Oregon betterment foreseen in new budget presented by Gov. Kulongoski

(Continued on page 6)

eligible 3- and 4-year-olds," he said, "and launch our Shared-Responsibility Model to make college truly affordable for all Oregonians."

A third consensus item is the need to raise Oregon's tobacco tax to match the tax rates now in effect in Washington state. This will enable Oregon to recover more of the costs "that smoking inflicts on society," especially the health-care system.

A fourth consensus item is the need for a stable funding source for the Oregon State Police, the governor said. That funding source may be a surcharge on car insurance premiums on policies that go beyond the mandatory minimum coverage.

"If we adopt all of the consensus items I have outlined," said Kulongoski, "our tax system will be more fair, more stable and better able to support the services that our citizens deserve for the long-term.

"We will end our roller-coaster trend of cutting in bad times and re-investing in good times, but never quite getting ahead."

Under the heading of "the responsibility to do our best," the budget allocates $5 million to facilitate the consolidation and administration of school district health plans, which is expected to save $40 million in future biennia.

And the governor's budget increases reserves to $902 million by doubling the Educational Stability Fund (to $452 million), establishing a new rainy day fund with the proceeds of the corporate kicker ($275 million); boosting the budget's projected ending balance ($145 million); and re-establishing an emergency fund ($30 million).

These reserves will exceed 6 percent of the state's General Fund revenues by the end of the 2007-09 biennium - a record level in recent years and one praised by State Treasurer Randall Edwards.

Budget Highlights Listed

*The Governor's total Education Enterprise General Fund/Lottery Funds budget is $8.0 billion. This is $1.1 billion more than 2005-07, or a 15.5 percent increase. The budget funds K-12 schools at $6.06 billion, or a 14.2 percent increase from 2005-07.

*The governor's budget provides access to Head Start/Oregon Pre-Kindergarten for all eligible 3 and 4-year olds by adding an additional $39 million from an increase in the corporate minimum tax. The program is expected to serve more than 3,000 additional children.

*Funding for need-based grants through the Student Assistance Commission increases to $110 million total funds, $32 million more than the current program level. This will enable the state to make the first of two new investments to implement a new "shared responsibility model" for college assistance that will make post-secondary education affordable for all Oregonians, boosting grants from an average of $1,200 to $1,800 per year and extending eligibility to 42,000 students in households with incomes as high as $60,000 per year by 2009-11.

*The Community College Support Fund is at $483 million. This is $54 million more than 2005-07, or a 12.6 percent increase. The governor's budget for community colleges also includes $174 million in Other Funds for 12 capital construction projects.

*The Oregon University System (OUS) budget includes almost $41 million additional funding for campus operations, including funding for regional campuses, faculty salaries, enrollment growth, and reducing student/faculty ratios. The total General Fund/Lottery Funds budget is increased 14.6 percent from 2005-07.

*The OUS budget includes $594 million in Other Funds for 45 capital construction/deferred maintenance projects.

*Currently, more than 117,000 children lack health insurance. The Healthy Kids Plan will offer affordable health insurance options that are expected to cover 95 percent of these children within three years. The program also will include coverage for mental health services, treatment for substance abuse, and dental care.

*The plan also will expand school-based health care services, adding 13 new school-based health centers. This will bring the total number to 60 centers in 25 counties.

*The governor's budget adds 139 new state troopers for basic around-the-clock coverage on major highways. This dedicated funding comes from a proposed auto insurance surcharge, raising approximately $25 million in the 2007-09 biennium.

Governor's budget also includes $6 million for Healthy Start program

*The governor's budget expands health coverage to an additional 10,000 to 15,000 low-income Oregonians through the Oregon Health Plan "Standard" program, above the 24,000 currently served. The budget also increases reimbursement to physicians and hospitals under the Oregon Health Plan.

*An additional $6 million is invested in the Healthy Start program that provides family support for at-risk families of first children during the pre-natal period through age 3. This will increase the number of at-risk families served by 7,600 -- from approximately 41 percent of the eligible population to more than 50 percent.

*The budget includes $6 million to expand the quantity (from 10 weeks to 16 weeks) and quality of the basic police training to include complex, real-life scenarios.

*Community Corrections receives an additional $25 million under a new funding formula that more accurately reflects the actual costs to counties.

*The governor's budget includes $38.2 million to fund the Oregon Innovation Council Innovation Plan -- funding ocean wave energy start-ups, strengthening development of nanoscience, and supporting research and development in manufacturing and Oregon food industries.

*The budget reflects a significant increase in the Bridge Program, as most of the 365 bridge projects under the Oregon Transportation Investment Act (OTIA III) complete their design phase and go into the more expensive construction phase.

*Another $100 million in Lottery bonds will be sold for the Connect Oregon Program. This will fund a second round of multimodal projects for improving public transportation, the aviation system, the rail network and marine ports.

*By the end of the 2007-09 biennium, budget reserves are expected to total $902 million, or slightly more than 6 percent of the General Fund/Lottery Funds budget.

This includes $145 million ending balance proposed in the governor's budget, $30 million in the Emergency Fund, $452 million in the Education Stability Fund, and $275 in corporate kicker revenues that the governor proposes to put in a Rainy Day Fund.

GP cops arrest suspect in connection with youth being chased

Officers from the Grants Pass Dept. of Public Safety (GPDPS) arrested Robert W. Tilton Nov. 28 after investigating reports of a man chasing young people near bus stops in the area of 11th and D streets.

There were also reports of a man of a similar description staring at employees at a hair salon. Female employees felt that the man was acting suspiciously and called the police.

On Nov. 27, after receiving more calls, officers contacted Tilton at his D Street address. After interviewing Tilton, officers determined him to be the person of interest and cited and released him on a charge of disorderly conduct.

At the time, Tilton also was warned for his conduct and advised to not have contact with juveniles in that area.

The next day, officers were in the area watching for any further suspicious behavior. Officers left the area and shortly thereafter, calls were received that a man was chasing a juvenile near the retirement apartments.

Officers responded later, and Tilton again was identified as the suspect. He was uncooperative when contacted by officers, and a tazer was used to take him into custody.

Tilton was transported to Three Rivers Community Hospital and held on a peace officer's mental hold. Criminal charges are being referred and the investigation is continuing.

Anyone with information regarding similar incidents should phone GPDPS at 474-6370.

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Josephine County Report

O&C Funding

Submitted by Commissioner Jim Raffenburg

Last October, in a newspaper Guest Opinion, I briefly reviewed the cost reduction measures the Board of Commissioners have enacted over the past two years to reduce current expenses and contain future costs. What I didn't say was that these measures were undertaken with the explicit intent of minimizing the effects of the spending cuts on residents. To recap:

- Two years ago, Josephine County had nearly 700 employees. ***Today, there are just over 400 employees.*** Instead of 17 top management positions, ***today there are three.***
- Two years ago, new County employees received nine weeks paid leave after only one year of employment and also received a 6% deferred compensation match benefit. ***Today the 6% deferred comp match is gone and paid leave is based on length of employment.***
- Two years ago, the County had virtually no reserve funds. ***Today, we have nearly $5,000,000 in reserve*** and hope to increase that amount by next June 30th.

These efforts have not been without pain. County employees have had to change their expectations. Some employees left because they did not support the enacted changes. Others stayed because they believe in and are committed to providing vital services to citizens.

That brings me to the main point of this article. After Public Law 106-393 expired on September 30, 2006, the County entered an era of new financial realities. Timber receipts from the O&C lands have all but stopped. Why? Over the past forty years, the Federal government has passed an ever increasing number of new laws that restrict the use of both the O&C lands and National Forest Lands for resource use, in favor of environmental protection. Anyone who has lived here for more than twenty years knows full well the devastating effect the lost family wage jobs have levied on our County. The lumber mills are gone and the family wage jobs they offered went with them.

New residents don't remember those family wage jobs or the stable economy they fostered. Today, we have many new residents who see the County as a great place to live. The main difference between today and twenty years ago is that many of the new residents don't need to make a living based upon the local economy. What's more, many new residents factor in the low property taxes as a reason for choosing Josephine County as their new home.

How many of you have ever wondered why those property taxes were so low? The answer to that is quite simple: O&C timber receipts.

The O&C Act of 1937 was passed by Congress to provide annual compensation to the 18 Oregon Counties that had homestead land reclaimed by the Federal Government. Josephine County lost more than 300,000 acres of land meant to be homesteaded. The O&C Act represents the Federal government's recognition of their permanent responsibility to compensate local governments for taking those lands off the tax rolls. This method of compensation worked for fifty years. Then it all changed.

The late 1980's saw the first of many successful environmental lawsuits, which have now halted the harvesting of significant amounts of timber in our region. No timber harvest, no timber revenue to the counties.

By the early 1990's, the impact of the lost timber revenues began affecting government services and as a result property tax rates started to rise. Soon thereafter, opponents of higher property taxes succeeded in winning voter approval of Measures 5 and 50 which have essentially "frozen in place" the low tax rates from the days of good timber revenues.

By the late 1990's, the situation was getting critical. After five very lean years (1995-2000), Congress finally passed Public Law 106-393 into law in 2000. For the past six years Josephine County has received Federal revenues from this act, in large part as substitute for the lost O&C timber revenues.

Public Law 106-393 expired on September 30, 2006 without reauthorization and the last of the revenue Josephine County receives under this Law will be received by December 1, 2006. This lost Federal revenue represents nearly 75% of the General Fund, which is used by the County to pay for:

100% of General Government

90% of Public Safety,

50% of Public Health,

25% of Planning

For the current Budget Year of 2006/2007, the General Fund was set at $21,000,000. Next Budget Year (2007/2008), the General Fund will be about $8,000,000. Public Safety alone this year was budgeted at more than $14,000,000. You can not buy the same level of service with eight million dollars that you can with twenty-one million. You can't cut or save your way out of that situation either.

When the biggest property owner in the County tells you they are no longer going to pay what is the equivalent of their property taxes, even though they signed a contract to do so 70 years ago, the County can not just shrug its' collective shoulder and say, "Oh well, let's just accept it and ask all the other property owners to pay more". To do so would be completely unfair to local property owners.

But we must also face the harsh truth that if the Federal Government is willing to cause such great harm to not only the people of Josephine County but to citizens across forty other states as well, it means this issue is not likely to be resolved anytime soon. And that means we are effectively on our own, at least for the short-term.

So what do we do?

Long term, we must work with the other 17 O&C Counties (and the Association of all 36 Oregon Counties) to convince the Governor and the State Legislature to ***become actively involved*** in convincing Congress to do the right thing and either resume payment of their financial obligations to the damaged counties or to allow those same counties to manage the Federal lands under State Law for resource production and revenue.

Short term, we (meaning both local government and property owners) face the very difficult financial reality that if local public services are to continue, any cost beyond what we have been able to save or take in through user fees and existing taxes, are going to have to be paid for with additional local money.

As your local elected representatives, it will be our job to explain why we need those new taxes and show you with total clarity how and where these new tax dollars will be spent. Between now and next May, you should expect to see many of us all doing exactly that.

I/we pledge that we will not ask you for more than we need, and we promise to be transparent in how we spend your money. We have done everything possible to reduce and contain costs. There may be a few savings left to wring out, but not enough to change the current situation in any meaningful way. We have done (and will continue to do) what we can from the inside to keep costs to a minimum. But in the end, we will have to ask you to decide what you can or will do to pay for the remaining costs of providing local government services until we sort out the larger issue with the Federal Government regarding the replacement of the lost O&C money. ■

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