

Taxpayer Association of Oregon

P O Box 23573 Portland OR 97281 (503) 603-9009

Don McIntire,
President

Jason D. Williams
Executive Director

Fall 2003 Waste Watch Report

Circulation: 25,000 (this edition)

Politicians tackle recession by splurging on bonuses, new cars, luxury chairs & computers!

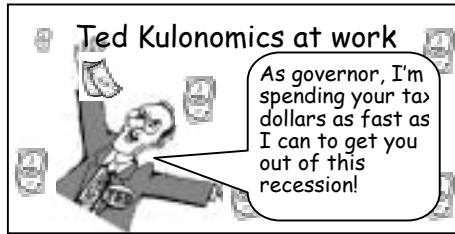
Even a staggering recession wasn't enough motivation to get our politicians to curb their bad habits. They spent lavishly in spite of Oregon's down economy. Right from the start of the 2001 Legislative Session, when the warning signs of recession were obvious, they blithely increased the state's budget by 12% over the preceding one⁽¹⁾. They voted to create \$500 million in new programs to pile on taxpayers, while raiding the people's kicker tax refund to "pay" for it all⁽²⁾. As the Oregon jobs market plummeted, lawmakers scaled back the budget a bit, while magically conjuring up almost a billion in one-time funds and, of course, voted to increase taxes!

\$400 chairs for royal rears

If you visited the state capitol, you wouldn't have guessed there was a recession on, since the capitol's hearing rooms were given a half million dollar beauty makeover, with fancy new carpet and \$400 chairs for the lawmakers. The Human Services Dept. also purchased \$12,000 worth of luxurious new chairs⁽³⁾.

New computers, new cars

Our lawmakers received brand new computers, even though they claimed they didn't ask for them. Following the legislature's example, the Judicial Dept. also acquired new computers for a cool \$1.2 million.⁽⁴⁾



Governor Kulongoski replaced his office car (it only had 20,000 miles!!) with a brand new Lincoln Town Car. A new \$31,000 Chevy Tahoe SUV was also purchased for his security escort. In the meantime, his Administrative Dept. also spent \$208,000 for a fleet of the largest SUVs our money can buy⁽⁵⁾.

Raises, bonuses

The politicians also decided that a recession must be a perfect time to hand out raises. Gov. Kulongoski authorized \$8 million in bonuses and extra health benefits to state employees⁽⁶⁾. Local governments followed suit with recession raises of their own: Gresham, Multnomah County, Lane County, etc.⁽⁷⁾.

The 2003 Legislative Session was faced with Oregon as the nation's highest unemployment state. It took the politicians the longest legislative session in Oregon history to arrive at the solution -- a \$1.1 billion tax increase! Because they took so long, the State Treasurer had to issue \$450 million in bonds to keep government funded. Those bonds, by

the way, will cost Oregon taxpayers \$12 million a year for the next 10 years in interest payments⁽⁷⁾.

Multnomah's recessionary shopping spree

The confounding unemployment did not faze the politicians in Multnomah County either, because they helped pass a 12% income tax increase and 8% in property tax increases. It was just enough in taxes so the county could offer the newly hired county librarian a 27% raise (\$121,000/year)⁽⁸⁾. While prisoners were being set free and school days trimmed to national lows, the Portland Development Commission found a way to grow their budget 16%. No recession would be complete without spending a quarter million taxpayer dollars to place 100 tons of dirt on top of the Multnomah County headquarters building to make it an environmentally friendly "green roof"⁽⁹⁾. The plush roof garden can be conveniently viewed by the County Commissioner's offices.

More on reverse>>>

(1) Legislative Fiscal Office Budget Highlights 03-05. (2) Oregon Tax Research. (3) KATU-TV Town Hall on Tax 2003 (4) Medford Mail Tribune 7-16-03. (5) KATU-TV 8/15/02. (6) Eugene Register Guard 1/14/03. (7) The Oregonian 6/18/03, & Phil Stanford Portland Tribune "Business Boosters". (7) Oregon Tax Research Local Tax News 9/1/03. (8) The Oregonian 8/8/03. (9) Phil Stanford, Portland Tribune 6/3/03.



Shocking Budget Facts!!!

✓ Oregon state & local governments spend more per-capita than 44 other states. US Census Bureau

✓ The state budget has had double-digit growth (+13%) on average for the past 25 years. Based on a biennial basis. Oregon Office of Economic Analysis Forecast Report. Dept. of Administrative Services 12/03.