

GUEST EDITORIAL FROM THE ALBANY-DEMOCRAT HERALD

Businesses, legislators continue dance on tax issue

When last we checked in with the Oregon Legislature's efforts to impose a \$2 billion business tax hike, legislative leaders had sent a letter to the state's biggest business organization asking what types of taxes it might be willing to support.

The answer from Oregon Business & Industry President Sandra McDonough came back last week: The proposed \$2 billion tax increase, a centerpiece of Gov. Kate Brown's plans to pump more money into public education, is "too much," McDonough wrote.

And McDonough made another vital point in her letter to Sen. Mark Hass, D-Beaverton, and Rep. Nancy Nathanson, D-Eugene (the two co-chairs of the Joint Committee on Student Success Subcommittee on Revenue): Any increase in taxes should be accompanied by cost-saving reforms to the state's Public Employees Retirement System.

That's not a surprise. Nor is it an unreasonable demand, considering that an analysis has shown how increasing premiums, required to keep the state's underfunded pension system afloat, would eat away half of the additional revenue generated by the business tax by 2023. In subsequent years, the analysis suggested, the PERS premiums would take an even bigger bite.

Some legislators might have argued that, even if this turned out to be the case, at least schools would get a little extra cash for a few years. But McDonough didn't rise to that bait.

If all of this sounds familiar, it's because this is essentially the same place we were at two years ago in the Legislature: Business leaders were sending encouraging signs about possibly supporting some sort of additional tax, but wanted it to go hand-in-hand with PERS reforms. The nascent deal eventually ran off the rails, as legislators were reluctant to entertain serious overhauls to the pension system.

After that session ended, as you will recall, a coalition funded largely by public employee unions moved ahead on its own and qualified a business tax measure on the ballot; that proposal, Measure 97, was swatted down by voters.

And so here we are, in the middle of the 2019 session, and Hass and Nathanson are leading the subcommittee looking at ways to raise more money for K-12 education. (While Gov. Brown has asked the Legislature to come up with the extra revenue, she has not spoken, at least publicly, about her preferred method of doing so.) Hass and Nathanson are moving carefully, and you would be too, considering what a minefield taxation has become in Oregon.

So it was worth their time to send the letter to McDonough. It's possible the legislators were hoping for a different answer, but they couldn't have been surprised to receive her response.

To be fair, McDonough left the door open for the legislators to consider a certain kind of business tax known as a value-added tax; these taxes are calculated on a business' sales minus inputs, as opposed to a gross-receipts tax such as the one proposed in Measure 97. And the legislators and the business leader agreed to keep working together, a good sign. Hass said last week he wants to get a tax bill out of the subcommittee by the first week of April — a worthy goal, and one that would allow plenty of time for legislators and others to take a hard look at the proposal.

That task, and that timeline, will be challenged by McDonough's insistence that the PERS issue be added to the mix; that's probably part of the reason why the legislators wanted to set it aside at least for the time being. But that almost certainly was a futile hope, considering how quickly the rising cost of pension premiums would eat away at any new revenue. Here's the bottom line: This PERS issue isn't going to placidly sit on the sidelines.



Time for a change in the newsroom

It's not often that I've struggled with writer's block. I can probably write stories in my sleep (we test that theory every November on election nights when results are coming in later than I'm used to being up). However, this is one piece I have struggled with writing over the last month.

I need to take this time to announce I have put in my resignation at the newspaper and my last day will be Friday.

This decision does not come lightly, readers. I have spent more than four and a half years at The Observer and have gone through some remarkable changes to which I attribute some of my personal growth. With that being said, I know when it's time to leave and go off on a new adventure.

I can tell you the decision to leave started before the announcement of the bankruptcy. It was not the main factor in my decision, but I would be lying if I said it didn't play a part. I cannot make you believe me, but I do promise you that's the truth.

I am not worried the newspaper will shutter its doors despite the rumor going around the community that we are on our last leg. The Observer is going through some hard times, of course. However, hear me when I say, we are a profitable newspaper and will come out the other side of this so long as we have the



FROM THE EDITOR'S DESK
CHERRISE KAECHELE

community backing us.

And that's the key to the rise or fall of a community newspaper. It's about you who's reading this.

Instead of writing about my experiences through the years at the newspaper, I want to take this time to tell the community how important community journalism is.

The Observer extensively covers city council meetings, commissioner meetings, elections, breaking news, community events and many other subjects. While there are other media outlets in the community, the newspaper has the capacity to take the time to thoroughly cover a story. We attend the meetings, we meet with the candidates and we stay on the scene until the first responders start packing up. That goes away if we go away. I assure you, Portland or Boise TV channels or newspapers will not be covering Northeast Oregon. Despite what many may think, Facebook is not a reliable news source.

We are a small newsroom — we're one-third less staffed than what we were when I started here — so we can't cover every meeting or every story that's out there. However, I'd argue we have covered some big ones

and I'm very proud of what my newsroom and I have accomplished over the years despite the small size and the often times low energy levels.

Now is the time we need the community behind us. Write in your letters of support. Send us news story ideas. Buy a subscription. The more people who support us, the better off the newspaper will be after we come out of the bankruptcy and media companies make their offers to purchase us.

I use "us" and "we" because I intend to continue writing for the newspaper as much as I can in a freelancing position. I believe in this industry and I always will. I have a reporter's mindset and I love news. While I need to take a step away from journalism, I do not plan to leave the newsroom I've called home for four years. I believe in this newspaper and I believe in the people who work there. They're a tough group of people who have gone through quite a bit. They're my friends and colleagues and deserve nothing but the best. The reporters that I've led over the last year as editor have made me very proud. I leave the paper in their very capable hands and am excited to watch them from the sidelines. I know they can do this.

Take care, readers. You'll see my byline again so I won't say goodbye — I'll talk to you later.

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