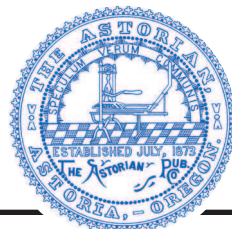


# OPINION



# THE DAILY ASTORIAN

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## OUR VIEW

# Raiding SAIF for PERS a horrible idea

**P**ERS will swallow much of the \$2 billion that the Oregon Legislature is trying to raise for public schools. Even the Legislature's Democratic leadership concedes this.

And here's another catch: To net that \$2 billion in additional revenue — primarily by substantially increasing business taxes — the Legislature might have to pass a tax increase of \$3 billion or more for the next two years.

Business groups agree that schools need more money, which is why they are raising the PERS alarm.

"Looming in the background of any revenue increase are even larger increases in payments that schools, universities, state agencies and local governments will have to make into the Public Employees Retirement System," leaders of the Oregon Business Plan said in a recent report.

In fact, PERS costs are a key reason why the Legislature expects to trim non-educational programs in the upcoming two-year budget. State agencies, schools and colleges will face a combined \$680 million increase in PERS costs for 2019-21, with an additional \$1 billion required during 2021-23.

Those costs weigh even heavier on schools and local governments in rural Oregon, which lack the capacity to boost local taxes or fees to pay for PERS. The overall burden for Oregon schools, colleges, local governments and state agencies is projected to more than double over the next eight years, eventually topping \$9.18 billion in



Edward Stratton/The Daily Astorian

**PERS will swallow much of the \$2 billion that the Oregon Legislature is trying to raise for public schools.**

2033 before tailing off.

Outside the Oregon Capitol, momentum for long-term solutions is growing. The business leaders calling for PERS reforms are joined by such Democratic stalwarts as former Gov. Ted Kulongoski and former Rep. Betty Komp, who now chairs the Western Oregon University Board of Trustees. They are joined by such educational leaders as InterMountain ESD Superintendent Mark Mulvihill and Kelly Bissinger, vice chair of that ESD Board.

But inside the Capitol, the response from Gov. Kate Brown and the legislative leadership has been tepid.

Sensible PERS bills have received too little discussion in the 2019 Legislature. They include:

- Requiring public employees to pay their own share of PERS contributions, as most states require and which Oregon judges already do.

- Basing future pensions on the final five years of average salary instead of three.

- Giving employees a choice of either PERS or a 401(k)-style defined contribution plan, a system that is working well at Oregon Health and Science University.

- Allowing employees to "retire" but continue to work for several years, enabling them to get both PERS and their salary while saving money overall for the employer.

In contrast, Brown apparently is considering such ironic ideas as raiding the state workers' compensation program to pay for the state pension program. This is despite her supposed reluctance to make any PERS changes that could draw court challenges, which — obviously — a raid on SAIF would.

The last time a governor and the Legislature looted SAIF, it not only was declared illegal — forc-

ing the Legislature to repay the money nearly three times over — but it also sent the State Accident Insurance Fund into a tailspin. That was in 1982. The Legislature, in its lack of wisdom, subsequently changed the law to legalize such raids.

SAIF eventually rebounded. It now has over 53,000 clients, retains 99.2 percent of its customers from year to year and handles more than half the workers' compensation market in Oregon. It would be irrational to penalize SAIF for being fiscally efficient, setting aside adequate reserves — unlike PERS — and helping Oregon achieve some of the lowest workers' compensation rates in the nation.

"While recent Secretary of State audits reveal many agencies are prone to waste, SAIF has built enviable reserves, annually returning dividends to clients and covering thousands of claims," the Oregon House Republican Caucus said after word spread of Brown's potential plan. "Ironically, cash reserves built on years of workplace safety and sound fiscal practice are viewed as easy pickings to shovel into the ever-deepening PERS pit."

Besides hurting Oregon businesses, that would be only a short-term solution and would do nothing to put PERS on stable ground.

Good ideas await legislative action. Senate President Peter Courtney, House Speaker Tina Kotek and Gov. Brown should embrace them so the PERS problems can finally be solved.

## Water under the bridge



Compiled by Bob Duke

From the pages of Astoria's daily newspapers

### 10 years ago this week — 2009

Unemployment rates on the North Coast continued to climb in February as layoffs continued across the state and the nation.

Clatsop County's seasonally adjusted employment rate rose for the 10th consecutive month in February to 8.4 percent, up from 7.4 percent in January, according to the Oregon Employment Department.

The county's rate was relatively low compared with the rest of the state, which reached 10.8 percent unemployment in February. But it was higher than the national rate of 8.1 percent and up dramatically from 4.5 percent the year before.

**The Cannon Beach Chamber of Commerce is in critical financial condition, with enough money only to pay the next round of bills and cover the next payroll.**

"Then we'll have enough left over for the next two or three weeks, and that's it," said the chamber's accountant, Buzz Johnson.

Nearly 80 business owners who gathered in a town hall meeting Tuesday listened to Johnson compare the chamber's worrisome financial situation to the last scene of the movie "Thelma and Louise." In the movie, the two women drove over a cliff.

Fort Columbia State Park in Chinook, Wash., will be "mothballed," under terms of a plan developed by the Washington State Parks and Recreation Commission in case the Legislature cuts the agency's funding by \$22.9 million.

Being mothballed means the gate would be closed, and utilities would be turned off. Restrooms would be locked. State Parks would provide minimal stewardship oversight. Rangers would not cite citizens who enter on foot.

Fort Columbia State Park is a 593-acre day-use historical park with 6,400 feet of freshwater shoreline on the Columbia River. The park celebrates a military site that constituted the harbor defense of the Columbia River from 1896 to 1947. Though popular with locals,

**THIS BOAT FOR SALE**

With some alterations it will make an excellent boat for drag seine or tuna fishing. Built in 1927. Construction—wood. Two solid bulkheads, fore and aft and seven solid bulkheads cross ships. Equipped with a 270 H.P. Washington Estep engine, with a Viking engine for auxiliary. Dimensions: Length over all—115 ft. Beam at water line—30 ft. Beam on deck—35ft. Depth in hold—11 ft. Draft—8 ft. Normal speed—11 miles per hour. Loading capacity—from 250 to 300 tons. An extensive repair was made in 1936 which cost \$15,000.00.

Anyone interested, please inquire at the Ferry Office, at the Foot of 14th street, Astoria, Oregon.

An ad from 1944.

Fort Columbia is among the least-visited park facilities in Pacific County.

### 50 years ago — 1969

A proposal to create a regional port authority on the lower Columbia River drew the support of the Port of Portland today — and the opposition of the Portland Public Dock Commission.

Portland Mayor Terry Schruck characterized the bill as an attempt to grab \$50 million worth of dock commission facilities.

But the bill's supporters said the bill is necessary to coordinate the planning for the lower Columbia River.

The bill would let people in three counties work to create a regional port authority out of the ports of Portland, St. Helens and Astoria.

Financial figures of Bill Hoag's Astoria Transit System show the bus line netted profits of \$2,147 in 1968 and \$3,624 in 1967.

Hoag, who offered last month to sell his three-bus operation to the city for \$1 before September, showed The Daily Astorian figures on his operation for calendar 1967 and 1968. The city has made no reply

**Announcement this week that Greyhound again wants to stop its Astoria-Seaside and Seaside-Astoria service comes shortly after news that Astoria's city bus operation can't make it**

much longer.

The two operations are in trouble for different reasons — too few passengers on the Greyhound runs and too high an overhead for the Astoria buses — but they are both cases of public transportation heading for the barn. And that would mean even more dependence on the automobile.

Astoria Plywood Corp. announced it will close down all operations in the mill except necessary maintenance at the end of the workday today, and will remain idle for at least a week. The closure will affect all employees except maintenance office personnel, or a total of 230 employees, 175 of whom are stockholders in the corporation, Jim Whitney, board chairman, said.

### 75 years ago — 1944

Community ceiling prices went into effect on approximately 600 items of dry groceries throughout the lower Columbia and adjacent coastal area on Monday, according to C.W. Nevius, district OPA price representative. Nevius declared this step the biggest simplification of price controls that has yet touched the consumers or dealers of this area.

Prices are listed for the various classes of stores, with all grocers in the area subject to the scheduled community ceilings. No grocer is permitted to charge higher prices than appear on the list published for his class of store. A store may, however, charge less than stimulated prices, Nevius stressed.

A number of Nehalem-area loggers have been remarking about the unusual fact that they had not seen any deer all winter, but still more unusual was the fact that the first one seen was a white buck feeding near the CCC bridge above Foss as the men were coming home from work Monday evening.

The animal had an injured leg, evidently from a "hunting accident" last season, and was entirely white except for a tinge of orange in a few spots.

An Associated Press dispatch appearing earlier this week said President Roosevelt "apparently does not favor any special draft deferments for the commercial fishing industry."

Asked a question along that line at his press-radio conference today, Mr. Roosevelt said that about a year ago a proposal was submitted which required a month for 20 or 30 government employees to check on.

"They came up with the conclusion, he added, that boys of 16 can catch fish as well as boys of 18. Older people also can catch fish, he said."