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OUR VIEW



Anna Reed /Statesman-Journal via AP
Oregon's Gov. Kate Brown speaks about her proposed 2017-2019 budget at the Oregon State Capitol in Salem on Thursday.

The hole in Brown's budget

There is a gaping hole in Gov. Kate Brown's proposed budget, released last Thursday. Brown's financial road map for Oregon has nothing to say about the Public Employees Retirement System (PERS) and its burgeoning costs to local governments and school districts.

To propose a financial plan for Oregon and omit PERS is a bit like offering a battle strategy and leaving out ammunition costs.

In a nutshell, the PERS challenge is about an unfunded actuarial liability of more than \$20 billion. To close that gap, school districts and local governments will face extraordinary budget strains. For some school districts, the new PERS payroll burden will mean dismissing teachers in order to pay the retirement liability of those retired from the profession.

In Umatilla County, for example, Gov. Brown's budget calls for closing the state crime lab in Pendleton, costing local jobs and detrimentally affecting the local justice system. It would hold the line for BMCC and local school district — which is a feat — but it still leaves them well below the funding levels where they need to be.

Once more Gov. Brown has failed us. Fortunately there are legislators who are willing to think about solutions that will pass constitutional muster.

The proposal most actively

being discussed would invite three constituencies to participate in a solution: public sector employers, PERS members and Oregon taxpayers. It is a realistic coalition of shared sacrifice.

The greatest political advances in history have occurred when a leader goes against his or her native values to break new ground. President Richard Nixon, the arch anti-Communist, opened diplomacy

with what was then called Red China. President Lyndon Johnson, a Southerner, passed landmark Civil Rights legislation.

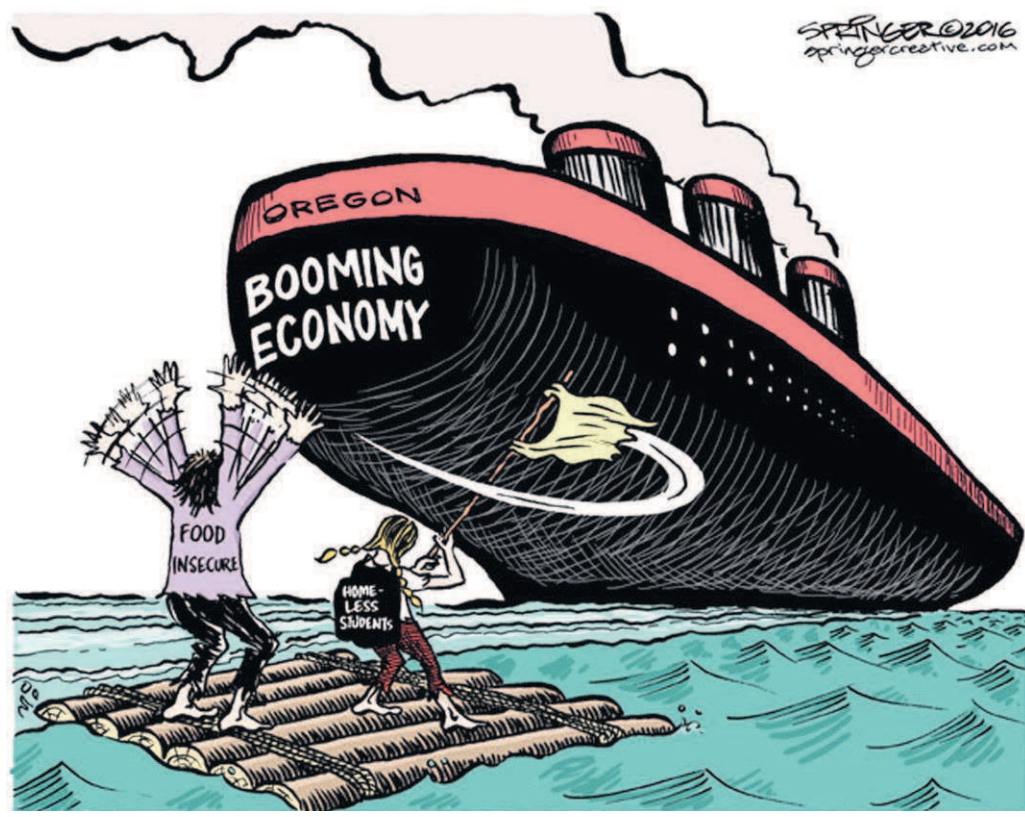
For there to be a breakthrough and a remedy on PERS, a similar act of courage must come from Oregon Democratic leaders, because they are most beholden to the public employees unions.

Gov. John Kitzhaber did that in 2013. Kitzhaber proposed PERS reforms, which the Legislature enacted. Elements of that package were subsequently thrown out by the Oregon Supreme Court.

Gov. Kate Brown seems to lack the courage to take up that fight and win new ground. Leadership on PERS must come from someone or some group in the statehouse. To ask local governments and school districts to strip services because of a flawed pension system is unacceptable, yet it is the current predicament that looks to only get worse in the future.

A financial plan for Oregon cannot omit PERS.

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

New life in the center

Over the past few decades, party loyalty has been the defining feature of national politics. Especially in the House but even in the Senate, members deferred to their party leaders. Congress as a whole deferred to the presidency. Members of the president's own party acted as his foot soldiers. Members of the other party acted as his opposition.

But Donald Trump's victory smashes all that. He is hostile to the Republican establishment. His proposals cut across orthodox partisan lines.

As Bill Kristol told me, the coming Congress may not look like the recent Congresses, when party-line voting was the rule. A vote on an infrastructure bill may look very different from a vote on health care or education or foreign policy. This may be a Congress with many caucuses — floating coalitions rather than just follow-the-leader obedience.

Meanwhile, as Christopher DeMuth wrote recently in *The Wall Street Journal*, committee chairmen may reassert authority against the executive branch. Trump's authoritarian style represents an assault on the traditional separation of powers. He may end up energizing all those constitutional forms and practices he stands against.

What's about to happen in Washington may be a little like the end of the Cold War — bipolarity gives way to multipolarity. A system dominated by two party-line powers gives way to a system with a lot of different power centers. Instead of just R's and D's, there will be a Trump-dominated populist nationalism, a more libertarian Freedom Caucus, a Bernie Sanders/Elizabeth Warren progressive caucus, a Chuck Schumer/Nancy Pelosi Democratic old guard.

The most important caucus formation will be in the ideological center. There's a lot of room between the alt-right and the alt-left, between Trumpian authoritarianism and Sanders socialism.

Until now, people in that space have been slow to create donor networks, slow to form think tanks, slow to build coalitions of moderate legislators. But suddenly there's a flurry of activity between the extremes.

For example, Bill Kristol and Bill Galston have worked in the White Houses of different parties and had voted for the opposite presidential candidates in every election for four decades. But Donald Trump has reminded them how much they agree on the fundamentals.

The two Bills have now issued a joint statement calling for "a New Center." It's a defense of the basic institutions and practices of our constitutional order, which now seem under assault. It's an attempt to learn from the election results and craft a governing



DAVID BROOKS
Comment

philosophy that people of different parties can rally around.

That's in the realm of ideas. In the realm of organization there's also a flurry of activity. David Burstein's group, Run for America, is recruiting a new generation of political candidates.

The most active centrist organization, No Labels, began six years ago in opposition to polarized, cutthroat politics. The problem with the group back then was that there was no future to a political movement whose first name is "No." You have to be for something.

But under the leadership of its undeterrable co-founder, Nancy Jacobson, No Labels has evolved. It created a package of reform ideas

to make Congress and the executive branch work together. It created an active congressional caucus, called the Problem Solvers Caucus, which now has 80 members, divided roughly evenly between both parties.

It has been building grass-roots activities, which have so far engaged one million people. It created a "super PAC" so that members of Congress who vote as centrists can get some political protection. It recently published a policy playbook with 60 proposals to create jobs, reform the tax code, balance the budget and secure entitlement programs.

Going forward, moderates face four big challenges. First, deepen a positive national vision that is not merely a positioning between left and right. Second, elevate a new generation of political leaders so the movement is not just a retreat of retired establishment types.

Third, build a mass movement of actual voters, not just financiers and think-tank johnnies. Fourth, have the courage to stand together as a swing legislative caucus, when the pressure from the party leaderships becomes intense.

It's an uphill climb, but this is a fertile moment. The Trump/Sanders era is going to create new opposition blocs, filled with people who never thought they would be working together.

Moreover, the future of this country is not going to be found in protecting jobs that are long gone or in catering to the fears of aging whites. There is a raging need for a movement that embraces economic dynamism, global engagement and social support — that is part Milton Friedman on economic policy, Ronald Reagan on foreign policy and Franklin Roosevelt on welfare policy.

The new center will probably start as a legislative caucus with members of both parties. Where it goes from there is anybody's guess.

David Brooks became a New York Times Op-Ed columnist in 2003. He is currently a commentator on PBS.

Going forward, moderates face four big challenges.

OTHER VIEWS

Push politics aside — it's time to stand up for the public good

Portland Tribune

Gov. Kate Brown, whose tenure was extended by two years in the election, must convene talks now among the key parties: unions, the business associations and leaders of both parties to address the shortfall legislators will face when they convene in January, and also work toward a more permanent solution.

Post-election days are filled with second-guessing. If Bud Pierce hadn't stumbled over a question at the Portland City Club, would he have come closer to unseating Gov. Kate Brown? If Chris Telfer hadn't run as an Independent, would Republican Jeff Gudman, not Democrat Tobias Read, be our next treasurer?

Here's the one that haunts us: What if a political contest hadn't happened at all?

Let's imagine for a moment that all the emotion, energy and money — \$44 million and still counting — that went into campaigns for and against Measure 97, instead,

had been spent in a different way.

What if public employee unions that so passionately supported Measure 97 and business groups that so effectively opposed it had, instead, done the harder work? What if rather than distorting each others' positions, they collaborated on an equitable revenue and spending plan? And instead of questioning each others' motives, what if they had instead joined forces to educate Oregon voters to the wisdom of their proposal?

Is it possible that Oregonians could have broken the decades-long stalemate over how to adequately fund state government? We think so. But instead, Oregon is back where it started.

The most urgent problem is the \$1.4 billion state budget shortfall for the 2017-19 biennium. The longer-range challenge requires identifying ways to fund government services — particularly education — at a level that actually allows for improvement, not just an unsatisfactory status quo. Throughout this divisive

campaign, we have been clear we agree with Measure 97 supporters' argument that Oregon needs to change its tax system and increase state revenue.

But we have argued just as loudly that Measure 97 was a poorly designed proposal that overreached the revenue needs. It was an inequitable tax, based not on sound policy but on favorable polling showing support for the fairy tale that when businesses are taxed they will magically shelter their customers from the expense.

During the campaign, supporters of Measure 97 essentially argued that everything had been tried and their 2.5 percent gross-receipts tax was the only answer. With Measure 97 off the table, however, they must face the hard reality that other solutions must be developed.

Likewise, the business groups opposed to Measure 97 need to understand this was a wake-up call. Rather than take a victory lap, they need to come to the table and be prepared to compromise. The idea that there are no

other options is both incorrect and unacceptable. Here are some possibilities:

- Crafting a much smaller, fairer and intelligently designed gross receipts tax, as proposed by state Sen. Mark Hass, D-Beaverton.
- Adjusting the property tax caps of the 1990s.
- Doing away with the personal kicker.
- Taking another run at reining in the expanding cost of PERS.
- Reducing state spending in other areas to increase spending on public schools.
- Proposing a truly progressive sales tax.
- Revisiting other revenue proposals, including a carbon tax.

We already can hear the howls of protest: Voters will never give up their kicker, reconsider the property tax caps or approve a sales tax, no matter how progressive. But it's important to remember two things: There are lots of ideas out there besides these, and some of the state's brightest minds just spent massive amounts of money fighting each other. Just think

what could have happened if they were working toward a common outcome.

Gov. Kate Brown must convene talks among the key parties. Their task is to address the shortfall legislators will face when they convene in January, and also work toward a more permanent solution.

Furthermore, taxpayers must recognize there is no free ride when it comes to solving the state's budget woes. As Measure 97's opponents correctly demonstrated, a tax aimed solely at the boogeyman of big business won't leave everyone else unscathed.

The big challenges confronting Oregon have yet to be resolved. No one has time to gloat or hold grudges.

Fortunately, the solutions lie in Salem, where there's a history of cooperation when stakes are high.

We believe Oregon is still a place where government can work. But it will require that unions, the business lobby and the Democrats and Republicans to put aside bruised feelings and consider what is best for all of Oregon.