Oregon plumbs rock bottom

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Oregon is so broke that its legislators have run out of money to fight over. There was little dissent Monday as the Senate approved a beg, borrow and steal plan to restore a few life-or-death services and close the newest hole blown in the state budget by Oregon's slumping economy. The bleak deal may pass the House as soon as today.

Here's the plan: Borrow $300 million at almost usurious rates against Oregon's future tobacco revenues, empty the newly established school stability fund and snatch millions more from local governments if the state's revenues drop further between now and the end of the budget year, June 30.

There's nothing to like about it, except this: It pays for a few more months of care for vulnerable elderly, disabled and mentally ill people. It keeps a few more state police and crime lab techs on the job. It provides court-appointed lawyers to help the court system limp forward awhile longer.

Oregon is all but out of choices. With only four months left in the biennium and a gaping $244 million hole in a general fund budget that contains less than $900 million to cover all the state's needs, there's no time left for anything but this sort of desperation pass.

It shouldn't have come to this, with Oregon bumping along at rock bottom, in worse financial straits than almost every other state in the country. A series of decisions and failures of leadership brought Oregon to this point. Voter-approved initiatives left public schools exposed to deep cuts and funneled money into corrections. Lawmakers politicized the "kicker" and burned through the state's resources during the 1990s, ignoring warnings that Oregon remained one of the few states in the nation without a rainy-day fund.

When the economy soured, lawmakers showed up at one special session after another eager to take the easy way out, raiding various pots of money, borrowing whenever possible, putting off hard decisions about raising new revenues and making tough spending cuts. A group of Republican legislators helped kill Measure 28, an income tax surcharge similar to that which rescued the state budget two decades ago. Wouldn't that $315 million for this biennium, and $410 million for the next, be useful about now?

Now it's too late for new taxes or effective cuts in the 2001-03 budget. The only options left are bad -- what Senate President Peter Courtney, D-Salem, called "terrible stuff," like grabbing $4 million while gutting a smoking cessation program twice approved by voters, or blowing through the entire ending balance of the state lottery.

There's nowhere else to turn now. A new biennium and another budget hole of more than $2 billion is looming July 1. At the Capitol, there's broad agreement that the deal is the best this Legislature can do. Sadly, that's true.

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