmond  
Columbia Memorial Hospital - Astoria

*(This information furnished by Jim Hulden, The Oregon Opportunity Committee.)*

**ARGUMENT IN FAVOR**

**BUILDING TRADES SUPPORT MEASURE 11**

**We are nearly 30,000 skilled craftspeople in the construction industry urging you to vote YES on Ballot Measure 11.**

We are asbestos workers, boilermakers, brick and stone masons, cement masons, carpenters, electricians, elevator constructors, glaziers, ironworkers, laborers, linoleum and carpet layers, millwrights, operating engineers, painters and tapers, pile bucks, plumbers, pipefitters and steamfitters, roofers, sheet metal workers, sprinklerfitters and teamsters.

We support the Oregon Opportunity and Ballot Measure 11 because Oregon must not pass up the chance to capture the benefits of the biotechnology wave for all Oregonians. Most important to us, the Oregon Opportunity means **JOBS**.

OHSU will break ground on approximately \$300 million of new construction in 2002 on Marquam Hill alone.

If the North Macadam plan is ratified, that could represent up to \$400 million in additional construction between OHSU and private developers.

Local firms estimate 22-26 new jobs for every million dollars in construction.

That means there is a potential of as much as \$700 million in local construction between 2002-2005 on Marquam Hill and North Macadam, and approximately 18,000 construction jobs.

**These jobs start this fall, at a time when Oregon desperately needs them.**

The Oregon Opportunity has the potential to create more than just construction jobs. The biotech industry created 437,000 new American jobs in 1999 alone. These are good jobs, with an average salary of \$50,000. And four or five low-tech jobs are created for every technology job.

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OHSU expansion will stimulate other economic activity, including development in retail, housing and services. Spin-off companies and innovative health care developments will help expand and diversify Oregon's economic base.

We, the working people of the construction trades, hope that you will join us in voting **YES on Ballot Measure 11** for new jobs now and lasting economic benefits.

### **Oregon State Building and Construction Trades Council**

*(This information furnished by Bob Shiprack, Oregon State Building Trades Council.)*

### **ARGUMENT IN FAVOR**

#### **Chambers of Commerce Support a YES Vote on Measure 11**

Chambers around the state are endorsing a YES vote on Measure 11 because it is one of the best economic development measures to come along in years.

We ask you to read the whole ballot title and the visit the Web site [www.OregonOpportunityCommittee.com](http://www.OregonOpportunityCommittee.com) for additional information before you vote.

Why Oregon Opportunity? Because that's what this measure is about. It's about:

- **A public-private partnership to build medical research facilities** to bring hundreds of millions of dollars in research funds to this state each year.
- **Making Oregon a leader in bioscience and medical research** that will benefit all Oregonians.
- **Creating thousands of jobs immediately** and for years to come.

**A YES vote for Measure 11 would save more than \$1,000,000 of interest each year.** Our state has already authorized bonding as part of The Oregon Opportunity Act signed into law last year. Now we get to chose the type of bonds and reduce the amount of interest to be paid.

It makes good sense to us to pay less interest and put more into medical research and jobs.

Please join us and other chamber members around the state in saying **YES for Measure 11:**

Portland Metropolitan Chamber of Commerce  
Union County Chamber of Commerce  
Greater Hillsboro Area Chamber of Commerce  
Bend Chamber of Commerce  
Wallowa County Chamber of Commerce  
Lincoln City Chamber of Commerce

*(This information furnished by Jim Hulden, The Oregon Opportunity Committee.)*

### **ARGUMENT IN FAVOR**

#### **Seniors Support YES on Measure 11**

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The Oregon State Council of Senior Citizens, United Seniors of Oregon, Portland Gray Panthers and the Oregon - Greater Idaho Chapter of the Alzheimer's Association urging you to support the Oregon Opportunity and vote YES on Ballot Measure 11.

One in seven Oregonians is over 65 today; in little more than 20 years that proportion will increase to nearly one in four. We support research at Oregon Health & Science University (OHSU) -- especially the research conducted at the Oregon Aging and Alzheimer's Disease Center and the Center for Healthy Aging.

The **Oregon Aging and Alzheimer's Disease Center** is one of the nation's leading research and treatment centers in aging and neurodegenerative diseases. The **OHSU Center for Healthy Aging** is a new initiative committed to research on health behaviors and aging.

These two centers are working to improve the quality of life of senior citizens in Oregon. But healthy aging research at OHSU is just one aspect of the Oregon Opportunity. We also support the wide range of medical research at OHSU, including prevention, treatment and cure of cancer.

**By voting YES on Ballot Measure 11, you can help make a \$35,000,000 contribution to medical research in Oregon.** This is money that will otherwise be lost paying higher interest rates on revenue bonds.

A YES vote on Ballot Measure 11 will not cost Oregonians money -- it will save Oregonians money and put it to use supporting vital medical research.

Senior citizens across the state urge you to support the Oregon Opportunity and vote YES on Ballot Measure 11.

**Alzheimer's Association, Oregon  
Greater Idaho Chapter  
Oregon State Council of Senior Citizens  
Portland Gray Panthers  
United Seniors of Oregon**

*(This information furnished by Jim Hulden, The Oregon Opportunity Committee.)*

## **ARGUMENT IN FAVOR**

### **AFSCME supports YES on Measure 11**

AFSCME Local 328 represents 4,000 health care professionals and support staff at Oregon Health and Science University (OHSU). OHSU is the crown jewel of Oregon's health care system. We care for the sickest and poorest of Oregon's citizens. When no one else can help - WE DO! Ballot Measure 11 builds on this legacy of caring and healing.

We are also proud members of AFSCME (American Federation of State, County and Municipal Employees) Council 75. Our membership includes 22,000 employees of the State of Oregon, cities, counties, towns, colleges, universities, hospitals and other health care facilities. We are urging you to support the passage of Ballot Measure 11.

**Like most Oregonians, we are concerned about Oregon's economy, and we believe that passage of Ballot Measure 11 is a step in the right direction. This measure supports the Oregon Opportunity program, which will create family wage jobs around the state - starting this summer.**

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The Oregon Opportunity is perhaps one of the best investments in our state - ever - and the new jobs could not come at a better time.

AFSCME is the largest public employee union in the nation and one of the 87 unions affiliated with the AFL-CIO.

**Please join the working people of AFSCME Local 328 and Council 75 in voting Yes on Ballot Measure 11.**

*(This information furnished by Mary Botkin, American Federation of State, County and Municipal Employees (AFSCME) - State Council 75.)*

#### **ARGUMENT IN FAVOR**

Would you rather finance your home at 8 percent -- or go with another mortgage company offering 6 percent? The choice is simple; you would select the 6 percent interest rate mortgage.

**That's the same kind of choice we as voters get with Measure 11.**

The state has already authorized issuing bonds as the public part of the funding for the Oregon Opportunity a statewide effort to make Oregon a national leader in medical research. As voters we get to say YES to using less-expensive general obligation bonds saving millions of dollars in interest costs. (A "no" vote would require Oregon to issue the higher interest revenue bonds.) Either way, both types of bonds will be financed from tobacco settlement funds.

**The only real question Measure 11 is asking is, "How much interest should be paid?"** A YES vote saves millions -- more money for creating jobs in Oregon now and for medical research to benefit all Oregonians.

As the Bend newspaper, *The Bulletin*, said in its editorial endorsement:

**"Measure 11 deserves Oregonians' support...voters should approve Measure 11. It will bring in an extra \$35 million, and the investment promises to benefit the state significantly in the long run."**

-- *The Bulletin*, March 7, 2002

Please review the ballot title, visit our Web site at [www.OregonOpportunityCommittee.com](http://www.OregonOpportunityCommittee.com), and join us in saying **YES to getting more for Oregon's money.**

*(This information furnished by Jim Hulden, The Oregon Opportunity Committee.)*

#### **ARGUMENT IN FAVOR**

**A Yes vote on Measure 11 supports medical research to fight disease and improve lives**

Medical research is our best hope to find treatments and cures for today's most debilitating or life-threatening diseases. A Yes vote on Measure 11 is the best way to help Oregon make a difference in this important fight. A Yes vote supports the Oregon Opportunity and gives OHSU the resources it needs to play a leading role in some of the most important medical research of our time where breakthrough discoveries may eventually save millions of lives.

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The research being done at OHSU is essential to preventing or treating a wide range of devastating diseases, including leukemia, cystic fibrosis, muscular dystrophy, Alzheimer's and others. A Yes vote will bring hundreds of millions of dollars into the state, strengthening OHSU's capacity for biomedical research and accelerating the pace of medical discovery. The benefits of this will include new treatments and cures, as well as the creation of new jobs and new biotech companies dedicated to finding ways to eliminate disease.

**A Yes vote improves access to the highest quality care available**

Clinical trials are an important part of the discovery process. They also give patients access to treatments years before they become more widely available. Measure 11 will benefit Oregonians directly by giving residents across the state access to clinical trials and improving the quality of care for all.

**By supporting medical research you can help eradicate disease.** Your Yes vote will contribute to the cure. It will increase medical research funding by \$35 million money that would otherwise be lost to higher interest rates. That's why we urge you to vote Yes on Measure 11 to support the Oregon Opportunity and improve Oregon's quality of life.

Alzheimer's Association, Oregon-Greater Idaho Chapter  
The American Heart Association, Northwest Affiliate  
Cystic Fibrosis Foundation, Oregon Chapter  
The Leukemia & Lymphoma Society  
Muscular Dystrophy Association

*(This information furnished by Jim Hulden, The Oregon Opportunity Committee.)*

**ARGUMENT IN FAVOR**

**A Yes vote on Measure 11 supports research to advance medicine and create jobs.**

Breakthroughs in bioscience and medical research are opening doors to new treatments and cures for patients at the same time they are creating new jobs. That's why the **Oregon Medical Association** - the unified voice of Oregon physicians promoting the welfare of patients, physicians, and the practice of medicine - recommends a **Yes vote on Measure 11**.

**A Yes vote is good medicine and good for Oregon.**

A Yes vote on Measure 11 improves the quality of care available to Oregonians by giving people in all areas of the state access to clinical trials and potential new treatments for patients.

A Yes vote on Measure 11 will create new, well-paying job opportunities in Oregon, while bringing millions of research and development dollars into the state's economy.

Becoming a national leader in biotechnology research will advance treatments and cures for patients, improve lives and strengthen our state's economy. **The Oregon Medical Association urges you to support the Oregon Opportunity and Ballot Measure 11.**

*(This information furnished by Robert Dervedde, Oregon Medical Association.)*

**ARGUMENT IN FAVOR**

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## **A "Yes" vote on Measure 11 will help Oregon reap lasting economic benefits.**

The economic opportunities that result from becoming a national leader in the emerging bioscience field are unprecedented. That's why we're urging Oregonians to vote Yes on Measure 11.

## **A "Yes" vote will mean new jobs and new investments in Oregon**

- The Oregon Opportunity will bring more start-up companies and more well-paying, clean, high-tech jobs to Oregon.
- Becoming a bioscience leader will bring Oregon hundreds of millions of dollars in research funds every year.
- The Oregon Opportunity will bring improved health care and a higher quality of life.

## **A "Yes" vote means Oregonians get more for our money.**

The Legislature has set aside a fixed amount of money to finance bonds to support the Oregon Opportunity. The only remaining question is, What kind of bonds should Oregon issue?

A "Yes" vote on Measure 11 lets the state save nearly \$35 million in interest by issuing less-expensive general obligation bonds. A "No" vote would force the state to issue more-expensive revenue bonds which means we'd pay nearly \$35 million more in interest costs and have less money that could lead to new cures and new jobs for Oregonians.

A "Yes" won't cost us more or raise our taxes. Instead, it will save Oregonians money.

## **Vote "Yes" for new jobs today.**

Some of the benefits of a Yes vote on Measure 11 start right away. Construction of the new lab facilities alone, scheduled to begin this fall, will mean thousands of new jobs at a time when Oregon desperately needs them.

To pave the way for economic opportunity and save Oregon nearly \$35 million in interest costs, we strongly recommend a Yes vote on Measure 11, the Oregon Opportunity.

## **Union County Economic Development Corporation**

## **North Lincoln Economic Partnership**

## **Central Coast Economic Development Alliance**

*(This information furnished by Jim Hulden, The Oregon Opportunity Committee.)*

## **ARGUMENT IN FAVOR**

The **Oregon Business Association (OBA)** is a statewide, bipartisan business organization, dedicated to ensuring Oregon's long-term economic competitiveness.

The OBA sees the expansion of the biotechnology industry as critical to Oregon's future. Measure 11 supports this expansion.

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"We have done a pretty good job of diversifying Oregon's economy over the last 20 years," said Lynn Lundquist, president of the OBA. "Development within the biotechnology industry can help secure our economic base."

**Oregon has a limited window of opportunity.**

"At least a half a dozen states are competing to become the 'Silicon Valley' of biotechnology," said Tom Kelly, chairman of the board of the OBA. "The work of Oregon Health & Science University has made Oregon a front-runner. If we drag our feet, we lose."

A vibrant economy requires sustained investments in basic infrastructure. Right now, OHSU lacks key research facilities that are critical to Oregon's economic growth. Passage of Ballot Measure 11 will help.

Measure 11 won't increase our spending -- it will help Oregon get the most for its money.

**A YES vote means Oregon will receive \$200 million for the bonds it issues. A NO vote means the bonds will return only about \$165 million investment -- with \$35 million lost in interest payments.**

**The choice is clear. A YES vote saves Oregon money and supports our future.**

The urban and rural, large and small, new and established companies of the OBA urge you to vote YES on Measure 11. A YES vote will help us to attract new companies to our state. In doing so, we can achieve and sustain a competitive marketplace for all Oregon businesses and industry.

*(This information furnished by Tom Kelly, Oregon Business Association.)*

## Arguments in Opposition

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### **DON'T LET OHSU USE YOUR MONEY TO BUILD AN AERIAL TRAM IN PORTLAND!**

That's right. OHSU wants to build a "ski resort" style aerial tram over Portland's oldest residential suburb, dating from the 1870s, to connect its Marquam Hill campus with new facilities to be built downtown in the North Macadam District on the Willamette River. And they want to use our money to build it.

A tram would cost \$20 million or more to build, more for stations at each end, and millions each year to operate. Just to move doctors and researchers who think their time is too valuable to take the bus a mere two-thirds of a mile between facilities.

Instead OHSU should operate a small fleet of alternative fuel shuttle buses which would save millions in start up and operational costs, provide a direct, reliable, efficient and cost effective transportation system to connect their facilities without harming the surrounding neighborhoods, and would save Portland's scenic views from 200' tall steel "erector set" style towers and massive cables strung over homes, businesses, sidewalks, streets and I-5.

OHSU is a public corporation, no longer part of Oregon's higher education system. But it still receives state funding. It now wants more of our money. We can support OHSU's goal to expand research facilities in the hopes of fueling economic growth and creating new jobs, but must say NO to wasting scarce public funds in

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difficult economic times to build an unnecessary and wasteful "carnival ride" boondoggle. Tell OHSU with your votes to use common sense, get its head out of the sky and use our state's resources sensibly. Or not at all.

**TELL OHSU TO SPEND FUNDS ON RESEARCH FACILITIES, LABORATORY SPACE AND PATIENT CARE FACILITIES. NOT ON AMUSEMENT PARK RIDES! SAY NO TO WASTE!**

Your South Portland National Historic District neighbors:

Larry Beck  
Craig Rowland  
JoEllyn Loehr  
Frank Buehler  
Mark Gould  
Alice Sayre  
Barbara Hutchinson

*(This information furnished by Larry Beck; Craig Rowland; JoEllyn Loehr; Frank Buehler; Barbara Hutchinson; Alice Sayre; Mark Gould.)*

**MEASURE 13**

House Joint Resolution 76--Referred to the Electorate of Oregon by the 2002 Legislature to be voted on at the Primary Election, May 21, 2002.

**BALLOT TITLE 13**

**AMENDS CONSTITUTION: AUTHORIZES USING EDUCATION FUND PRINCIPAL IN SPECIFIED CIRCUMSTANCES; TRANSFERS \$220 MILLION TO SCHOOL FUND**

**RESULT OF "YES" VOTE:** "Yes" vote converts education endowment fund to stability fund; authorizes, conditions using fund principal for education; transfers \$220 million from fund to School Fund.

**RESULT OF "NO" VOTE:** "No" vote rejects: converting education endowment fund to stability fund; authorizing, conditioning use of fund principal; transferring \$220 million from fund to School Fund.

**SUMMARY:** Amends constitution. Under existing law, the state deposits a portion of state lottery proceeds into the education endowment fund; fund's earnings are used for public education, student assistance; principal is retained in fund. Measure converts education endowment fund to education stability fund. Measure authorizes legislature to use any portion of education stability fund principal for public education if three-fifths of the members of each house of legislature approve, and either (1) legislature makes required finding as to decline in projected state revenue or in seasonally adjusted nonfarm employment, or (2) Governor declares emergency. On May 1, 2003, measure transfers \$220 million from stability fund to State School Fund to be used as provided by law for moneys in State School Fund. Other provisions.

**ESTIMATE OF FINANCIAL IMPACT:** The education stability fund will be reduced by \$220 million in May 2003. This amount will go into the State School Fund to be distributed to school districts at that time.

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Earnings on this education stability fund will be reduced by an estimated \$10.7 million per year beginning in mid-2003.

This measure has no financial effect on local government expenditures or revenues.

#### TEXT OF MEASURE

#### Be It Resolved by the Legislative Assembly of the State of Oregon:

**PARAGRAPH 1. Senate Joint Resolution 50, Seventy-first Legislative Assembly, 2002 First Special Session, is rescinded. The Secretary of State may not refer Senate Joint Resolution 50, Seventy-first Legislative Assembly, 2002 First Special Session, to the people for their approval or rejection at a special election held throughout this state on the same date as the next primary election.**

**PARAGRAPH 2.** The Constitution of the State of Oregon is amended by creating new sections 4e and 4f to be added to and made a part of Article XV, and by amending section 4, Article XV, such sections to read:

**Sec. 4.** (1) Except as provided in subsections (2), (3), (4), [(5)] **(8)** and [(6)] **(9)** of this section, lotteries and the sale of lottery tickets, for any purpose whatever, are prohibited, and the Legislative Assembly shall prevent the same by penal laws.

(2) The Legislative Assembly may provide for the establishment, operation, and regulation of raffles and the lottery commonly known as bingo or lotto by charitable, fraternal, or religious organizations. As used in this section, charitable, fraternal or religious organization means such organizations or foundations as defined by law because of their charitable, fraternal, or religious purposes. The regulations shall define eligible organizations or foundations, and may prescribe the frequency of raffles, bingo or lotto, set a maximum monetary limit for prizes and require a statement of the odds on winning a prize. The Legislative Assembly shall vest the regulatory authority in any appropriate state agency.

(3) There is hereby created the State Lottery Commission which shall establish and operate a State Lottery. All proceeds from the State Lottery, including interest, but excluding costs of administration and payment of prizes, shall be used for any of the following purposes: creating jobs, furthering economic development, financing public education in Oregon or restoring and protecting Oregon's parks, beaches, watersheds and critical fish and wildlife habitats.

(4)(a) The State Lottery Commission shall be comprised of five members appointed by the Governor and confirmed by the Senate who shall serve at the pleasure of the Governor. At least one of the Commissioners shall have a minimum of five years experience in law enforcement and at least one of the Commissioners shall be a certified public accountant. The Commission is empowered to promulgate rules related to the procedures of the Commission and the operation of the State Lottery. Such rules and any statutes enacted to further implement this article shall insure the integrity, security, honesty, and fairness of the Lottery. The Commission shall have such additional powers and duties as may be provided by law.

(b) The Governor shall appoint a Director subject to confirmation by the Senate who shall serve at the pleasure of the Governor. The Director shall be qualified by training and experience to direct the operations of a state-operated lottery. The Director shall be responsible for managing the affairs of the

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Commission. The Director may appoint and prescribe the duties of no more than four Assistant Directors as the Director deems necessary. One of the Assistant Directors shall be responsible for a security division to assure security, integrity, honesty, and fairness in the operations and administration of the State Lottery. To fulfill these responsibilities, the Assistant Director for security shall be qualified by training and experience, including at least five years of law enforcement experience, and knowledge and experience in computer security.

(c) The Director shall implement and operate a State Lottery pursuant to the rules, and under the guidance, of the Commission. The State Lottery may operate any game procedure authorized by the commission, except parimutuel racing, social games, and the games commonly known in Oregon as bingo or lotto, whereby prizes are distributed using any existing or future methods among adult persons who have paid for tickets or shares in that game; provided that, in lottery games utilizing computer terminals or other devices, no coins or currency shall every be dispensed directly to players from such computer terminals or devices.

(d) There is hereby created within the General Fund the Oregon State Lottery Fund which is continuously appropriated for the purpose of administering and operating the Commission and the State Lottery. The State Lottery shall operate as a self-supporting revenue-raising agency of state government and no appropriations, loans, or other transfers of state funds shall be made to it. The State Lottery shall pay all prizes and all of its expenses out of the revenues it receives from the sale of tickets or shares to the public and turnover the net proceeds therefrom to a fund to be established by the Legislative Assembly from which the Legislative Assembly shall make appropriations for the benefit of any of the following public purposes: creating jobs, furthering economic development, financing public education in Oregon or restoring and protecting Oregon's parks, beaches, watersheds and critical fish and wildlife habitats. Effective July 1, 1997, 15% of the net proceeds from the State Lottery shall be deposited, from the fund created by the Legislative Assembly under this paragraph, in an education [endowment] **stability** fund. Earnings on moneys in the education [endowment] **stability** fund shall be retained in the fund or expended for the public purpose of financing public education in Oregon as provided by law. **Except as provided in subsections (5) and (7) of this section,** moneys in the education [endowment] **stability** fund shall be invested as provided by law and shall not be subject to the limitations of section 6, Article XI of this Constitution. The Legislative Assembly may appropriate other moneys or revenue to the education [endowment] **stability** fund. The Legislative Assembly shall appropriate amounts sufficient to pay lottery bonds before appropriating the net proceeds from the State Lottery for any other purpose. At least 84% of the total annual revenues from the sale of all lottery tickets or shares shall be returned to the public in the form of prizes and net revenues benefiting the public purpose.

**(5) The Legislative Assembly may appropriate, allocate or transfer any portion of the principal of the education stability fund created under paragraph (d) of subsection (4) of this section for expenditure on public education if:**

**(a) The proposed appropriation, allocation or transfer is approved by three-fifths of the members serving in each house of the Legislative Assembly and the Legislative Assembly finds one of the following:**

**(A) That the last quarterly economic and revenue forecast for a biennium indicates that moneys**

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available to the General Fund for the next biennium will be at least three percent less than appropriations from the General Fund for the current biennium;

(B) That there has been a decline for two or more consecutive quarters in the last 12 months in seasonally adjusted nonfarm payroll employment; or

(C) That a quarterly economic and revenue forecast projects that revenues in the General Fund in the current biennium will be at least two percent below what the revenues were projected to be in the revenue forecast on which the legislatively adopted budget for the current biennium was based; or

(b) If the proposed appropriation, allocation or transfer is approved by three-fifths of the members serving in each house of the Legislative Assembly and the Governor declares an emergency.

(6) The Legislative Assembly may by law prescribe the procedures to be used and identify the persons required to make the forecasts described in subsection (5) of this section.

(7) On May 1, 2003, the State Treasurer shall transfer \$220 million from the education stability fund created under paragraph (d) of subsection (4) of this section to a fund created by law and known as the State School Fund. Moneys transferred under this subsection may be used in the manner provided by law for moneys in the State School Fund.

[(5)] (8) Effective July 1, 1999, 15% of the net proceeds from the State Lottery shall be deposited in a parks and natural resources fund created by the Legislative Assembly. Of the moneys in the parks and natural resources fund, 50% shall be distributed for the public purpose of financing the protection, repair, operation, and creation of state parks, ocean shore and public beach access areas, historic sites and recreation areas, and 50% shall be distributed for the public purpose of financing the restoration and protection of native salmonid populations, watersheds, fish and wildlife habitats and water quality in Oregon. The Legislative Assembly shall not limit expenditures from the parks and natural resources fund. The Legislative Assembly may appropriate other moneys or revenue to the parks and natural resources fund.

[(6)] (9) Only one State Lottery operation shall be permitted in the State.

[(7)] (10) The Legislative Assembly has no power to authorize, and shall prohibit, casinos from operation in the State of Oregon.

**SECTION 4e. (1) The amendment to section 4 of this Article by House Joint Resolution 76 (2002 second special session) becomes operative on April 30, 2003.**

**(2) This section is repealed on January 1, 2008.**

**SECTION 4f. Notwithstanding any other provision of this Constitution, if the amendment to section 4 of this Article proposed by Senate Joint Resolution 50 (2002) is approved by the people at a special election held on the date of the primary election on May 21, 2002, the amendment to section 4 of this Article proposed by Senate Joint Resolution 50 (2002) shall not be effective and the amendment to section 4 of this Article proposed by House Joint Resolution 76 (2002 second special session) shall be effective in lieu thereof.**

**PARAGRAPH 3. The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at a special election held throughout this state on the same date as the next primary election.**

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NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

# Explanatory Statement

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Ballot Measure 13 amends provisions of the Oregon Constitution relating to the education endowment fund.

The measure converts the education endowment fund into an education stability fund by changing the name of the fund and specifying conditions under which moneys may be appropriated from the principal of the fund.

Currently 15 percent of the net proceeds of the state lottery are deposited into the education endowment fund. The principal of the fund is invested as provided by law. The legislature may not expend the principal of the fund. Earnings on moneys in the fund may be expended on public education. State law provides that the earnings shall be expended on repayment of bonds to finance kindergarten through grade 12 public education, on need-based scholarships for higher education students and on other public education purposes.

The measure allows the legislature to expend the principal of the fund for public education if there is an economic downturn and the expenditure is approved by three-fifths of the members in each house of the legislature. The measure also allows the legislature to expend the principal of the fund for public education if the Governor declares an emergency and the expenditure is approved by three-fifths of the members in each house of the legislature.

The measure provides for a transfer on May 1, 2003, of \$220 million from the fund to the State School Fund to be used for kindergarten through grade 12 public education. After the May 1, 2003, transfer, the fund will have a balance of approximately \$58 million that will increase annually by about \$50 million.

The measure becomes operative on April 30, 2003.

**Committee Members:**

**Appointed By:**

Senator Charles Starr

President of the Senate

Representative Lane Shetterly

Speaker of the House

Representative Mary Nolan

Secretary of State

Senator Cliff Trow

Secretary of State

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Robert "Ozzie" Rose

Members of the Committee

*(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)*

# Legislative Argument in Support

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## **OREGON NEEDS A SCHOOL STABILITY FUND**

Oregon is one of only three states without a stability fund. That means when our economy slows in a recession, and revenues decline, we are faced with either raising taxes or cutting programs and services. Neither option is easy, and both can make the recession worse, slowing our recovery.

Forty-five percent of Oregon's general fund budget is devoted to our public schools. So when we experience a budget shortfall, our schools are at risk for drastic cuts in funding.

Ballot Measure 13 offers Oregon a tool to deal with temporary revenue shortfalls that will strengthen our economy, and protect our schools.

In the current recession, schools face a shortfall of more than \$300 million. This shortfall would result in school closures, increased class sizes, program reductions and other serious consequences. Our children deserve better.

That's why, in addition to establishing a stability fund for the future, Measure 13 transfers \$220 million from the fund to schools in this biennium. This will help our schools weather the current downturn, until our economy recovers.

Ballot Measure 13 is a prudent way to convert the existing Education Endowment Fund to a permanent school stability fund. It doesn't raise taxes. It doesn't take money from other programs or services. It relies on the current lottery funding for the Endowment Fund, which will continue at about \$50 million annually.

Even with the transfer of \$220 million to school in this biennium, the stability fund will end this biennium with \$58 million, and grow to more than \$600 million in the next ten years.

By establishing a permanent school stability fund and transferring badly needed funds to support Oregon schools in this biennium, Measure 13 provides what Oregon needs now and for the future.

## **VOTE YES FOR BALLOT MEASURE 13**

**Committee Members:**

Senator Charles Starr

**Appointed By:**

President of the Senate

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Representative Kurt Schrader\*

Speaker of the House

Representative Lane Shetterly

Speaker of the House

\*Member did not sign statement

*(This Joint Legislative Committee was appointed to provide the legislative argument in support of the ballot measure pursuant to ORS 251.245.)*

## Arguments in Favor

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### Ballot Measure 13

#### **Vote YES for school funding now:**

BM 13 provides 220 million dollars for school funding now. This money is needed to make up for the revenue short fall resulting from the economic recession we are experiencing. Without these dollars local schools will have to further cut their budgets, this means teachers and that means larger classes with less individual attention. Attention children desperately need to insure they reach their potential. Further, fewer teachers mean loss of programs. Programs that our children need to prepare them for the future. Programs our children need to enable them to meet the current requirements for advancement and graduation. And, programs Oregon needs to continue filling the skilled job markets our new economy is creating.

#### **Vote YES for school funding in the future:**

BM 13 creates an Education Stability Fund. Our current revenue shortfall is the result of a recession. Oregon's current and future children cannot afford to have economic downturns rob them of their educational opportunities. BM 13 will provide for future stable education funding. History tells us recessions tend to run in ten-year cycles. By the next recession this Fund should have almost a Billion dollars balance: A balance that will ensure educational stability in Oregon.

#### **Vote YES for educational stability:**

There is no better way to ensure stability in Oregon's educational funding than to save for the economic down turns. BM 13 does just that. Funding for BM 13 will come from lottery receipts. Currently 15% of the lottery receipts go to the already existing Education Endowment Fund account. BM 13 merely renames that account and restructures it as a savings account dedicated to education. BM 13 protects Oregon's children against future economic recessions. It is the responsible way to guarantee our schools will always have the necessary resources to provide a sound basic education. Please vote yes for Oregon's children.

*(This information furnished by Bob Jenson.)*

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## Argument in Favor

### WHAT IS THE SCHOOL STABILITY FUND?

**Measure 13 gives us the opportunity to create a long sought after rainy day fund and stabilize school funding when times are tough.** The money will come from an existing state savings account that is essentially unused and will not increase your taxes or create any new fees. Once established, the School Stability Fund will immediately provide \$220 million dollars to public education this fiscal year to stop devastating cuts. The fund will have an additional \$60 million dollars set aside in it, which is expected to grow to well over \$600 million dollars over the next decade. It will be set aside for future public education needs.

### WHAT DOES THE SCHOOL STABILITY FUND MEAN TO YOU?

**The next time Oregon faces serious economic challenges,** our schools could be protected from serious cutbacks and already burdened Oregonians could be protected from tax increases. And, while we weather the end of this recession, the School Stability Fund will provide \$220 million dollars to our public schools this coming fiscal year.

### WHAT HAPPENS WITHOUT THE SCHOOL STABILITY FUND?

**Our public schools will suffer over \$300 million dollars of cuts in state funding next fiscal year.** This could lead to school closures, larger class sizes, and layoffs for many of our quality teachers. **There are no other funds available to help mitigate the devastating cuts that will happen to our schools.**

**If this measure fails massive cuts or tax increases are the only other options. Neither of which will be positive for Oregon's struggling economy.**

### PLEASE SUPPORT OREGON'S PUBLIC SCHOOLS TODAY AND FOR THE YEARS TO COME!

This information and endorsement is sponsored by:

**State Representative Max Williams-Tigard**

**State Representative Vic Backlund-Keizer**

**State Representative Tim Knopp-Bend**

*(This information furnished by Tim Knopp.)*

## ARGUMENT IN FAVOR

### OREGON NEEDS A SCHOOL STABILITY FUND

Oregon is one of only three states without a budget stability fund to help protect its public schools from drastic cuts during an economic recession.

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**We need a school stability fund now more than ever.** Most of the funding of our local schools comes from the state. So when the state's revenues fall during a recession, it means direct cuts to schools. Like a savings account, the school stability fund can be used to fund schools during hard times.

That's why it is so important to vote yes on Ballot Measure 13 to create a school stability fund to protect our schools.

Next school year, the state's school budget is short more than \$300 million because of the economic recession in Oregon. This huge shortfall will seriously hurt the classroom. Our children deserve better.

That's why, in addition to establishing a stability fund for the future, Measure 13 transfers \$220 million from the fund to schools now. This will help schools weather the current economic downturn.

Measure 13 sensibly changes the existing Education Endowment Fund to a permanent school stability fund. It doesn't take money from other programs or services. **Measure 13 doesn't raise taxes.** And the school stability fund will be there for schools in the future. It will continue to grow each year from lottery funds.

A budget fund also will help protect the state's good credit, which local school districts rely on when issuing bonds. And good credit keeps government costs down.

Ballot Measure 13 offers Oregon a prudent financial tool to strengthen our finances and protect our schools now and in the future.

Join us, Oregon's Democratic State Treasurer and Republican House Speaker Pro Tem, in bipartisan support of Measure 13. It's good for Oregon.

### **VOTE YES ON MEASURE 13**

Randall Edwards, State Treasurer

Rep. Lane Shetterly, House Speaker pro tem

*(This information furnished by Randall Edwards, State Treasurer, Rep. Lane Shetterly, Speaker pro tem.)*

### **ARGUMENT IN FAVOR**

#### **Democrats and Republicans Agree Oregon Needs a School Stability Fund**

#### **A Bipartisan Effort Placed Measure 13 on the Ballot**

House and Senate Democrats presented the initial proposal for a School Stability Fund, and then Republicans quickly joined the effort. Democrats and Republicans worked together to place the School Stability Fund before Oregon voters. Members of both parties decided to give Oregonians the chance to create the state's first ever rainy day fund for schools.

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Democrats Who Voted Yes on HJR 76  
(Oregon House Roll Call, March 2, 2002):  
Representative Devlin  
Representative Monnes Anderson  
Representative Ringo  
Representative Schrader  
Representative Verger

### **Oregon's Legislative Leaders Back the School Stability Fund**

Legislative leaders from the Oregon House and Senate support Measure 13. House Speaker Mark Simmons, Senate Majority Leader Dave Nelson and House Majority Leader Karen Minnis all urge you to vote yes on Measure 13.

**"The next time Oregon faces serious economic challenges, the School Stability Fund could protect our schools from serious cutbacks and already burdened Oregonians could be protected from tax increases."**

- **House Speaker Mark Simmons**

**"A quality education is the best tool we can provide to our children. Help Oregon's children be all they can be - Vote Yes on Measure 13."**

- **Senate Majority Leader Dave Nelson**

**"Oregon is only one of five states that does not have a rainy day fund. Now is the time to act for our public schools and for our future. Please join me in protecting Oregon's schools today and in the years to come. Please join me in supporting Measure 13."**

- **House Majority Leader Karen Minnis**

**JOIN YOUR OREGON LEGISLATORS  
IN SUPPORTING THE SCHOOL STABILITY FUND**

**VOTE YES ON MEASURE 13**

*(This information furnished by House Speaker Mark Simmons.)*

## **Arguments in Opposition**

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**The Education Community Urges You To  
Vote No on Measure 13  
It's A Short-Sighted Idea For Solving A Bigger Problem**

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- **Measure 13 is the wrong answer for Oregon's school funding problem.**

Our opposition to a ballot measure that purports to solve Oregon's school funding problem probably surprises you since we are the staff and school board members of Oregon's public schools. The education community wants a school stabilization fund that helps solve Oregon's serious, long-term, school funding problem. But, Measure 13 doesn't do that. It doesn't protect schools from more budget cuts. And, it doesn't provide adequate and stable funding for public education. Measure 13 is the wrong answer to Oregon's school funding problem.

- **Voting No on Measure 13 is not a vote against public education.**

Public education has suffered deep cuts in the last decade. Measure 13 does not prevent cuts to public education now and it won't prevent cuts in the future. Measure 13 is another short-sighted, band-aid approach when what is needed is a long-term funding solution.

- **Measure 13 exhausts a long-term funding source to partially fill a shortfall.**

Measure 13 converts Oregon's Education Endowment Fund into a "rainy day" fund and then spends most of the money. This use of one-time money sets up schools for an even larger shortfall in the near future. Raiding this trust fund is not a sound way to balance the budget or set a stable course for the future.

- **Measure 13 is an ill-conceived Constitutional Amendment.**

Oregon's Constitution should be amended with great thought and care. Measure 13 locks into Oregon's Constitution an ill-conceived measure that is the wrong answer to Oregon's school funding problem.

**Vote for Real Solutions to Public Education Funding Cuts  
Vote NO on Measure 13**

**Oregon Education Association  
Oregon School Boards Association**

*(This information furnished by Kris Kain, President, Oregon Education Association and Tom Bennett, President, Oregon School Boards Association.)*

**Argument in Opposition**

**THE OREGON CENTER FOR PUBLIC POLICY URGES  
A "NO" VOTE ON MEASURE 13**

**Measure 13 Violates Majority Rule.**

Measure 13 requires a super-majority of the Legislature to authorize spending money for education during a recession. The super-majority requirement empowers a minority to override the majority who want to fund education.

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**Measure 13 Takes Before It Provides.**

Measure 13 requires the automatic stockpiling of funds even as the Legislature is cutting education and safety net budgets in a recession. Would you keep making automatic payments into a holiday gift fund if you lost your job?

**Measure 13 Is Half An Umbrella For A Rainy Day.**

Measure 13 is not a "rainy day fund." When Oregon has an economic downturn, the Measure 13 fund cannot be spent on the economic safety net. Measure 13 ignores those state services with increased needs during a downturn, such as assistance to families with children who don't have or run out of unemployment insurance, help for laid-off families to purchase food, health insurance for families losing employer-provided coverage, and job retention and training assistance. Education spending is important to maintain during an economic downturn, but children made hungry, homeless, or sick cannot learn.

**Measure 13 Seeds Additional Rain Clouds Over Oregon.**

The pool of money created by Measure 13 is not big enough to prevent budget cuts or tax increases during, or immediately after, a recession. The next Legislature faces a budget shortfall, and Measure 13 will not help them meet it. Measure 13 depletes the fund so heavily that the fund will not help Oregon pull out of this or another recession in the foreseeable future.

**While well intentioned, Measure 13 is seriously flawed.**

**PLEASE VOTE "NO" ON MEASURE 13.**

*(This information furnished by A. Charles Sheketoff, Oregon Center for Public Policy.)*

**ARGUMENT IN OPPOSITION**

The Oregon Legislature has asked you to approve using \$220 million of the existing Education Endowment Fund and turning the remainder into a stability fund for schools.

I am asking you to VOTE NO on this measure.

While I support creating a stability fund to help finance schools during economic downturns, creating one and then immediately tapping it for \$220 million is irresponsible. First, it will virtually deplete the fund, leaving such a small principle that it will take years to rebuild. Second, and much more serious, is the fact that using \$220 million of one-time revenue will create a huge financial cliff for our schools in the next budget which will be developed over the next six months.

The House Speaker has said that Ballot Measure 13 will tell us "what kind of priority voters place on education." The *Medford Mail Tribune* didn't mince words in its assessment of this measure in a March 5, 2002 editorial: "Asking voters to rob one education fund to pay for another will tell us what kind of priority voters place on education? That is just rubbish."

The fact is that we need new PERMANENT revenue to fund our schools -- because educating our children is not a one-year enterprise. We expect our third graders to become fourth graders, and then

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fifth-graders and so on until they graduate. Ballot Measure 13 focuses only on the next few months, not on the next few years. We deserve better.

If you care about the quality of our schools, VOTE NO on Ballot Measure 13. Let the legislature know that our children deserve permanent funding for their education not short term "fixes" which simply create a bigger problem in the future.

VOTE NO ON BALLOT MEASURE 13

*(This information furnished by John A. Kitzhaber, Governor, State of Oregon.)*

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