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OUR VIEW

State shouldn't spend millions to expand Madras prison

The state of Oregon has plenty of uses for \$9.5 million. But expanding the Deer Ridge prison in Madras should not be one of them.

The Department of Corrections plan, revealed recently by the EO Media Group, runs counter to the strides being made locally and nationally to reduce the prison population. Such strides have reduced taxpayer costs, while not restricting freedom to a segment of the population that could safely be part of society.

State lawmakers said that to find the money to expand and staff the Madras prison, they may have to take \$9.5 million from funding that was designed to keep offenders from going there in the first place. That's a bad decision, and a short term fix that causes a long term problem. Less spending on keeping people out of prison means we have to spend more once they get there. Before you know it, Madras will be filled and we will be building bricks and bars somewhere else.

This DOC decision was necessitated because of a 2013 law pushed by then-governor John Kitzhaber to reduce the number of people imprisoned in Oregon. One solution that doesn't include a \$9.5 million outlay and another growing prison: Let's be more successful at reducing those numbers. DOC and can go through with a fine-toothed comb. Nationally, Barack Obama has worked to release prisoners locked up for certain drug crimes. Although that is fewer than 1 percent of prisoners, it's a start.

Safety of law-abiding citizens is paramount. But this country and this state can do more to reduce taxpayers costs, treat troubled citizens and still keep us as safe as possible.

Dale Primmer, Umatilla County community corrections director, is trying to do that. He said he is

concerned the funding cut will gut a county program before it has a chance to show results.

Umatilla County applied for a \$914,251 justice reinvestment grant, which it plans to use in part to establish a program that connects offenders with treatment centers before they are released from jail. The shorter the time between jail and treatment the more likely it is that offenders will complete diversion programs and avoid recidivism, Primmer said.

The fear is that the counties will start new programs this year, then lose funding in 2016 because the state needs to expand Deer Ridge, Primmer said. That kind of uncertainty makes it difficult for counties to plan, because they craft their budgets far in advance, he said.

"Let's not lock up the people we are mad at, let's lock up the people who are a danger to us going forward," Fordham law professor John Pfaff said this week on The Gist podcast, arguing for new thought on what prison is for. Pfaff believes district attorneys have more power over the prison population than police chiefs or legislators.

In northeast Oregon, we know prisons are an important part of the economy and culture. Eastern Oregon and Two Rivers correctional institutions in Pendleton and Umatilla, respectively, are indelible parts of those communities.

But we cannot be satisfied with the status quo, nor should we be interested in expanding it. The Deer Ridge prison is currently a minimum-security operation. On the other side are 200 unused beds in a medium-security setting.

Considering what it would cost to fill those beds — both fiscally and ethically — they should remain empty. Instead, we should fund programs that make prison less necessary.

Unsigned editorials are the opinion of the East Oregonian editorial board of Publisher Kathryn Brown, Managing Editor Daniel Wattenburger, and Opinion Page Editor Tim Trainor. Other columns, letters and cartoons on this page express the opinions of the authors and not necessarily that of the East Oregonian.

OTHER VIEWS

What would wage hike mean for Oregon income inequality?

The Oregonian

Who knows who will be on the ballot for 2016 elections? Will Gov. Kate Brown have a serious opponent? Will anyone step up to run against Ted Wheeler for Portland mayor now that incumbent Charlie Hales has said he won't seek re-election? And will Republicans choose an outsider or establishment candidate for president? It's much easier to predict the issues that will dominate the campaigns, and income inequality sits near the top.

In Oregon, the gap between haves and have-nots also is likely to drive initiative campaigns, including a ballot measure seeking to increase business taxes and a possible vote on increasing the minimum wage — if the Legislature doesn't tackle the issue next year. So, just how much do the top 1 percent earn in Oregon, and how much do they pay in taxes? How unequal is Oregon compared with other states? The answers to those questions aren't easy, in part because there's more than one way to measure inequality. But this much is clear: The conversation is different here than in many states.

The simplest way to look at inequality is to compare the money earned by the highest-income households with the earnings of the lowest-income households. According to 2013 data from the Oregon Department of Revenue, the top 1 percent of tax filers (including joint returns) in Oregon earned \$350,000 or more. The cutoff for the top 5 percent was 160,000, and it took \$84,000 to make the top 20 percent. In contrast, the bottom 20 percent of tax filers earned \$20,000 or less. The top 20

percent paid 67.6 percent of the personal income taxes collected, with top 1 percent paying 19.2 percent.

Another way to measure inequality is to compare the top 1 percent to everyone else. Using this gap, Oregon has one of the smallest gaps in the nation, according to the Economic Policy Institute. The top 1 percent in Oregon averaged \$810,196 in income, or 20 times more than the average of \$40,314 for everyone else.

The two methods for reducing inequality that currently are at the forefront of political discourse are raising taxes on high earners and raising the minimum wage for low-income workers. Oregon has less to gain from those approaches than many states because we already tax high income more aggressively and pay entry-level workers more than most states. Most economists agree that at some point raising taxes and the minimum wage would be counterproductive — though there is little agreement on exactly where that level is. Since Oregon starts at a higher floor, it has less headroom to work with before reaching the ceiling.

At one end of the spectrum, the bottom 20 percent of Portland workers earn 10 to 30 percent more than low earners nationwide. That's at least in part because of the state's \$9.25 minimum hourly wage, which is second-highest in the nation. Those numbers could begin to shift as cities such as Seattle and Los Angeles raise their minimums to \$15.

None of this changes the reality that low-income households are struggling in Oregon, but it does suggest that changing tax rates and the minimum wage likely won't be enough to reduce the suffering.



OTHER VIEWS

Great news! We're not doomed

It really matters who the next president is. But there are other things that matter just as much to the nation's future prosperity. One of them is: What is happening to health care costs?

If health care costs start to rise again the way they did before, then health care spending will swallow the economy and bankrupt the federal government. If they are contained, then suddenly there's a lot more money for everything else, like schools, antipoverty efforts and wages.

The good news is that recently health care inflation has been at historic lows. As Jason Furman, the chairman of President Obama's Council of Economic Advisers, put it in a speech to the Hamilton Project last month, "Health care prices have grown at an annual rate of 1.6 percent since the Affordable Care Act was enacted in March 2010, the slowest rate for such a period in five decades, and those prices have grown at an even slower 1.1 percent rate over the 12 months ending in August 2015."

As a result of the slowdown in health care inflation, the Congressional Budget Office keeps reducing its projections of the future cost of federal health programs like Medicare. As of October, projections for federal health care spending in the year 2020 were \$175 billion lower than the projections made in August 2010. That would be a huge budget improvement.

The big question is whether these trends will continue. Many people believe that health care inflation came down for entirely temporary reasons and that over the long run we're still doomed.

One group in this camp emphasizes that the economy went into the tank, so of course people went to the doctor less often. As history demonstrates, it can take up to six years for a recession's impact to work its way through the system; then health care costs shoot up just as before.

Another group emphasizes that health care inflation is down because general inflation is down, and once general inflation is back to normal, health care costs will shoot upward.

A third group argues that we've recently had a decline in technological innovation. Not many useful but costly new drugs or machines have come on the market over the past few years, but if innovation resumes then so will rising costs.

But other experts say the reduction in health care inflation is partly structural and therefore more longstanding. Some point out that health care inflation really began trending downward in 2003 or 2004, during George W. Bush's first term and long before the recession



DAVID BROOKS
Comment

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hit. Second, the reduction in health care cost growth seems to be global. Health cost growth has slowed in just about every high-income country since 2000, possibly as efficiencies are passed from place to place.

Members of the Obama administration like to argue that Obamacare has pushed things along. For example, the Affordable Care Act pushed providers into Accountable Care Organizations. Instead of getting paid for doing more tests and procedures, providers have a greater incentive to just keep people healthy.

The law also encouraged bundling. If you go in to get a hip replacement, the government makes a single payment for all services associated with that episode of care. The law also penalizes hospitals when patients have to be readmitted. There's been a significant drop in readmissions.

There's still a lot of uncertainty about which side of the debate is right. The most recent numbers have indicated a scary surge in health care prices, and some firms are projecting 6.5 percent inflation for 2016. While parts of the law reduce spending, other parts may lead to more spending, especially as the industry gets more concentrated.

And yet the weight of the evidence suggests that part of the change is permanent. Moving away from the bad old fee-for-service system has got to be a good thing. The greater pressures providers feel to reduce costs have got to be a good thing, at least fiscally.

Last March, Jonathan Rauch wrote a report for the Brookings Institution, arguing that the health care market is more open to normal business model innovation than ever before. The quality of health care data and analytics is improving exponentially. Pressures to reduce costs are ratcheting up. Profitable niches are growing for efficiency improving products.

In the past, most innovation involved improving quality of care at high cost. Rauch described many entrepreneurs who are providing innovations that maintain current quality of care but at lower cost.

We seem to be making at least some incremental progress toward a structural reduction in health care inflation. Many Americans are feeling gloomy about accomplishing anything these days, but progress is possible. We haven't whipped health care inflation, or defeated our intractable budget issues. But the evidence suggests we're landing a few serious blows.

David Brooks became a New York Times Op-Ed columnist in September 2003.

YOUR VIEWS

City council against marijuana to get back at gas tax voters

Stop the presses! Council distraught over gas tax failure. Prices surge anyway. Southwest Perkins residents contemplate moving homes to 300 block Southwest Second Street in a move to get relief from potholes. Council retaliates with nay vote on pot.

Despite impassioned pleas from medical marijuana users the Pendleton City Council turned a deaf ear on medical marijuana, and refused to let voters decide the issue.

Several council members were reported to have shown up at local plastic surgeon's office to have noses reattached though this could not be substantiated by any reliable source.

Rick Rohde
Pendleton

The EO doesn't know what it's talking about on EOTEC

The East Oregonian's editorial boot continually stubs its toe and misses the mark. Last week it criticized the Hermiston City Council for voting 8-0 to contribute \$600,000 to finish Eastern Oregon Trade and Event Center. Yesterday they pillared the Pendleton City Council for trying to fix Pendleton's roads. Today's editorial criticized the Umatilla County Commissioners for voting 2-0 to match Hermiston's \$600,000 contribution to

EOTEC. The EO editorial board claims the county commissioners asked no questions seeking justification of the contribution — although yesterday's EO article about the meeting said four proponents explained the matter to the board for almost an hour.

If the EO editorial board stepped down from its ivory tower and attended meetings related to EOTEC, or talked to someone involved with it, they would understand why these contributions were made. The EOTEC process has been going on for six years, with a county commissioner at almost every EOTEC meeting. Two of the commissioners have been involved in EOTEC for years and they know the score and aggressively voted for the measure. To my knowledge, not once has an EO editor or publisher attended an EOTEC meeting, a Hermiston City Council, or Umatilla County Commissioner meeting about EOTEC — nor have they ever talked to a single EOTEC board member about it. The EO group sends its revolving reporters to listen — and report back. The EO editorial board never gets it right.

I have a solution to all the mistakes made by the Hermiston City Council, Pendleton City Council, Umatilla County Commissioner, and EOTEC Board: Turn over governance of these bodies to the EO publisher and editors and let them run these governments. Undoubtedly then all the correct decisions would be made.

George Anderson, Hermiston