

Monday, June 14, 1982—Morning Session

Senate convened at 9:00 a.m. President Heard in Chair. All present except Burbidge, Hallock, Thorne, Wyers, excused; Colors were posted. Prayer by Reverend John Stewart, First Presbyterian Church in Salem, Oregon.

The following proclamation from the Governor was read by the Secretary of the Senate:

#### PROCLAMATION CALLING SPECIAL SESSION

The 1981 regular session of the Legislative Assembly appropriated monies for the operation of state government, and other purposes, during the 1981-1983 biennium. The economy of Oregon has been affected adversely by a nation-wide recession. Despite the best efforts in a special session of the legislature convened on January 18, 1982, continued further unemployment and decline in economic activity make it certain that revenues received by state government during the remainder of the 1981-1983 biennium will fall short of amounts heretofore appropriated. Legislative action again is necessary to enable state government to operate throughout this biennium under a balanced budget, as required by the Oregon Constitution.

I am calling this special session on the basis of assurances by legislative leaders that a strong majority exists to deal with this projected deficit, and that all matters will be resolved quickly.

It is understood that I as Governor will request full authority to exercise my lawful discretion to allocate up to \$10 million of General Fund reductions in appropriations selectively among agencies and among programs within agencies.

It is also understood that I will have strong legislative support and endorsement to achieve reductions up to \$20.7 million in General Fund expenditures for salary and wages through the use of alternatives other than laying off personnel, and that I as Governor will request complete flexibility to implement such alternatives.

THEREFORE, I, Victor Atiyeh, Governor of Oregon, find that an extraordinary occasion exists and I do by this proclamation, pursuant to section 12, Article V, Oregon Constitution, call the 61st Legislative Assembly of the State of Oregon to convene in special session on Monday, June 14, 1982, at 9:00 a.m. The Constitution does not empower me to limit the time of the special session or specify matters that may be considered, and it is my earnest hope that the members of the Assembly may act most expeditiously in addressing the situation described above, and only such other matters as might, separately considered, constitute an extraordinary occasion justifying the convening of a special session.

IN TESTIMONY  
WHEREOF, I have hereunto  
set my hand and caused the  
great Seal of Oregon to be  
hereunto affixed this 2nd day  
of June, 1982.  
Victor Atiyeh, Governor

The following message from the Governor was distributed to members' desks, placed in the original journal and recorded in the printed journal.

June 14, 1982

Honorable Fred Heard  
President of the Senate  
State Capitol  
Salem, Oregon  
Dear Senator Heard:

The Oregon Constitution requires a Governor, upon convening an extraordinary session of the Legislative Assembly, to "state to both houses when assembled, the purpose for which they shall have been convened." I do not want to delay the Assembly in any way today from resolving, in the most expeditious manner, the issue before it. **That is why I am communicating with you in this manner instead of a joint session.**

The 1981 Regular Session of the Legislative Assembly adopted a budget for the 1981-83 biennium which contained significant reductions in most state programs which are financed from the General Fund. In January of 1982, I called a Special Session of the Legislature to rebalance the state's budget because of the adverse effect the nationwide recession and high interest rates had on Oregon's economy.

Now, in June 1982, continued unemployment and a further decline in economic activity make it clear that revenues for the 1981-83 biennium will not be sufficient to support even the reduced state budget that was adopted by the first 1982 Special Session.

Through the excellent cooperation of legislative leadership, from both parties, a plan has been jointly developed to deal with the latest projected revenue shortfall of \$107 million. This plan includes further reductions in all major elements of the state's General Fund budget, including state agency operations, payments to local governments and individuals, and salaries and wages of state employees. The plan also includes a revenue component of continuing the state's income tax withholding schedule to July 1, 1983.

The jointly developed plan provides me, as Governor, with considerable flexibility in implementing specific agency reductions and alternatives to the layoff of state employees so that these actions will have as little impact as possible on state services and employees.

I have been assured by you that a strong majority will support the bipartisan plan. The assurance of a speedy resolution of all matters before you is in the best interest of the citizens of Oregon. We must resolve this latest deficit quickly.

Because of the assurance of strong legislative support for this plan, the Legislature, during this Special Session, can act quickly to adopt implementing legislation. I feel that the cooperation and goodwill that has been shown in the development of this plan, and the further demonstration of quick action to adopt the plan, will be a positive sign for the citizens of Oregon.

Sincerely,  
Victor Atiyeh  
Governor

Potts moved that the Second Special Session Rules with proposed amendments to SR 8.01 and 13.03 be adopted as the Rules of the Senate Third Special Session. On adoption the vote was: Ayes, 26; excused, 4—Burbidge, Hallock, Thorne, Wyers. Second Special Session Rules as amended adopted as Rules of the Senate for the Third Special Session.