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## Summary:

Proponents of Measure 97 claim the measure would generate \$3 billion annually for public education and other social services. But legislators are not required to use the money for those purposes. They can, and likely would, use it for whatever they wanted.

Word Count 437

*“...[E]very two years, 90 legislators show up in Salem, and they each have their own priorities. Once you put a pot of money on the table for them to spend, it’s game over.”*

## Measure 97 and the Mirage of School Funding

*— Voters are destined for disappointment*

By John A. Charles, Jr.

Proponents of Measure 97 have consistently claimed that if the measure passes, it will generate an additional \$3 billion annually for public education and other social services. Judging from the comments I’ve read in various Oregon newspapers, many people are falling for this argument.

Apparently none of the letter writers have ever watched a legislative appropriations hearing. These are the meetings where a tiny group of senior politicians sit in a back room and decide how to spend billions of dollars. I’ve watched hundreds of such hearings, and the most predictable outcome is that politicians will spend money in front of them on whatever they want.

Let’s just take a simple example. Oregon was one of 44 states that sued the tobacco industry in the mid-1990s to recover the health care costs associated with smoking. Plaintiffs claimed that the tobacco industry had long been imposing uncompensated costs on states in the form of health care for smokers who became sick from use of the product.

The suit was settled through adoption of a Master Settlement Agreement (MSA) with the four largest tobacco manufacturers. As part of the agreement, each state was to receive payments every year from 1998 through 2025.

According to the plaintiffs, the estimated \$25 billion of MSA money was supposed to be used for tobacco prevention activities and health care subsidies necessary to treat smoking illnesses. But that was not a formal part of the agreement. Each state was free to use the funds in whatever way its state legislature approved.

In Oregon, total MSA funds received since 1998 have exceeded \$1.26 billion. Almost all of it was spent on programs that had *nothing to do with tobacco cessation or public health*. **Only 0.8 percent was appropriated for tobacco prevention programs.**

How could this be? They promised!

*(over)*



Yes, Virginia, they promised. But every two years, 90 legislators show up in Salem, and they each have their own priorities. Once you put a pot of money on the table for them to spend, it's game over.

Almost no one in the Capitol remembers what the MSA was, and, furthermore, they don't care. They only care about spending money for the stuff they want right now.

Measure 97 is a horrible tax proposal, for many reasons. It unfairly targets a small subset of all businesses directly, but hits all businesses and all of us indirectly. It taxes sales but not profits. It would be the largest tax increase in Oregon history.

But if voters ignore these concerns and approve it anyway because they think it will increase funding for schools, they are destined for bitter disappointment.

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*John A. Charles, Jr. is President and CEO of Cascade Policy Institute, Oregon's free market public policy research organization. This article originally appeared in the September 2016 edition of the newsletter, "Oregon Transformation: Ideas for Growth and Change."*

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Please contact:

Cascade Policy Institute  
4850 SW Scholls Ferry Rd.  
Suite 103  
Portland, Oregon 97225

Phone: (503) 242-0900  
Fax: (503) 242-3822

[www.cascadepolicy.org](http://www.cascadepolicy.org)  
[info@cascadepolicy.org](mailto:info@cascadepolicy.org)

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