PERS problem can't get deeper

East Oregonian

ne of the most pressing issues for the longterm health of this state is a signed contract to pay for the Oregon Public Employees Retirees System — better known as the four-letter word PERS.

On Nov. 20, PERS actuaries forecast for the public their idea of how much more money will have to be

funneled into the system in order for it to keep up its end of the deal. The actuaries predict a steady rise of 2 percent annual rate increases, at least for the next few bienniums.



While that might sound pretty reasonable, it translates to cost increases of 20 to 30 percent for municipalities, school districts, emergency responders, prisons and more, all across the state.

Those kinds of increases are not sustainable. And rural Oregon — where a larger percentage of the workforce is government employees — is especially vulnerable to runaway costs.

First, a few facts. There are 200,000 public employees in Oregon, and 95 percent of them are tied into the PERS system. That system is also paying 130,000 retirees.

Each year, PERS gets less financially solvent.

The fund has \$70 billion to invest, but returns from that investment bring in 70 cents for every \$1 that is paid out. Losing 30 percent on every transaction puts PERS quickly into the red, and puts it deeper into that hole each and every year. Its unfunded liability is expected to soon reach \$18 billion. That's a black hole that reaches all the way to China — and to a depth that could cause the whole system to collapse.

So what do we do about it?

There are some facts both sides have to deal with. A contract is a contract. Deals were signed and — as we learned from the courts — past promises cannot be renegotiated. Cost of living increases can be renegotiated moving forward, but not looking back. That limits our options, but doesn't keep us from designing a more sustainable system.

Another consideration, especially in rural Oregon where government employees make up about a quarter of our workforce, is the fact that public sector employee benefits vastly outpace private sector ones.

That's great for attracting good candidates for important, taxpayer-funded positions. But is such a wide gulf between private and public sector employees in the best interest of our country?

We would argue it is not — and closing that gulf is imperative.

It will take movement from both sides. Wage increases will soon come to this country — either as inflexible law initiated in statehouses and Congress, or incrementally by employers themselves. As wages go up, competition to secure educated, reliable employees will increase. Benefits during working years, and for retirement, will help reduce the need for a social safety net. It might even spur economic growth, meaning those PERS investments would bring in a larger dividend on every dollar.

It's a big problem with no easy solution, but action is needed before the hole becomes too big to fill.



USPS No. 665-100

P.O. Box 338 • Enterprise, OR 97828 Office: 209 NW First St., Enterprise, Ore. Phone: 541-426-4567 • Fax: 541-426-3921

Wallowa County's Newspaper Since 1884 Enterprise, Oregon

Member Oregon Newspaper Publishers Association

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Published every Wednesday by: **EO Media Group**

Periodical Postage Paid at Enterprise and additional mailing offices

Subscription rates (includes online access)	1 Yea
Wallowa County	\$40.0
Out-of-County	\$57.0

Subscriptions must be paid prior to delivery

See the Wallowa County Chieftain on the Internet www.wallowa.com facebook.com/Wallowa | twitter.com/wcchieftain

POSTMASTER — Send address changes to Wallowa County Chieftain P.O. Box 338 Enterprise, OR 97828

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Volume 133



New food-safety rules need funding

Now comes the hard part.

The U.S. Food and Drug Administration has for four years been writing the regulations that will put in force the Food Safety Modernization Act.

The job involved many revisions in which industry members and university researchers politely tapped FDA authors on the shoulder and reminded them that they were providing solutions where no problems existed.

For example, the use of spent grains from breweries to feed cattle has been a common practice for centuries, yet the FDA initially felt the urge to interject expensive new requirements that made no sense and accomplished nothing.

The regulation of irrigation water in the propagation of onions was another area in which the FDA was politely reminded that no problems existed.

Now the results of all that work will come to fruition and, presumably, make the food Americans eat safer. Nearly every week the news carries reports of an outbreak of E. coli or some other problem at restaurants or processors. Though many are linked to food handling problems, some can be traced back to the farms where the produce was grown.

To improve food safety, Congress now has to provide the money for the FSMA.

The Congressional Budget Office initially estimated that implementing the FSMA would cost nearly \$120 million a year.

That is a bargain. If the rules are effectively implemented, outbreaks can be avoided, the public will be protected

GUEST **EDITORIAL**

By Capital Press

and growers will be minimally impacted from recalls.

But other aspects of the regulations are disconcerting. While the FDA has aimed high in its attempts to assure food safety, it appears the agency has a long way to go.

At a recent meeting, even simple questions from farmers appeared to

stump agency representatives.

Mateusz Perkowski, a reporter for the Capital Press, cited two questions that came up:

• If several farms draw their water from the same stream, one farmer asked, can they collectively monitor bacteria levels instead of each paying for separate

• How can a grower establish a baseline for bacteria levels in irrigation water, asked another, if he leases different parcels of land each year?

Such questions will be referred to a Technical Assistance Network that will be formed from the FDA officials who wrote the regulations.

FDA officials also mentioned that they would talk with food safety auditors who already inspect farms and other operations to coordinate efforts.

They also said state departments of agriculture will do the heavy lifting when it comes to implementing the regulations.

This is good, but with a caveat.

It is good because state departments of agriculture are intimately familiar with the practices farmers follow. Better than anyone else, they will understand how the regulations should be followed on the farm

The caveat involves money. If Congress does not adequately fund implementation of the new rules, all bets are off.

FDA has requested nearly \$110 million for the next fiscal year to do that. Now Congress must decide whether the food safety law it wrote will be an effective tool for helping to assure food safety or it will be a shell that sounds good but in reality does not live up to its promise.

The regulations cannot be implemented in a piecemeal fashion. To do that would give some sectors of agriculture an advantage over others because of the differences in the costs of meeting the requirements.

"We can't expect it to happen as an unfunded mandate," Michael Taylor, FDA deputy commissioner for foods and veterinary medicine, told those at the recent meeting.

He is correct. Congress needs to make sure its new law is adequately funded at the federal and state levels.

Otherwise, FSMA will be just another half-baked congressional initiative that sounds good but doesn't accomplish much.

Much is at stake with the FSMA — the well-being of U.S. agriculture and the well-being of 319 million Americans.

Clarifying Food Bank Challenge article

Thank you so much for the article about the Soroptimist/Rotary Food Bank Challenge. I just wanted to mention that the Soroptimist food bank challenge donation this year was collected entirely from members' personal donations, not from Thrift Shop proceeds. Although we separately gave the food bank \$4,000 from those proceeds, this was not part of the challenge.

And this seems like a great opportunity to thank all the folks who shop and donate to the Thrift Shop. A reminder that the shop will be open through Tuesday, Dec. 15, and then will reopen Monday, Jan. 4. We are taking a vacation!

Happy Holidays to all.

Ann Browder President, Soroptimist International of Wallowa County

Measure 11 filling our prisons

I am writing to ask if anyone in Wallowa County knows what Measure 11 is? Do you know how it works and what it was meant for?

Measure 11 was meant for repeat and violent offenders. After 21 years it has morphed into a pipeline to prison. First-time offenders with no criminal background or history of violence are given the same sentence as violent and repeat offenders.

Oregon has 14,694 inmates — 6,164 in under Measure 11 — and almost a third of the prison population (4,314) are first-time offenders with no criminal

LETTERS to the FDITOR

background. The state spends \$137 million per year for them.

Oregon, second in the country to spend more on prisons then education. That is why I am throwing my hat in the ring for the state Senate seat in District 29.

I know that Sen. Hansell is a good man, decent, but he is sitting on the fence about this. It must be reformed, NOT repealed.

We need more money for education, more money for more police in our towns and cities. No, I do not want violent and repeat offenders released. There are other ways. My small town of Milton-Freewater has a terrible gang problem. We need help with that.

Barbara Dickerson Milton-Freewater

Saving the wolves for ...?

I have read so many articles in the local newspapers and I am disgusted by the lack of common sense on the part of environmentalists and animal rights groups. They are predominantly urban residents who fantasize about something they know so little about. Yet they are dictating what the laws should and will be. I believe our government leaders should have stopped this nonsense before it happened.

Some claim they want to work with the stockgrowers. That is hard to fathom

when they have little perception of the livestock business. Their ideas of protecting livestock from predators -- especially wolves -- are just plain silly.

I grew up on a sheep outfit and later I was a range rider for several cattle outfits. There always is some loss from predators on livestock as well as all wildlife. This loss will be much worse with increasing the wolf population by laws preventing containment of their numbers. The idea that the wolves will "selectively kill" is absolutely false. The fact is that wolves take what they can. This is a loss to the stockgrowers, sportsmen and businesses that depend on the livestock and wildlife.

The (Sept. 15 letter) submitted to The Chieftain by Scott Beckstead, Oregon director of The Humane Society of the United States, is an example of the common sense of these people. He writes: "California is privileged to host a new wolf pack. Wolves have been instrumental in restoring biological diversity in the Northern Rocky Mountains, including increasing the number of song birds, pronghorns, lynxes and other species, while simultaneously improving the ecology of vital riparian systems."

As cattlemen, sheep producers and hunters roam the ranges, they will be able to listen to the birds and appreciate the tall, green grass where the carrion has decomposed. And maybe when they check the spots of green grass they will be able to salvage an eartag or cowbell -- if the grass ain't too tall.

Bart Harris Wallowa

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