

General Provision to enable sufficient funds to pay PERS

9. Limit future budget increases to population growth and inflation; increase Rainy Day Fund reserves and pay off State's UAL, Side Account bonds and other State debts.

Individuals, families and businesses, deal with hard economic times by lowering expenditures, increasing income or doing both.

During the February Special Session, I tried to demonstrate how the Legislature acts as if Oregon can indefinitely follow a different economic path. To be blunt, in the February 12, 2010 newsletter I said that during this, the "Great Recession," Oregon has had a six-word economic plan: **Spend More, Tax More, Borrow More.** (See at <http://www.dennisrichardson.org/lu021210.htm>)

I proposed House Bill 3641. (See at: <http://www.leg.state.or.us/10ss1/measpdf/hb3600.dir/hb3641.intro.pdf>)

Under the provisions of HB 3641, except in times of true emergencies, future growth in State Budgets would be limited to increases in population and inflation. When State revenues are high, excess dollars (over the amount needed to fund the limited-growth State Budget) would go to the Rainy Day Fund. Once the RDF is funded with an amount equal to 25% of the General Fund Budget, any additional revenues would be used to pay down Oregon's debt. HB 3641 would have been a starting point for budgetary reform. Unfortunately, HB 3641 was not given a single hearing.

One option would be to reconsider HB 3641 as a Citizen's Initiative. After appropriate Rainy Day Fund reserves have been reached during good economic times, a percentage of the State debt-reduction payments could be applied to paying off the State's portion of the PERS UAL and its pension obligation debt (Side Account), as well as other State debt, until Oregon could again be debt-free.