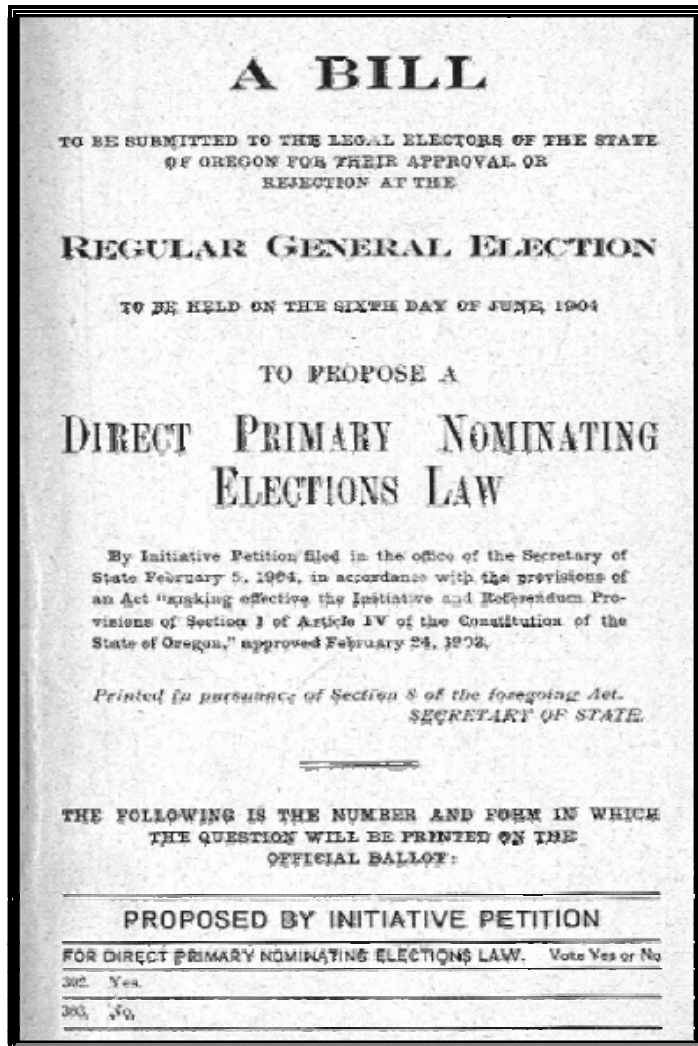


# online voters' guide



## STATE OF OREGON SPECIAL ELECTION

**September 16, 2003**

Compiled and Distributed by

**Bill Bradbury**

*On the cover: One hundred years ago, the Oregon Legislature directed the Secretary of State to produce an informational packet for each measure presented to Oregon voters. Following that, the first Voters' Pamphlet in Oregon was for the June 1904 Regular General Election to establish direct nominating elections for United States Senate candidates. Image of original cover provided by University of Oregon Libraries.*

**BILL BRADBURY**  
SECRETARY OF STATE

**PADDY J. MCGUIRE**  
DEPUTY SECRETARY OF STATE



STATE OF OREGON  
SECRETARY OF STATE

136 STATE CAPITOL  
SALEM, OREGON 97310-0722  
(503) 986-1523

Dear Oregonian,

For one hundred years, Oregon has been a national leader in creating an election system that encourages voter participation. In 1902, Oregonians approved a ballot measure allowing the people to pass legislation by initiative and referendum; in 1903, the legislature directed the Secretary of State to compile a voters' pamphlet; and in 1904, Oregonians by initiative enacted the direct primary and the first voters' pamphlet was published.

Continuing the tradition, our unique vote by mail system has increased voter turnout since enacted in 1998, and we are currently implementing improvements under the federal Help America Vote Act of 2002 in order to make voting systems more reliable and voting information more accessible.

These old and new reforms have allowed greater public participation in legislation and greater public education about the candidates and proposals that will govern us all. Oregon has one of the most active electorates in the nation, and our voters' pamphlet is one of the most informative in the nation - providing you with the essential information necessary to make smart decisions about our future.

Oregon's rich history of election reform has created an election system built by and for you, sensitive to your concerns and ideas. As a result, it is up to you to take advantage of this election system, to make the choices that will steer our state by voting for what you believe in.

As Harry Truman once said, "It is not the hand that writes the law that holds the destiny of America, it is the hand that casts the ballot."

If you are re-registering or registering to vote for the first time, please use the new voter registration card, available online at [www.oregonvotes.org](http://www.oregonvotes.org), or request a registration card by mailing in the form on page 9 of this pamphlet.

For those of you who are already registered to vote, I urge you to send in your ballot so that it is received by September 16. Remember, the decisions you make with your ballot will affect all of our lives and the future of our state.

Best wishes,

A handwritten signature in black ink that reads 'Bill Bradbury'. The signature is written in a cursive, flowing style.

Bill Bradbury  
Oregon Secretary of State

---

## Measure No. 29

---

House Joint Resolution 18--Referred to the Electorate of Oregon by the Legislative Assembly of the 2003 Legislature to be voted on at the Special Election, September 16, 2003.

### **BALLOT TITLE**

**AMENDS CONSTITUTION: AUTHORIZES STATE OF OREGON TO INCUR GENERAL OBLIGATION DEBT FOR SAVINGS ON PENSION LIABILITIES.**

**RESULT OF "YES" VOTE:** "Yes" vote authorizes state to incur general obligation debt for savings on pension liabilities.

**RESULT OF "NO" VOTE:** "No" vote does not authorize state to incur general obligation debt for savings on pension liabilities.

**SUMMARY:** This measure amends the Oregon Constitution to authorize the State of Oregon to incur debt to finance pension liabilities of the state at a lower cost to the state and to pay costs of issuing and incurring indebtedness. The measure authorizes the Legislative Assembly to enact implementing legislation.

The measure specifies that indebtedness authorized by the measure is a general obligation of the state, backed by the full faith and credit and taxing power of the state, except ad valorem taxing power. The measure limits the amount of indebtedness outstanding at any time to one percent of the real market value of property in the state.

**ESTIMATE OF FINANCIAL IMPACT:** This measure has no direct financial effect to state or local government expenditures or revenues. However, general obligation indebtedness provides the lowest cost alternative among financing mechanisms. To the extent that the State of Oregon uses the authority to issue general obligation indebtedness rather than using more costly financing mechanisms, the State of Oregon should experience lower financing costs.

### **TEXT OF MEASURE**

**Be It Resolved by the Legislative Assembly of the State of Oregon:**

**PARAGRAPH 1.** The Constitution of the State of Oregon is amended by creating a new Article to be known as Article XI-O, such Article to read:

#### **ARTICLE XI-O**

**SECTION 1. (1) In the manner provided by law and notwithstanding the limitations contained in section 7, Article XI of this Constitution, the credit of the State of Oregon may be loaned and indebtedness incurred to finance the State of Oregon's pension liabilities. Indebtedness authorized by this section also may be used to pay costs of issuing or incurring indebtedness under this section.**

**(2) Indebtedness incurred under this section is a general obligation of the State of Oregon and must contain a direct promise on behalf of the State of Oregon to pay the principal, premium, if any, and interest on that indebtedness. The State of Oregon shall pledge its full faith and credit and taxing power to pay that indebtedness; however, the ad valorem taxing power of the State of Oregon may not be pledged to pay that indebtedness. The amount of indebtedness authorized by this section and**

**outstanding at any time may not exceed one percent of the real market value of all property in the state.**

**SECTION 2. Indebtedness incurred under section 1 of this Article may be refunded with like obligations.**

**SECTION 3. The Legislative Assembly may enact legis-lation to carry out the provisions of this Article.**

**SECTION 4. This Article supersedes all conflicting provisions of this Constitution.**

**PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at a special election held throughout this state as provided in section 2, chapter 592, Oregon Laws 2003 (Enrolled House Bill 2651).**

NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

## **EXPLANATORY STATEMENT**

This measure amends the Oregon Constitution to authorize the State of Oregon to incur debt to finance the pension liabilities of the state at a lower cost to the state and to pay costs of issuing and incurring indebtedness. The measure authorizes the Legislative Assembly to enact implementing legislation.

The measure specifies that indebtedness authorized by the measure is a general obligation of the state, backed by the full faith and credit and taxing power of the state, except ad valorem taxing power. The measure limits the amount of indebtedness outstanding at any time to one percent of the real market value of property in the state.

*(This impartial statement explaining the ballot measure was provided by the legislature of the 2003 Regular Session.)*

## **LEGISLATIVE ARGUMENT IN SUPPORT**

### **MEASURE 29 WILL SAVE TAXPAYERS MONEY**

As Oregon has tried to address its budget difficulties over the past two years, there have been many challenges. But one thing all of us agree on is that we should find ways to reduce costs and make our tax dollars go further to protect vital services for Oregonians.

That is why we joined our colleagues of both parties to refer Measure 29 to the ballot, and why we are asking you to vote Yes.

The legislature wants to authorize the State Treasurer to issue pension obligation bonds to refinance Oregon's PERS obligation -- a debt the State already owes at an interest rate of 8%. We have this opportunity to refinance because of the low interest rates available right now.

Just like many homeowners are refinancing their home mortgages, the State should take advantage of these historically low rates, which can save Oregon more than \$1 billion over the next 25 years. The money saved will help reduce cuts and protect services that all Oregonians rely on.

The question is, How should this debt be refinanced? There are two choices:

- 1) General obligation bonds, which are less expensive because of lower interest rates; or,

2) Certificates of participation, which are more expensive because of higher interest rates and insurance costs.

Because general obligation bonds are less expensive, they provide Oregon more for its money, saving taxpayers approximately \$44 million over certificates of participation.

A vote of the people is required to authorize the use of general obligation bonds, so the legislature referred this matter to the public as Ballot Measure 29.

**A YES vote will save Oregon approximately \$44 million in costs, and refinancing the PERS obligation can save the State more than \$1 billion overall.**

Measure 29 earned overwhelming bipartisan support in the legislature because it is simple common sense, fiscally responsible, and a good idea for Oregon. Please join us in voting **Yes on Measure 29**.

<b>Committee Members:</b>	<b>Appointed By:</b>
Senator Roger Beyer	President of the Senate
Representative Lane Shetterly	Speaker of the House
Representative Joanne Verger	Speaker of the House

*(This Joint Legislative Committee was appointed to provide the legislative argument in support of the ballot measure pursuant to ORS 251.245.)*

## **ARGUMENT IN FAVOR**

### **Oregon's Business Leaders Support Measure 29**

It is a well-worn phrase: "Why can't government run more like a business?" In fact, there are many cases when the principles of the private sector can improve the government's bottom line and accountability. Measure 29 is such a case.

With this Measure, government has an opportunity to refinance its debt obligation and save us money. This is a sound financial decision, and that is why we strongly urge our fellow Oregonians to join us in supporting it.

In the private sector, we are always looking for ways to lower the cost of debt in order to re-invest in the core business. That is what Measure 29 will do for Oregon. By refinancing the debt we all owe for the pension system, we can save over a billion dollars. That money, in turn, can be used on things that will improve the business climate and the lives of Oregonians: education, health care and other critical services.

Measure 29 is especially welcome because:

- It allows the Treasurer to use the lowest-cost tool for this re-financing.
- It will not raise taxes.
- And it is very carefully written: Measure 29 does not open any opportunities for abuse. It can only be used for this specific, money saving purpose.

Please join Oregon's businesses large, small, and those in between by voting yes on Measure 29.

Kenneth Thrasher, CEO  
Compli

Lynn Lundquist, President  
Oregon Business Association

Richard Solomon, CPA

*(This information furnished by Kenneth Thrasher, CEO, Compli; Richard B. Solomon, CPA; Lynn Lundquist, Oregon Business Association.)*

---

## **ARGUMENT IN FAVOR**

### **An Important Message from State Treasurer Randall Edwards**

#### **With Your Help, We Can Save Millions of Tax Dollars**

Dear Fellow Oregonian,

As your State Treasurer, it is my job to make fiscally responsible decisions about our money and any debts the state incurs.

That is why I asked the Legislature to place Measure 29 on the ballot. This Measure will refinance the debt Oregon owes for its pension system, saving us more than \$1 billion.

The historically low interest rates we currently are seeing represent perhaps a once-in-a-lifetime opportunity for taxpayers, just as it is for homeowners who are taking advantage of these rates to refinance their mortgages.

As an employer, the State faces a very large debt to the Public Employee Retirement System. With your support, I will be able to issue general obligation bonds to refinance this debt at the lowest cost and the greatest savings.

To do that, however, I need your permission. The Oregon Constitution requires that I get voter approval for these general obligation bonds. And we must act quickly, before interest rates go up. That is why you are voting on Measure 29 now.

If Measure 29 passes, I will immediately issue bonds that can save all of us more than \$1 billion on our PERS obligation over the next 20 years. It will also mean immediate savings of \$90 million that can help ease our current budget crisis. In a time when we are facing terrible cuts, this is especially important.

**Measure 29 will not raise your taxes. It will save you money.**

Please join me in voting yes on Measure 29!

Sincerely,

Randall Edwards  
Oregon State Treasurer

*(This information furnished by Randall Edwards, Oregon State Treasurer, Oregon State Treasury.)*

---

## ARGUMENT IN FAVOR

### **An Urgent Message from The Coalition for School Funding Now!**

#### **IF YOU ARE CONCERNED ABOUT THE FUTURE OF OUR SCHOOLS, PLEASE VOTE YES ON MEASURE 29**

The Coalition for School Funding Now! is an independent, non-partisan voice for Oregon's K-12 public schools. We are a grassroots statewide organization made up of parents, business leaders, community leaders, education advocates, students, teachers, school board members and concerned citizens who believe that each K-12 student in Oregon should have access to a high quality public education.

We advocate for our schools' immediate needs, and for long term solutions to Oregon's school funding problems. While Measure 29 isn't the ultimate solution to Oregon's school funding problems, it will help ease state budget cuts by many millions of dollars.

Measure 29 will reduce the cost of Oregon's PERS obligation by well over a billion dollars over the next twenty years. It does that by taking advantage of the current low interest rates, not by hurting people's pensions. The savings will be felt by our state government (which provides most of the funding for schools) AND by local school districts. That is money that can go back into the classroom.

Measure 29 will not raise taxes. It is something we can all do to help our schools and improve the state's fiscal management. Please Vote YES on Measure 29.

*(This information furnished by William D. Thorndike, Jr., Coalition For School Funding Now!)*

---

## ARGUMENT IN FAVOR

### **MEASURE 29 IS ESPECIALLY IMPORTANT FOR OREGON'S SENIORS By Esther and Hugh Ewart**

As older Oregonians, we have been especially troubled by some of the challenges created by our budget crisis. Many of the cuts have had a terrible impact on Oregon's seniors:

- Loss of help with prescription medicine that people need to live;
- Cuts to home assistance that help the elderly maintain an independent life;
- In some cases, it has meant the loss of their homes.

At the same time, many seniors face limited, fixed incomes. We have to be very careful with our money.

**That is why Measure 29 is so important for senior citizens: it will save over a billion dollars that can be applied to critical services.**

And Measure 29 will do so without raising a penny in taxes. In fact, it will lower the amount of debt we are all responsible for by taking advantage of low interest rates. And while Measure 29 refinances Oregon's public pension obligation, it will not harm a penny of any senior's retirement. That is important.

Finally, we can be confident that Measure 29 doesn't open the door to any future problems or mischief. It is very carefully drawn as a one-time-only money saving device. It does not allow the issuance of any other bonds without a vote of the people.

**Measure 29 is a very good deal for all Oregonians.  
But it is a Yes vote that Oregon's seniors should feel  
especially good about casting.**

*(This information furnished by Esther Ewart, Hugh Ewart.)*

---

## **ARGUMENT IN FAVOR**

### **YES ON MEASURE 29: SAVE MONEY, HELP PROTECT SCHOOLS, SENIORS AND SERVICES WITHOUT RAISING TAXES**

Across the nation individuals are taking advantage of historic low interest rates by refinancing their mortgages. Why? Because it will save them many thousands of dollars over the life of their loan.

Oregon's state government has the same kind of opportunity with Measure 29. But in this case, it will save us over a billion dollars and that's just for a start.

### **MEASURE 29: SAVING OVER \$1 BILLION BY REFINANCING OUR CURRENT PERS DEBT**

We have all read about the huge shortfall in the Public Employee Retirement System (PERS). With Measure 29, the State Treasurer will be able to issue General Obligation Bonds that will in effect re-finance the PERS debt, saving over \$1 billion over the next twenty four years. That won't increase the money we owe it will actually decrease our debt by saving tremendous amounts of interest. And Measure 29 won't harm a single person's pension.

### **MEASURE 29: HELPING SCHOOLS, SENIORS AND OTHER CRITICAL SERVICES**

The savings from Measure 29 is money that would otherwise have to be paid by every state and local government agency, including every school district in Oregon. That means more desperately needed funding for our classrooms, senior services, health care, mental health care and other critical services all without raising state or local taxes.

### **WHY DO WE HAVE TO VOTE ON MEASURE 29?**

The most cost effective way to refinance our public debt is through general obligation bonds, which requires a technical change to the Oregon Constitution. Without Measure 29, we will have to use more expensive methods.

As voters, we sometimes face difficult choices on the ballot. This isn't one of them.

**VOTE YES ON MEASURE 29**



**"It's a sensible plan that should result in substantial savings..."**

*The Register-Guard, July 21, 2003.*

*(This information furnished by J. Kevin McAuliffe, Committee to Save Us Money.)*

---

## **ARGUMENT IN OPPOSITION**

### **DON'T USE CREDIT CARDS TO PAY OREGON'S BILLS VOTE "NO" ON BALLOT MEASURE 29**

#### **\* PAYING BILLS WITH A CREDIT CARD**

During a severe spending crisis, do we want to give politicians a new credit card to pay off Oregon's PERS debt? A card that will take a generation to pay off and will only be paid with new taxes? A card with a balance that can increase along with your property values - All to ensure that Oregon's public employees enjoy a retirement plan that's probably better than the one you have? That's what Ballot Measure 29 does.

#### **\* A TAX TRAP**

Measure 29 is a new tax. Supporters say it will save money by refinancing some of the state's PERS debt at lower interest rates. But the legislature will simply squander any savings realized, leaving you and your children holding the bag for billions of dollars. Where will this money come from? Answer: NEW TAXES, money you could have put toward your own retirement. Higher taxes will also make it harder to build future support for schools, the elderly and public safety. Low interest rates are simply the bait used in this clever tax trap. Don't be fooled.

#### **\* SPENDING REFORM IS A BETTER ANSWER**

State spending is growing at an unsustainable rate, faster than personal income. Little accountability exists - There are no outside audits of most state agencies, no formalized systems of zero-based budgeting and no systematic cost controls. Meanwhile, state assets like the SAIF corporation could be sold to retire billions in debt. PERS itself could be terminated for current workers and replaced with 401k-style plans, like the ones many Oregonians already have. Through spending reform, we can use savings to retire Oregon's PERS debt over time. Don't mortgage your children's future. Vote NO on Measure 29.

**Force legislators to institute spending reform NOW.  
Don't give them a new credit card!  
VOTE "NO" ON MEASURE 29.**

*(This information furnished by Richard P. Burke, Libertarian Party of Oregon.)*

---

## **ARGUMENT IN OPPOSITION**

The PERS is bankrupting our state, forcing school closures, causing loss of care for the mentally and physical impaired and driving business elsewhere.

The Oregon Public Employees Union created this scheme, the PERS retirement system, whereby all persons who could control it, the Governor, the Legislators and Judges are members. PERS has created a chasm in this state between "they, who receive it" and "us, who pay for it".

With some 260,000+ members and control of our governments, PERS is a formidable political force making it impossible for real reform. In 1994, the voters passed Measure No. 8, which would have limited the PERS pensions. The Oregon Public Employees Union challenged the people's vote in the State Supreme Court. The court and the Attorney General, representing the voters, were all members of PERS. It is little wonder, that the we lost.

PERS pensions running as high as 130% of salary, annual increases, subsidized health and dental insurance making it one of the most expensive pensions in the nation. Some of the PERS members are retiring at an early age, then rehired back to their old job, thereby taking jobs way from people, who are in real need.

Recently our school district with others issued 1.8 billion in PERS debt bonds without a notice, hearing or vote. Measure 29 is asking you to approve an additional 2 to 5 billion more in PERS debt bonds. All this just to put another band-aid on the PERS hemorrhaging financial condition.

Our government's betrayal and lack of empathy towards its citizen has to be stopped. By voting NO! on Measure 29, you can start the process.

P.S. PERS pensions are state tax exempt and will not be paying their fair share of this bond.

*(This information furnished by J.F. "Mac" Macdonald.)*

---