Lawmakers strapped for cash, credibility

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SALEM -- Oregon's 2003 Legislature opens Monday to a litany of crisis-level problems, from truncated school calendars to a public pension system billions of dollars in arrears.

But a separate, less defined issue has unfolded like an umbrella over the upcoming session, overshadowing even the thorniest budget complication. Call it credibility.

It's the underpinning of Gov.-elect Ted Kulongoski's legislative agenda, which calls for no new tax bailouts until the public determines state government has become, in his word, "smart." It's the thread sustaining the months of negotiations between Democrats and Republicans over how to share power in the evenly divided Senate.

And it's the buzzword of the day as lawmakers -- new and seasoned -- claim their Capitol offices and brace for six months of wrangling over everything from proper etiquette when making a floor speech to whether they should institute a state wage freeze.

The hangover of last year's five special sessions, which featured spectacular partisan meltdowns almost daily, still lingers. Success this time, lawmakers say, will be measured as much by image as by outcome.

"Most everyone coming in realizes we are under the microscope of the general public to see how we conduct our business," said Rep. Floyd Prozanski, a Eugene Democrat who was forced to leave the Legislature three years ago because of term limits, but was re-elected when the limits were thrown out.

"It's not just getting the problems fixed, but how we manage that and how we treat each other."

Kulongoski, scheduled to give his inaugural address at 10:30 a.m. Monday to a special joint session of the House and Senate, made clear in interviews last week that he thinks he has the mandate and the political mettle to restore public confidence in Oregon's government.

He said residents have become deaf to the steady message of fiscal doom coming from Salem.

"The problem is, we haven't been truthful," the new governor said during an interview with The Oregonian's editorial board last week. "We always tell the public the sky is falling . . . and we always find a way to get by. The public doesn't believe us any more."

In search of more credibility Kulongoski, a Democrat, plans to bridge that credibility gap in two major ways -- by offering a retrenched budget that acknowledges the recession, which he did Friday, and by promoting a new era of collaboration between himself and the Legislature, regardless of party leadership.

Voters, he said, demand as much.

"I have to prove to them, this government is smart, it's productive, it's using its money wisely and it's making the right choices," Kulongoski said. Until he does that, he said, he can't ask for favors such as a general tax increase.

"He's right," said Steve Buckstein, president of the Cascade Policy Institute, a Portland-based free-market think tank and frequent critic of state government's appetite for taxation. The public is waiting for a sign that Salem can get its fiscal house in order. And people are looking to see whether the Legislature can rise above the "incivility" members have displayed in recent sessions.

"That hurts their image, obviously. People joke about it on the street."

A surefire way to get the Legislature right with an increasingly cynical public, Buckstein said, would be to reform the Public Employees Retirement System. The retirement fund has developed a $15 billion shortfall, causing taxpayers to kick in more money to cover escalating pension checks.

"That would go a long way to showing the average Oregon taxpayer that they're doing something serious," Buckstein said.

In fact, PERS reform lies near the top of a short list of priorities that Kulongoski and legislative leaders have developed for the session. Keeping the list short is a goal in itself, said Senate Democratic Leader Kate Brown, of Portland.

Other top goals: reining in the rising cost of the Oregon Health Plan; making state government agencies and rules less cumbersome; and adding jobs to the economy.
The jobs package includes spending on a beefed up engineering graduate program; ramping up transportation projects, such as bridge repairs; and a new tourism promotion program aimed at bringing more vacationers to Oregon.

Finding reasons for optimism Brown said she has a renewed sense of optimism about the upcoming session because leaders of both parties and in both chambers have generally agreed to the same priority list. So far, she said, there doesn't appear to be a Democratic agenda and a Republican agenda. "I'm working hard to tell my members it's time to check your party differences at the Capitol door," she said.

Other reasons the session might work more smoothly, Brown said, include an end to term limits, which reduces the pressure to pass a lot of pet bills quickly, and what could be an all-female line-up of legislative leaders.

In the Senate, Republican leader Bev Clarno, of Bend, enjoys an easy-going, respectful relationship with Brown. In the House, Speaker Karen Minnis, R-Wood Village, and Democratic leader Deborah Kafoury, of Portland, reportedly have buried the animosity they exhibited toward the end of last year's special sessions.

Minnis, though reluctant to discuss the impact of gender on leadership, acknowledged potential changes as a result. "There may be a difference in style, yes," she said, "but I think we'll be faced with the same challenges." She said the focus of optimism "has not been on the women per se, but on the new governor. People are optimistic about his engagement with us, his willingness to be collaborative."

Session could still get ugly Pre-session warmth aside, no one would suggest an easy session awaits. In fact, given the tight budget, it could be one of the most difficult in years. A number of issues threaten what could become a fragile truce between parties, not the least of which is the yet-to-be-resolved power-sharing debate in the Senate, which is divided 15-15 between Democrats and Republicans.

And even though there is overall agreement on the list of issues to be resolved, each has plenty of room for conflict. Minnis, for example, wants to shore up school budgets by tapping into reserve funds, such as the Common School Fund and money from the state's share of the national tobacco settlement. Kulongoski opposes such spending, but Minnis thinks he might change his mind if Measure 28, the proposed temporary income tax increase, fails at the polls Jan. 28.

"The choice is, do we decimate our education system for the short term, or do we help get them through the short term until the economy picks up?" Minnis said.

But Clarno said she sees lots of reason for hope, a feeling buoyed by meetings she has had with Kulongoski. The meetings were friendly but businesslike, she said. The biggest surprise, she said, was the clear agreement on which issues should get the most attention.

"I found Ted to listen and communicate well. I think he'll be more cooperative than his predecessor," Clarno said, referring to Gov. John Kitzhaber. "I obviously take great comfort in that."

Kulongoski said he plans to take a far different approach to the office than Kitzhaber, whom he admires as a "great Oregonian" but who "is not a politician." Kulongoski said he understands he must maintain relationships with legislators to accomplish his goals.

"I have to cajole them," he said. "I have to have breakfast with them. I have to scratch their backs. I have to do all those things. I have to kiss babies." Harry Esteve: 503-221-8234; harryesteve@news.oregonian.com

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