

Sound and Fury Signifying Nothing

Editorial

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How did we get to this point? Let's remember that as this legislative session opened, the voters of Oregon, by a significant margin, rejected a smaller tax increase than the one eventually adopted by the legislature. The governor declared that the state must learn to live within its means and that leadership did not mean supporting new tax increases. There was much tough talk from legislative leaders about making the hard choices and scaling back government to fit available revenues.

So what happened? With a great deal of sound and fury, the legislature attacked one of the most visible signs of spending abuse—PERS. Did they fix it? No. The legislature adopted a series of tweaks to the existing, abusive system which temporarily reduced the biennial cost of funding PERS but allowed the fundamental structure—the *raison d'être* for future abuse to remain intact. When presented with the opportunity to, at least, make a structural change for future public employees, the legislature rejected a defined contribution pension plan in favor of a defined benefit plan—the same kind of plans that were and are currently being abused, resulting in the extraordinary cost to the budget and the taxpayers.

What other fundamental changes were made to the government system that could reasonably be expected in a bona fide effort to live within our means? None.

Associated Oregon Industries published a list of 54 suggestions for reducing the budget to live within our means. Some of those involved structural changes such as the elimination of the Oregon Liquor Control Commission, and privatization of the state motor pool.

Were any of these mild, but fundamental, changes adopted? No.

And what is the common denominator? In each and every instance, each proposed reform, impacted directly the domain of the public employees unions. And they would have none of it. The public employees unions are singularly and collectively the largest political contributors in the State of Oregon. The governor is a former labor union lawyer. Many of the Democrat members of the legislature are union members and those who are not, are, almost exclusively, funded by the public employee unions (with an occasional dollar thrown in by their allies, the trial lawyers).

The public employees unions have become so flush with money that they now fund a “watchdog” program, the so-called Voter Education Project, designed to thwart voter initiatives and intimidate those who oppose their will. Portland Metro Republicans quake at the warning that they have been targeted by the unions in the next election, and that threat is reinforced by the presence of union “goon squads” at public meetings held by these legislators.

In the end, the public employee unions control, absolutely, the political process in Oregon. They elected the governor, they elected the Democrat members of the legislature, and they have sufficiently intimidated the Metro Republicans that they possess a working majority when it comes to the budget and the impact it has on their jobs and benefits.

Much has been written since the adjournment of the 2003 legislative session about the quality and character of the legislature. But the most intriguing commentary to date is an excerpt from a recent column in the Medford *Mail Tribune* by Ron Saxton who opined that the governor and the legislature passed a state budget, which requires an “almost unimaginable leap of faith that voters will approve a tax increase.” Saxton rightfully notes that, absent voter approval, “the budget won’t be worth the paper upon which it’s written.”

Recent polls, along with giving the governor and the legislature embarrassingly low marks, uniformly show that the voters will overwhelmingly reject the tax increase at the election slated for February 3, 2004. A poll by Moore Information shows that between 55 percent and 60 percent of voters oppose the tax increase—and that’s before any discussion about the legislature’s failure to fully address the huge deficit caused by the public employee unions in the Public Employees Retirement System (PERS). Somewhere between 28 percent and 35 percent of voters support the tax increase. Not surprisingly, this represents approximately the body of voters that are either not impacted by the tax increase or who are beneficiaries (teachers and other public employees) of tax revenues.

If Oregon wants to fundamentally change the direction of government, to live within its means, to prioritize its services and to examine the delivery of those services, it must deal with the problem of the dominance of the public employees unions. The sad note is that it won’t happen soon. When the voters reject the unprecedented tax increase in February, the result will be to hand the solution back to a governor and a legislature fully dominated and controlled by the public employees unions. Do not expect too much.