

OREGON HOUSE REPUBLICAN OFFICE

In Case You Missed It Oregonians should write thank-you notes to Brown, Kotek and Courtney for K-12 cuts

Oregon needs leaders now - not in 2019: Editorial Agenda 2017

The Oregonian Editorial Board

When students return to school this fall with fewer teachers, larger class sizes and shorter school years, they should write thank-you notes - on paper donated by parents, of course - to the three people responsible for such cuts: Gov. Kate Brown, Senate President Peter Courtney and House Speaker Tina Kotek.

The three Democrats, all longtime politicians, announced Thursday that they're giving up for now on trying to bring about the financial stability this state desperately needs. Rather than spend the remaining weeks in the session pursuing necessary reforms to public employees' pension benefits and hammering out a corporate tax deal, the three are patching together a makeshift budget and letting schools and state agencies limp through the next biennium. Again.

With a projected \$1.4 billion deficit and public employers facing escalating pension contributions for years to come, Oregon needed leaders this legislative session - people who would back up their soundbites of concern over the state's 3rd worst high-school graduation rate with action to ensure that money sent to K-12 districts was making it to the classroom. That would require legislators, particularly Democrats, to summon the political courage to face down public employee unions and negotiate benefit reductions that would free up money for services.

But Democrats, who control the House, Senate and the governor's office, haven't been able to find it. Instead, for months, they pounded businesses, saying if they wouldn't come support more corporate tax revenue, then they would not advance any pension reforms. But even when the Brighter Oregon business coalition put forward a plan to raise another \$500 million in new business revenue - provided legislators addressed the state's structural spending problems - Democrats balked. Now, Brown, Courtney and Kotek are looking to kick the can down the road, saying that they will "start planning the next steps to lead to success in the 2019 session," according to The Oregonian/OregonLive's Hillary Borrud.

Oregon cannot wait until 2019. Consider our fiscal situation amid a booming - at least for now - economy:

Oregon is collecting more tax revenue than ever before with projections to rake in \$1 billion more in general-fund and lottery dollars in the 2017-2019 biennium than in the current two-year cycle. Yet, that record amount doesn't even come close to keeping up with spending, which has outpaced the growth of Oregon's booming economy.

To get even more specific: Legislators are poised to vote on an \$8.2 billion K-12 budget for the coming budget cycle. That's 11 percent more than schools have had for the current biennium. But even that double-digit gain won't prevent school districts from trimming the school year and laying off teachers, counselors and librarians. Districts must make those cuts because otherwise they cannot pay for increases in employee health care, pension contributions and other expenses.

Even the <u>National Education Association</u> acknowledges that Oregon's spending per student beats the national average and exceeds Washington's spending by \$2,000 per student. The problem? It's not getting into the classroom.

This is not rocket science. It is not difficult to recognize that the state needs to curb its spending - either with or without corporate tax reform.

And for a split second, it seemed that Democratic leaders and unions were ready to step up. Earlier this month, Courtney introduced a bill, SB 1068, that would require public employees to take a small portion of the amount they (or public employers) put in a 401(k) type account and redirect it into the main pension fund. It was too small to be anything but a symbolic change, but it was significant for the message it sent: There are legally viable ways to ease the unfunded pension liability on public employers, despite the fiction that Democrats had repeatedly put forth that nothing could be done.

Unfortunately, the bill has gone nowhere. Two other PERS reform bills that would more aggressively curb costs have been in legislative limbo since April.

Legislators can blame businesses for resisting their favored method of tax reform. They can blame voters for approving initiatives that restrict their options. They can blame Republicans for not blindly supporting new taxes without controls on the state's relentless spending. But none of that changes the fact that Brown, Courtney and Kotek are willing to let this state and its schools hobble through another budget cycle when there's still time to broker deals that could bring stability for the next decade. They can still be the leaders this state needs. But if they hold fast to their refusal, this failure will belong to them, and Oregonians across the state should know that.

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