

EDITORIAL

Tax kickers and health care

The kicker has been kicking a lot lately in Oregon. It's the Oregon law that requires the state government to return revenues to taxpayers if the state is off in its revenue estimates.

The kicker kicks if actual state revenues exceed the forecasted revenues by 2% over a two-year budget cycle. The excess — including that 2% — gets returned to taxpayers in a credit on their returns. The corporate kicker goes to education.

It doesn't kick every time. Since 2013, it's been going off regularly.

That should tell Oregonians something about how hard it can be to make accurate economic revenue projections. And we wonder if it should raise questions about the proposal to move Oregon to a universal health care system.

State revenue projections and making fiscal projections about moving Oregon to a universal health care system are not the same thing. But both require the state to make complicated guesses. And the state can get them wrong.

The Joint Task Force on Universal Health Care meets again this week. It is coming up with a plan that the Legislature could adopt to move Oregon to universal health care. One topic in the task force's documents for the meeting this week: financial projections.

The proposal for universal health care is that all Oregonians would be covered, including undocumented immigrants. The coverage would be similar to what many public employees get in Oregon now. Dental, too.

There would be no copayments, deductibles or premiums. The single-payer system would be the only health care system available in the state. Supplemental coverage would basically not be allowed.

The money to pay for it would come from a new income tax on Oregonians and a new payroll tax on employers. How much would those taxes be?

Not clear, yet. Numbers that the task force have discussed would ramp up based on income. According to those, a family of four would pay the highest marginal rate of 9.3% for income over \$110,000. Households below 200% of the federal poverty level would pay zero. The employer payroll tax would be based on wages of employees. Numbers suggested have been a marginal tax rate of 7.25% below \$160,000 a year and at a higher rate over that.

The new financial analysis prepared for the task force points out some interesting challenges. It's based on estimates of many factors:

- how much more people might use the system when they don't pay anything extra for using it;
 - how much more dental work people might have done;
 - how much emergency room care may decline;
 - how much the state will be able to save because it will be negotiating prices;
 - how much less costs will be because insurance margins will be eliminated;
 - how much fraud, waste and abuse will be eliminated;
- And there are many more.

Will the estimates get that right? It's important because the Oregon Constitution requires a balanced budget. It needs expenditures to balance with revenues. That means if the state goes ahead with a universal health system it is going to need to set aside sufficient reserves to cover any surprises in costs and revenues.

How much will that need to be? How accurate will the projections be? Will it be dead on? Or more like the kicker?

The Legislature is accustomed to making budget adjustments. And state officials have implemented new, complex programs. Happens all the time. But it's not like state government has taken over health care before.

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COLUMN

Is Oregon about to elect an anti-woke, pro-gun independent as governor?

BY MARK Z. BARABAK

Betsy Johnson is firmly behind the wheel, driving through an urban dystopia of poverty and despair.

"God knows, we need a real solution to the homeless crisis," she says brusquely. Tent cities and garbage-strewn sidewalks flash by. It will require new leadership, she goes on, and a different type of politics, embracing the best ideas of Democrats and Republicans, without regard to party labels.

"We shouldn't have to choose," says Johnson, who is waging an improbably strong bid for Oregon governor, raising the prospect the sapphire-blue state could elect a gun-loving, corporate-hugging, woke-bashing political independent as its next leader.

Or, just as surprising, a Republican, which hasn't happened since Ronald Reagan was in the White House.

For all the focus on control of the House and Senate, there are 36 gubernatorial contests on the ballot in November. Their import has increased as policies on abortion, guns and other issues increasingly diverge, depending on which party holds power in a given state.

Most of the races aren't likely to result in a partisan shift. Democrats are poised to flip Maryland and Massachusetts after Republicans nominated Trump loyalists in those blue states.

Republicans hope to oust Democratic incumbents in Kansas, Nevada and Wisconsin, but pickup opportunities in Pennsylvania and Michigan may be out of reach after the GOP nominated far-right conservatives in those swing states.

That has heightened Republican interest in Oregon, which last elected a GOP governor in 1982.

Democrat Tina Kotek, the former speaker of the state House, remains the favorite to win in November, if for no other reason than Democrats and voters who lean their way considerably outnumber Oregon Republicans.

The mathematics of the three-way contest, however, make it quite possible the next governor could be elected with less than 50% support, opening the door for Johnson or the incumbent, Democrat Kate Drazan, to slip through.

In theory, 35% of the vote could be enough to win and thus end years of Democratic reign along the Left Coast, from Baja California to Canada's border.

Drazan, the former Republican leader in the state House, is running hard against single-party rule in Salem, the state capital. "We need real leadership and real change to hold the Democrats to account," Drazan said when the three candidates debated in July.

But the only reason she stands a chance is the presence of Johnson and the hope she might siphon enough votes away from Kotek.

The heir to a timber fortune, Johnson served 20 years in the Legislature, representing rural Oregon as a center-right Democrat before leaving the party and resigning from the state Senate last December to focus on her unaffiliated run for governor.

She likens herself to Goldilocks, neither too far left nor too far right, but her acerbic persona and harsh attacks on rivals suggest little of the inno-

cent fairy tale character.

Drazan, Johnson says, "wants to be the first anti-choice governor in Oregon's history," undermining the state's strong support for legal abortion. Kotek, vying to become the nation's first governor who has come out as lesbian, "wants to bring the culture wars to your kid's classroom. She'd have us all woke and broke."

If ever Oregonians were hungering for something new and different, now would seem the time, with polls showing deep discontent and the incumbent, Democrat Kate Brown, leaving office as one of the least popular governors in America.

"People are very concerned and angry and anxious about the status quo," said Len Bergstein, a public affairs consultant who's been involved in Oregon politics since the 1970s.

After deadly wildfires, years of pandemic and weeks of right-vs.-left protests that turned parts of downtown Portland into an armed camp, "There are a lot of people who feel we've lost our way," Bergstein said.

Johnson taps into those frustrations with her TV ad driving through blighted Portland and her disdainful lumping together of the two major parties. "Oregonians are distrustful of the radical right," she says.

"And they are terrified of the progressive left."

For all the evident frustration, however, Oregon is no Alabama or Arkansas, to name two deeply conservative bastions, and several of Johnson's positions clearly cut against the state's political grain.

The proud owner of a Cold War-era machine gun, she responds to the ravages of gun

violence by ticking off NRA talking points about increasing school security and boosting mental health services.

Her preferred method to fight climate change, improving management of Oregon's forests, recalls President Trump's much-ridiculed suggestion the country rake its woodlands to prevent wildfires.

She sounds populist notes and promises to be a voice for the "pissed off," but has benefited handsomely from the support of CEOs and others among the well-off. Phil Knight, the billionaire founder of Nike and Oregon's richest man, has kicked in \$1.75 million, helping Johnson outraise her opponents.

For her part, after years in power, Kotek has the unenviable task of convincing voters that as bad as things seem, they will get better.

Eventually, "No matter what the other candidates say here today, there are no quick fixes," the Democratic former House speaker said in opening the first, and so far only, gubernatorial debate. "There are no miracle cures."

The notion of someone beholden to no one, save voters, sweeping in to make bold and dramatic change and rid the political system of its iniquities is a popular and enduring one. Plenty of third-party and independent candidates have tried it. Most end up fizzling.

Johnson has already exceeded expectations with her strong fundraising and solid showing in polls. If she catches a few breaks, she could end up being Oregon's next governor.

■ Mark Z. Barabak is a columnist for the Los Angeles Times, focusing on politics in California and the West.

OTHER VIEWS

Who will become the next Solyndra?

EDITORIAL FROM THE LAS VEGAS REVIEW-JOURNAL

The idea that politicians know better than the free marketplace when it comes to allocating resources has been the driving force for some of the most destructive and deadly philosophies of the past 200 years. So why does it remain a bedrock principle of progressive governance?

President Joe Biden and his secretary of commerce recently announced the distribution of \$1 billion in federal grants to various special interests. The money was part of the \$1.9 trillion inflationary coronavirus relief bill passed by Congress in March 2021. The Associated Press reports that the money will go to 21 recipients "chosen from 529 initial applicants."

The lucky few include "\$65.1 million for California to improve farm production and \$25 million for a robotics cluster in Nebraska," the wire service says. "Georgia gets \$65 million for artificial intelligence. There is \$63.7 million for lithium-based battery development in New York. Coal counties in West Virginia would receive \$62.8 million to help with the shift to solar power."

Laughably, the AP reports that the Biden administration "said the winners were chosen based on merit rather than politics." Yet at the same time, the story notes that the president was interested in how these taxpayer grants would "play out on the political scene" and that "money is also going ahead

of November's midterm elections toward political battlegrounds that could decide control of Congress."

What any of this has to do with the pandemic is a mystery. In truth, the \$1.9 trillion measure — which many economists believe helped trigger the worst inflation in four decades — was progressive pork masquerading as coronavirus relief. Not only did the legislation overheat an already blistering economy, it is a monument to rent seeking and economic inefficiency.

Yet the White House is still pressuring Congress to pass an additional \$10 billion in pandemic money, arguing that it needs the resources to control future variants. Republicans have resisted, for obvious reasons. If mitigating potential future coronavirus outbreaks were important to Biden and his fellow Democrats, perhaps they should have included funding for such measures in the bill ostensibly written for precisely that purpose. New Orleans gets \$50 billion for green energy projects thanks to the virus relief legislation. What if that had been just \$40 billion?

The economic distortions that result from elected officials allocating resources based on political considerations makes the nation poorer as a whole. The most pressing question about Biden picking winners and losers with other people's money: Which one of the "winners" announced last week will become the next Solyndra?

CONTACT YOUR PUBLIC OFFICIALS

President Joe Biden: The White House, 1600 Pennsylvania Ave., Washington, D.C. 20500; 202-456-1111; to send comments, go to www.whitehouse.gov.

U.S. Sen. Jeff Merkley: D.C. office: 313 Hart Senate Office Building, U.S. Senate, Washington, D.C., 20510; 202-224-3753; fax 202-228-3997. Portland office: One World Trade Center, 121 S.W. Salmon St., Suite 1250, Portland, OR 97204; 503-326-3386; fax 503-326-2900. Baker City office, 1705 Main St., Suite 504, 541-278-1129; merkley.senate.gov.

U.S. Sen. Ron Wyden: D.C. office: 221 Dirksen Senate Office Building, Washington, D.C., 20510; 202-224-5244; fax 202-228-2717. La Grande office: 105 Fir St., No. 210, La Grande, OR 97850; 541-962-7691; fax, 541-963-0885; wyden.senate.gov.

U.S. Rep. Cliff Bentz (2nd District): D.C. office: 1239 Longworth House Office Building, Washington, D.C., 20515, 202-225-6730; fax 202-225-5774. Medford office: 14 N. Central Avenue Suite 112, Medford, OR 97550; Phone: 541-776-4646; fax: 541-779-0204; Ontario office: 2430 S.W. Fourth Ave., No. 2, Ontario, OR 97914; Phone: 541-709-2040. bentz.house.gov.

Oregon Gov. Kate Brown: 254 State Capitol, Salem, OR 97310; 503-378-3111; www.governor.oregon.gov.

Oregon State Treasurer Tobias Read: oregon.treasurer@ost.state.or.us; 350 Winter St. NE, Suite 100, Salem OR 97301-3896; 503-378-4000.

State Sen. Lynn Findley (R-Ontario): Salem office: 900 Court St. N.E., S-403, Salem, OR 97301; 503-986-1730. Email: Sen.LynnFindley@oregonlegislature.gov