Oregon Citizens Lobby

A growing statewide collaborative effort by citizens to promote legislative accountability.

Oregon Citizens Lobby opposes SB 265 for the following reasons.

This bill adds an open-ended higher education bonding issuance to an essentially open-ended existing bonding mechanism. The Treasurer and the Governor can by executive decision alone commit the state to essentially unlimited bonding.

Personal Choice
Tax payer personal choice will diminish greatly because the bonds represent a long term and potentially catastrophically large tax increase. The governor, the treasurer, and the Chancellor of the Oregon University System will have a great deal of personal choice about how to spend your money.

Fiscal Responsiblity
This is enormously fiscally IRRESPONSIBLE. Oregon like other blue states has come up against a clear limit in its ability to tax particularly since state policies have contributed to slow economic growth. If the economy doesn't increase, the taxes cannot. The State Government is, however, continuing to spend more and more money on non-essential services and shortchanging education and other more essential services. The State's government is to print bonds and thus incur debt which future Oregonians will have to pay off in order to cover unwise levels of state expenditures today.

Limited Government
The issuance of bonds in such large amounts is, in itself, a great expansion of government power. In addition, it will suck funds out of the private economy and through taxes and through the bond market.

Local Control
This is control from the state. On the other hand, if the bonds currently being suggested go through to cover not only education but misconceived projects like the CRC, we can expect to see more and more localities issuing their own bonds to cover what are often simply operating expenses or to cover poorly conceived large scale projects.

Free Markets
Such bonding will weaken the private bond markets and the private free market economy because of the excessive tax overhand. The education bonds now being authorized here and elsewhere in the current budget discussions, will be as big a bubble as the Fannie and Freddie mortgage debacle only this time it will be more difficult to blame the banks. This is almost entirely a government operation. In addition these bonds will only benefit the public institutions of higher learning and further disadvantage the private universities while pushing up costs as well as tuition.