

OPINION

Fix Oregon's budget before the job-stealing robots arrive: Editorial Agenda 2017

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Gov. Kate Brown speaks with Patrick Criteser, CEO of the Tillamook County Creamery Association and Oregon Business Plan Chair. (Stephanie Yao Long/Staff)

As riveting as Steve Brown's speech on the future of robotics was, you can't blame anyone attending the annual Oregon Leadership Summit on Monday for feeling anxious by the time he finished.

In roughly half an hour, he laid out the technological advancements that have quickly enabled the development of robots capable of mimicking human activities and how that could revolutionize - or decimate - the job market. Already, robots are stocking warehouses, flipping burgers, sowing fields of barley, laying bricks, weeding gardens, steering semi-tractor trailers down freeways and even dropping life preservers for water rescues. A future where robots can displace people in performing these tasks isn't so distant, warned Brown, a former futurist for Intel who now speaks on the intersection of technology, business and social trends.

His speech offered both a fascinating and fearsome glimpse of how dramatically robots are poised to reshape our lives. The state's next steps and strategies will determine where on that spectrum Oregonians' view of the emerging technology will land.

One thing is clear: the presentation lends new urgency to the imperative that Oregon's elected leaders tackle the state's long-standing budget woes. Unless the state addresses its skyrocketing spending and its volatile revenue stream, Oregon will never be able to make the investments in education, job training and social services needed to give Oregonians a fighting chance in a technology-driven future. With the nation's third-worst graduation rate and 10,000 high-school dropouts a year, Oregon won't even be in the game.

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The question of whether Oregon is "future ready" was the central theme for Monday's leadership summit, the annual gathering organized by a committee of business leaders that for 15 years has drawn elected representatives, entrepreneurs, educators and others to consider critical economic policy matters. But the most pressing concern, highlighted by Oregon Business Plan Committee Chairman Patrick Criteser was how to dig out from decades-old decisions that have profoundly shortchanged Oregon's classrooms and public services.

In contrast to last year's conference, in which Gov. Kate Brown demanded that the business community solve the state's budget problems, the governor seemed somewhat more receptive to the idea of pension benefit reform and curtailing spending. In an exchange with Criteser, she acknowledged the existence of a "structural budget deficit" that would require cost containment as well as new revenue. She said her office hopes to prepare proposals on shaving the \$25 billion unfunded pension liability in time for the 2018 short legislative session. And she even floated the possibility of revisiting a bill from last May that

would ask public employees to shoulder a small portion of the pension costs that the state now bears - something that employees in every other state already do.

While any progress is welcome, these are baby steps for a governor who is well versed on the magnitude of the budget crisis and the primary role that pension benefits play in causing it. Oregon's public employers - K-12 school districts, cities, universities, state agencies and others - must pay \$2.9 billion in the current biennium to the Public Employees Retirement System to help fill the deficit, according to the state. That jumps to \$4.1 billion for the 2019-2021 biennium and to a whopping \$10 billion in the 2029-2031 biennium - more than the state spends on all of K-12 education.

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And while Brown said her office is looking at how to convene businesses, labor unions, elected leaders and others to begin brainstorming fixes for Oregon's budget woes, that work should have started months ago. There's no reason Oregon must wait for Congress' resolution of possible

federal tax changes, as the governor intimated, to bring people together and build trust, identify goals and sketch out the logistics of how to achieve them.

Fixing Oregon's fiscal problems won't prepare Oregonians for the robotic future by itself. And it's hard to know how the state will react as businesses adopt new technologies that displace workers. Oregon has a long history of innovation, individualism and entrepreneurialism; at the same time, it's also a state that can resort to protectionist policies. This is, after all, one of only two states in the nation that bars drivers from pumping their own gas.

But until and unless Oregon makes structural changes to its revenue and spending problems, the state won't have a say in directing how the robotic revolution plays out. That's a future no one should be ready to accept.

- *The Oregonian/OregonLive Editorial Board*

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