

# emerald

## Governor calls for new 'image'

By Ron Hunt  
Of the Emerald

When the eye of the beholder is in a businessman, Oregon is anything but a beauty.

A "miserable image" Gov. Vic Atiyeh called it Monday.

And to counteract businesses' perception of the state, Atiyeh urged legislators to — among other measures — appropriate \$500,000 for a "high-tech" education program.

In his "State of the State" address, Atiyeh unveiled details of his economic recovery plan that includes half a million dollars for a "comprehensive engineering and high-technology education and training program" within the State System of Higher Education.

"Our tough-on-business image is as much an impediment to economic development as today's high interest rates," Atiyeh said. He asked the Legislature to adopt the "high-tech" proposal of Rep. Vera Katz, D-Portland, as part of a new image for Oregon.

Her plan would establish a consortium of educators and high-technology leaders to develop an educational plan. The Education Coordinating Commission would evaluate programs and needs and would be responsible for recommending the most efficient methods to implement the plan.

In addition, Atiyeh has assigned the Department of Economic Development to establish "new chairs of technology and business at one or more of the institutions of higher education."

Atiyeh did not mention higher education elsewhere in his speech, except indirectly: "I have chosen a plan that relies more on reduced spending than on new revenues." He has, prior to his "State of the State," directed legislators to cut 10 percent from the state's higher education budget.

The governor reiterated his preference for cuts in state programs like higher education; he does not support measures — including a "raid on the property tax relief fund" — that would raise taxes.

"The ill-timed notion that higher taxes now is an acceptable remedy is no different than saying a sack of cement is an acceptable life preserver to a drowning person," Atiyeh said.

"Obsession" must not continue regarding his proposed cut-backs, he said. "The reductions amount to a 10 percent rollback. This means that 90 percent remains to serve and protect our citizens."

Several legislators disagreed. Immediately after Atiyeh's "State of the State," the Speaker of the House, Hardy Myers, D-Portland, gave a speech of his own.

The Legislature should "fairly spread the deficit burden among the people of our state," Myers said. Budget cuts should not be limited to state services. The cuts to state service budgets place an unnecessary burden on students and other people

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Gov. Vic Atiyeh

Photo by Mark Pynes

## Atiyeh offers recovery plan

Gov. Vic Atiyeh's economic recovery plan would:

- Declare a statewide economic emergency so that local governments could receive assistance without going through time-consuming hearings.
- Make the Department of Economic Development directly responsible to the governor.
- Increase staffing in the Department of Economic Development, specifically "business advocates" to "literally take industries by the hand to lead them through the regulatory maze."
- Use \$60,000 to create a computerized inventory of lands suitable for industrial development.
- Appropriate \$250,000 to the Emergency Board for the development of a marketing program — to "sell" Oregon to the rest of America and other parts of the world.
- Add \$37,000 to the Office of Economic Analysis for economic planning efforts.
- Allocate \$500,000 to the Emergency Board to develop, within the State System of Higher Education, an engineering and high-technology education program.
- Intensify tourist promotion by an additional \$400,000 routed through the Emergency Board.
- Finance "seed money" for counties by funding \$500,000 for the Oregon County Development Revolving Fund.

## Subcommittees limit initial cuts

By Debbie Howlett  
Of the Emerald

For Gov. Vic Atiyeh's wife, Dolores, "it's a day like all days."

For higher education and state service's proponents, it was a day to breathe a sigh of relief.

The full committee on Ways and Means met Monday afternoon to hear the recommendations of six subcommittees after reviewing Atiyeh's proposals.

Of Atiyeh's recommendations to cut about \$147 million, the subcommittees agreed to \$63 million worth.

What higher education proponents heard most clearly was the voice of Sen. Jim Gardner, D-Portland, head of the education subcommittee. Gardner informed the budget panel the education subcommittee would "reluctantly" recommend a 4.4-percent cut in higher education.

The subcommittee also said it would recommend a 5-percent cut in community colleges and no reductions in National Direct Student Loans and Oregon State Scholarship Commission funds.

The 4.4-percent cut is closer to 3.5-percent, says Ed Fadeley, D-Eugene, who co-chairs the full Ways and Means committee. The recommendation was for \$7.5 million of Atiyeh's requested \$23.5 million cut, he says.

In reports from five other subcommittees, the budget ax was clearly dulled, although some of the governor's suggestions were sustained. Most legislators used adjectives such as reluctantly, painfully and hesitantly.

The subcommittee on general government, headed by Sen. Jack Ripper, D-Coos Bay, called for a \$1.75 million dollar cut to the legislature to show "an example that we can take a cut too."

Sen. Tony Meeker, R-Amity, spoke for the public safety subcommittee and asked that the OLCC be cut by \$1.9 million.

The subcommittee also recommended a \$250,000 reduction in mental health services.

From the subcommittee on human resources, Rep. Vera Katz, D-Portland, recommended to the panel cuts totaling \$36.7 million.

The committee decided \$35.1 million should be cut from the Department of Human Resources by reducing spending \$8.8 million and garnering anticipated federal funds.

The human resources subcommittee opposed Atiyeh's recommended cuts to welfare recipients, Katz said.

In the proposal from the subcommittee on transportation, Rep. Ed Lindquist, D-Gladstone, asked that public transportation be left as is because of unexpected revenue totaling \$87,900.

The subcommittee on economic development, headed by Max Simpson, D-Baker, called for cuts totaling 6.4 percent, saying his subcommittee "basically approved" of the governor's recommendations.

## Legislature ponders myriad amendments

**SALEM, Ore. (AP)** — Oregonians would vote in the May primary election on whether to limit property taxes to 1.5 percent of market value under a proposed constitutional amendment introduced Monday.

The proposal was among 32 measures introduced as the Legislature opened its special session. Many of the bills involve Gov. Vic Atiyeh's proposed spending cuts and revenue increases to erase a projected \$240 million budget deficit.

The tax limit proposal (HJR44) was introduced by the House Revenue Committee at the request of a committee member, Rep. George Trahern,

R-Grants Pass. He asked that the measure be drafted as a point for discussion as lawmakers consider state property tax relief programs.

A bill introduced in the Senate (SB974) at the request of the state Executive Department would raise judges' salaries.

Circuit court judges' pay, now \$48,356, would go to \$52,297 retroactive to Jan. 1, to \$53,866 on July 1 and to \$56,021 next April 1. Salaries of district court judges, now \$43,344, would go to \$48,283 on July 1.

Supreme Court justices' salaries would rise from \$53,308 to \$61,758 by next April. State Court of Appeals

judges' pay would increase from \$52,039 to \$60,287 by next April.

Another bill introduced in the House would exempt from state Energy Facility Siting Council regulations plants that generate electricity by burning solid waste.

Other major bills introduced Monday include ones to:

- Reduce interest rates charged people who assume state veterans' home and farm loans (SB966).
- Require the Bureau of Labor to charge a fee of up to \$5 for issuing work permits to minors (SB972).
- Make parents of people under 18 at state mental institutions and spouses of

people in mental institutions liable for part of their costs of care (SB973).

- Raise the interest charge on delinquent state income taxes from 12 percent annually to 18 percent (SB980).
- Double state taxes on beer and wine (HB3296).
- Combine the two state property tax relief programs into one based on income and end relief for households with more than \$50,000 annual income (HB3297).
- Require state agencies to issue or deny permits within 60 days after an application is filed (HB3305).
- Require accelerated employer withholding tax payments (HB3298).