

Editorials are written by or approved by members of the Capital Press Editorial Board.

All other commentary pieces are the opinions of the authors but not necessarily this newspaper.

Opinion

Editor & Publisher
Joe Beach

Managing Editor
Carl Sampson

opinions@capitalpress.com | CapitalPress.com/opinion

Our View

Fee-based state budgeting

On occasion we are reminded that the budget process used by the Oregon Legislature and state agencies is a bit curious, if not lacking.

According to the Oregon Blue Book, the state's revenue budget for the current biennium is \$85.8 billion. Of that, 26.1% is the general fund, which comes from the state's corporate and personal income taxes, cigarette tax and the estate tax.

About 44% of the state's revenue comes from money agencies take in as fines and fees. Some of that money is dedicated under law or constitutional amendment to specific agencies or purposes.

About 1.5% of the revenue comes from the state lottery.

Instead of having all of the state's revenue from taxes, fees and the lottery flow into the general fund and allowing legislators to set funding pri-

orities, it flows into cubbyholes within various state agencies, where much of it usually stays.

As a result, when legislators write the budget they are debating the highest and best use of their lunch money. Most of the rest of the state budget — about 75% — is already spoken for.

This results in haves and have-nots among state agencies and a sort of budget panhandling exercise as some department heads try to make ends meet.

An example: the Oregon Water Resources Department administrator, Tom Byler, recently paid a visit to a legislative committee asking permission to raise fees for water transactions and dam inspections by 17% just to keep those divisions functioning. Even with the increase, several people would be laid off.

The implication is the legislature doesn't have the money for OWRD and some other "have-not" agencies to

do their jobs. Add to that list the Oregon Department of Agriculture, which is seeking permission to increase fees for food safety and brand inspections. Presuming the public has a vested interest in food safety, wouldn't it make sense to pay for the cost of those inspections from the general fund?

The state Department of Parks and Recreation is an example of a "have" agency. Under a couple of constitutional amendments, 7.5% of state lottery proceeds are earmarked for the department. In the department's proposed biennial revenue budget, that's \$147.2 million — about equal to the OWRD's entire budget. The rest of the Parks and Recreation budget, \$159.0 million, comes from user fees and recreational vehicle registrations.

Of that, the department proposes spending \$259 million, only half of which would be on direct services. The rest, 49%, would be for "community support and grants," park devel-

opment and central services.

Assuming that transferring water rights and inspecting dams are important, it should be up to legislators to assure OWRD is adequately funded. That is not currently the case, because of the cubbyholes in other departments.

We cannot tell legislators how to put together a state budget, but we do know that the current system leaves some "have-not" agencies dependent on squeezing every penny out of farmers, ranchers and others who need water, state-mandated inspections or other services that are in the public interest.

At the same time, the "have" agencies such as Parks and Recreation have more than enough money to carry out their missions.

The time is long overdue to discuss this budget process shortcoming that leaves some agencies chronically underfunded and others overfunded.

Our View



Sierra Dawn McClain/Capital Press

Oregon's wineries are asking legislators to allow larger shipments direct to customers.

Raise the limit on direct-to-consumer wine sales

Oregon has legalized recreational marijuana, possession of illegal drugs for personal use and sports betting, but shipping more than two cases of wine a month to a customer is still beyond the pale?

Yes, under Oregon law, but a bill in the legislature rightly seeks to increase that limit.

The Oregon wine industry is a \$3 billion business. A highly regulated business. For more than 30 years the state's direct-to-consumer law has limited wineries to shipping only two cases of wine a month to any individual customer.

The state's limit puts Oregon wineries at a competitive disadvantage to peers throughout the West Coast. Washington and California do not restrict the number of cases shipped direct-to-consumer.

The state's wine industry is calling on lawmakers to pass Senate Bill 406, which would allow them to ship five cases of wine per resident a month.

Most of the state's 725 wineries are too small to work through distributors, which would put their products into retail outlets.

They depend on in-person tastings to whet onsite sales and direct-to-consumer wine clubs.

Thousands of visitors who'd usually buy their cases on-site are no longer traveling to wineries due to coronavirus restrictions, said Maria Ponzi, president of Ponzi Vineyards in Sherwood, Ore.

"This DTC channel has been a lifeline," but the existing law has created barriers, she said.

The industry is only asking to bump the restriction up to five cases. Retailers don't restrict the quantity that legal consumers can buy in a month. We suspect the current limit only protects the retailers and distributors, so we don't see the need for any restriction.

But, if the industry is happy with five cases, so are we.

Oregon has loosened restrictions on other vices, it seems only fair that it brings regulation of the wine industry into the 21st Century.

Ag matters in Snake River dam proposal

WASHINGTON, D.C. — Last week, I released for discussion a concept that could end the Northwest salmon wars. It would lock in a more certain future for agriculture, energy, transportation and communities and also give Idaho's wild salmon and steelhead their best chance for survival.

Without question, the four Lower Snake River dams are very beneficial and valuable. They provide low-cost, clean, on-demand energy. They allow barges to reach ports in Lewiston-Clarkston providing low-cost shipping so that our growers are not captive to rail and trucking. Our communities benefit from ports, economic development, and recreation.

I want to make it clear that if these dams are removed, then all stakeholders must be provided with resources to replace the benefits they currently receive from them. In three years of studying this issue and over 300 meetings with stakeholders, I have come to believe that it would cost at least \$33.5 billion to replace these benefits.

To protect energy and the communities my concept would:

- Require that power from the 4-LSRDs be replaced prior to dam removal in 2030.

- Lock-in all federal and private dams greater than 5 MW in the Columbia, Snake and Willamette basins for 35-50 years, stopping environmental lawsuits from going after other productive dams.

- Ban all salmon litigation against these same dams in the Columbia, Snake and Willamette basins under the Endangered Species Act (ESA), Clean Water Act (CWA) and National Environmental Policy Act (NEPA) for 35 years.

- Provide new missions and economic partnerships in advanced energy storage for the Tri-Cities and Lewiston-Clarkston.

To protect agriculture, the concept proposes:

- A \$3 billion, 25-year voluntary watershed program between agriculture, conservationists and tribes to improve and enhance water quality, temperature and quantity in the Columbia Basin.

- All farmers voluntarily participating in the watershed program will be exempt from Clean Water Act and ESA lawsuits for the length of the program.

- \$400 million to the Northwest land grant universities for animal nutrient (waste) management processes.

- \$1.2 billion to the Columbia, Snake and Willamette basins for animal nutrient management incentives to dairies and confined animal operations.

- \$750 million to the Lower Snake River Corridor irrigators so they can reconfigure, re-engi-

GUEST VIEW

Rep. Mike Simpson



neer and extend pipes and deepen wells.

- \$1.5 billion for the Palouse/Idaho grain farmers that utilize the Snake River ports so they can reconfigure/adjust their transportation options or create new opportunities.

- \$300 million to Lower Snake River corridor shippers (co-ops/handlers/elevators) so they can reconfigure/adjust their operations.

- \$200 million to the Lower Snake River Corridor Ports including Lewiston-Clarkston and Wilma.

- \$1 billion for the Snake River barges for economic adjustment.

- \$600 million to the Tri-Cities ports so they can expand their operations as a regional hub with an emphasis on creating greater barging volume of agriculture commodities on the Columbia River than exists today.

- A program that provides funding and legal indemnification to ditch districts or small energy entities to remove abandoned or non-functioning irrigation structures or dams.

In 1988 as the Spotted Owl Wars were beginning to heat up, timber mill owners, communities and families were saying "hell no" in unison. At that time, none of us could have comprehended the devastation that judges, and an administration would cause our Northwest communities within a few short years. "Hell no" is easy and popular until the day outside forces pick the winners and losers.

I am aware that saying "yes" is much harder. It is a leap of faith. But it would be a tragedy if future generations looked back and wished that the current Northwest leaders and stakeholders would have at least taken the time to explore this opportunity.

One of the reasons I believe this concept is worthy of review is because I am making it very clear that agriculture matters. So I am asking the Northwest delegation, governors, tribes and stakeholders if we can roll up our sleeves and come together to find a solution to save our salmon, protect our stakeholders and reset our energy system for the next 50-plus years on our terms?

And at the same time, we can achieve a long-term solution that would provide certainty, security and legal protections for farmers in the Northwest. I believe we owe it to future generations to try.

Mike Simpson represents Idaho in the U.S. House of Representatives.