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# GOVERNOR ROBERT W. STRAUB ADMINISTRATION

January 13, 1975 to January 8, 1979

## Inaugural Message, 1975

Source: Inaugural Address Governor Robert Straub, Oregon, 1975

Governor Tom McCall, Senator Mark Hatfield, Mr. Clay Myers, Mr. Jim Redden, members of the Legislature, visitors and friends.

Each of us this morning shares and extraordinary since of responsibility and purpose.

OUR will, lure energy and our skills are needed to make these institutions thrive.

We have been granted a rare privilege . . . the privilege of writing the next chapters in "The Oregon Story". And I need not remind you that the words, the phrases and the themes we choose eventually must bear the scrutiny of more than two million editors.

My administration is heir to a legacy enriched by the talents and dedication and respect for and my friendship with Tom McCall.

I am indebted --- as are all the people of Oregon --- to Governor McCall and his staff for the smoothest and most effective executive transition in memory.

I'm sure his wit and wisdom will continue to be one of Oregon's most valued natural resources.

The touch has been passed. And no fingers were burned.

Thank you, Tom.

I want to say to the members of the Legislature that the Governor's latch key will always be out. My door will be open and my welcome is extended to each of you.

And that goes for every Oregonian. We will continue the policy of an open administration. Good government is the studied process of sharing problems and solutions.

During my campaign I talked with Oregonians in every corner of this state . . . big city and small . . . farmer and factory worker.

The message I heard was unmistakable clear.

The most important immediate mission of this administration and this legislature is providing jobs for willing workers --- workers who, through no fault of their own --- have not seen a payroll check for weeks and months.

There is an economic chill across this land. And there will be no warming trend this Spring unless we are prepared to act now. It's time to turn from flow trend this spring unless we are prepared to aft now. It's time to turn from flow charts, trend analyses and ready five-year plans for economic recovery.

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WE cannot wait for others to do the job for us. We must apply every resource at our disposal and all the flexibilities in our system.

This administration has prepared an employment stimulation package and I urge emergency action before February.

With our approval, we can put 8,700 new jobs directly on line in necessary, productive work. When we apply the standard multiplier to those jobs, we can expect this program to general employment of another 10,300.

I am asking the Legislature for an extraordinary response so we can put workers on the job before winter's end.

To finance this package, we will ask for sizeable allocations from the State General Fund. And we will help local government pump in available federal dollars to activate manpower programs and more jobs.

My recommendation includes six elements, each designed to be a vital link in our problem-solving chain.

First, I am asking you to appropriate \$20 million from the General Fund money for an interest -free equity loan program to finance multi-family housing construction in Oregon and to generate 3,500 new jobs.

In a partnership program, the state will loan 20 per cent of project costs to the developer, interest-free. The developer and private lenders will finance the balance.

In return for the interest free loan, developers will be required to reduce rents on a certain portion of their units in order to help low income elderly and disabled persons find decent, affordable shelter.

This program calls for the construction of 8,400 units of housing at a time when that industry faces its bleakest hours.

Secondly, to further stimulate the housing market and then generate 2,440 additional jobs, I am urging the maximum home loan for veterans be increased from \$28,500 to \$35,000.

Third, I will recommend a forestry program that will provide employment for 500 workers during a five month period beginning February 1. It is to be financed by a \$1,750,000 interest-free General Fund loan to be repaid by the State Forestry Department for timber sale revenues over the next 20 years.

Fourth, I am recommending a vigorous program of new construction to bring more jobs on line as well as turn our attention to long-neglected areas of need.

I will ask the Legislature for appropriations of \$1,570,000 in General Fund money for much needed construction at the Oregon State Fairgrounds. Fifty jobs will be created by this activity.

I am urging an early start of construction of necessary improvement at many of our state colleges and universities. Construction, in many cases, can begin this Spring, if Legislative approval comes early this session.

Cost of this program, \$15,600,000, has been recommended in the higher education budget. It will create an estimated 430 new jobs.

Fifth, I am recommending a Change in the immediate priorities of the Highway Division from construction to maintenance and state park projects. We will use existing highway budgets for this program to create 675 jobs over the next two years.

Sixth, I will recommend a state program for stream bank erosion control projects to create 1,100 short-term jobs throughout Oregon. I will ask the Legislature to appropriate \$1,300,000 from the General Fund to underwrite 30 per cent of project costs.

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Benefiting landowners will pay 20 per cent and federal dollars will comprise the balance.

This is my plan for attacking the immediate economic problems that set us. I ask that these proposals receive your careful attention and prompt approval.

Rampant inflation has left heavy bookmarks on every segment of our economy. The shrinking value of the dollar has taken the heaviest toll among those least able to fight back.

Therefore, I am submitting to the Legislature a proposal to adjust the personal exemption on state income tax filing from \$675 per dependent to \$1,000. I am asking for early implementation.

This tax cut, when applied to a family of four, with a gross income of \$10,000, will mean a \$91 tax cut, based on the average tax return.

Revenue losses will be offset by keeping the \$3,000 federal tax deduction limitation.

The State Department of Revenue =, at my request, will speed the processing of income tax and property tax refunds to put \$140 million back into Oregon's economy on a vastly accelerated basis.

State and local government must develop better ways to use the federal dollars that are available to help solve the unemployment crisis.

The Federal Concentrated Employment and Training Act has made more than \$1 million available to state manpower sponsors to put people back to work. And more CETA funds are forthcoming.

For a variety of reasons, many agencies have been unable to clear channels so that CETA funds can be turned into paychecks.

I have assigned this channel-clearing responsibility to a person who will be directly answerable to me and who will act with the full authority of the Governor's Office.

At the outset of budget deliberations, we faced requests that exceeded General Fund estimated revenues by \$377 million.

Our budget is not only balanced. It is a "hold the line" budget. We have been frugal. If any state agency is happy, we have not heard about it.

Agencies subject to my budget control asked for 8,811 additional full-time equivalent employees. We approved only 1,567 ongoing FTE positions. Instead of the 8.4 per cent increase in ongoing state positions experiences in the last two biennium's. We approved an increase of 4.3 per cent.

As you know, the Executive Department and various state employee groupware now in collective bargaining for salary and benefit adjustments.

I am convinced that reasonable salary adjustments are in order. In July, 1974, state employees revived an across-the-board salary increase of 4.85 per cent. But during the prior year, the consumer price index in Portland increased 14 per cent.

The net decrease in purchasing power of state employees was a minus 9 per cent.

At the same time, surveys by the State Executive Department show that salaries paid by the State of Oregon consistently have lagged behind salaries paid by private industry for comparable work.

That lag today is about 14 per cent.

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I am recommending that the Legislature approve our budget requests for a 5 per cent salary increase on February 1, 1975; and additional 10 per cent increase on July 1, 1975; and an 8 per cent increase on July 1, 1976.

I believe a 23 per cent salary and fringe benefit adjustment for state employees over the next two years is justifies and reasonable, and can be supported by our proposed budget.

In the areas of Basic School Support, I will propose that we appropriate 27 per cent of all General Fund resources. This will increase the state's appropriation by nearly 25 per cent and will reflect a slight increase in the state's share of total school costs.

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IT is impossible, at this point, to calculate what total school costs will be. They are increasing at an appalling rate and the state has no mechanisms to control those costs.

I have, however, instructed a member of my staff to prepare and analysis of the disturbing increase in numbers of non-teaching school personnel and to probed me with appropriate recommendations.

I fully expect Oregon to continue to lead this nation in pioneering enlightened ways to limit man's excesses in his environment.

Oregon's new Land Conservation and Development Commission is turning a new furrow in unplowed ground. In striding toward our goals of statewide land use planning, we will make some mistakes. There will be controversial decisions.

Our goals are reachable and I urge that we work for full citizen involvement and strong legislative support for LCDC. And I strongly urge the Legislature to approve my recommendation for a sharp increase in the LCDC budget to \$6.1 million.

More than 70 per cent of this money will go to local governments to assist their efforts in land use planning.

The energy shortage will be with us for the rest of our lives. We are obliged --- for own sake and for future generations --- to develop new and effective ways to ease the critical imbalance of energy supply and demand.

To that end, I will recommend, in a separate message to the Legislature, a reorganization of state energy efforts in conservation, allocation, and site planning and development.

I will, in a forthcoming series of special messages, present a number of recommendations in other important areas: human resources, transportation, natural resources and the environment, education, and housing.

In the vital area of human resources, we ask for Legislative approval of sizeable increases in aid to depended children welfare funding to increase payments up to 90 per cent of need standards in July, 1975. That will be a substantial increase over the inflation-riddled 80 per cent or less of need standards that we anticipate next June.

I will have special message that will offer suggestions to improve our delivery of quality health care at reasonable costs. And we will recommend systems of cost review in health care services.

Today, more and more Oregonians are being priced out of needed health care. More than one out of six Oregon families simply can't afford adequate care. The average wage earner has to work twice as long as he did in 1950 to earn the cost of one day in the hospital.

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Taxpayers, who pay 40 per cent of all health care expenditures, are bearing an intolerable burden of even-increasing costs.

We can --- and we must meet this problem head on.

We need to reaffirm our commitments that every public employer in Oregon --- and that includes us --- take affirmative action to hire qualified applicants regardless of race, sex or disability.

Any kind of discrimination is not only unfair, it's also a waste of a lot of talent. And in these times, we can't afford waste.

Changes are needed in our Willamette Greenway Plan to bring us back to the original intent of the program: to preserve this magnificent resource now and in the future. In the next few weeks I will forward to you my recommendations on proposed changes in the plan.

There is an old saying: "Justice delayed is justice denied."

In the sense that every citizen has legitimate expectation from his government, "Service delayed is service denied".

I'm sympathetic with the letter writer who asks me why one state agency has not issued a building permit for a project approved by another state agency last June.

Or why a businessman's invoice must be signed off by so many different people when he sells goods or services to a state university.

I sense a growing and, in many cases, a justified frustration among Oregonians with delays in state service, delays in decisions, delays in rulings.

When the mechanisms of government falter, it matters not whether the blame falls on a big wheel or a little wheel. Each of us --- administrators, clerks, executives, laborers and secretaries --- must never forget the role of the public servant and the identity of our employers.

OUR response to public needs should be prompt, crisp, clear and effective. Let us measure the quality of our performance by taking the part of the person on the receiving end: Was the service fair? Was it Prompt? Or were we stamped, computerized, filed and forgotten?

By our own examples, this administration will instill a new sense of urgency and visibility in delivering our one product: Service

In closing, let me say that I look to the future with confidence and enthusiasm. The new pages of "The Oregon Story" will record the ways in which a dynamic, independent people again proved they cannot be overmatched.

Let these next chapters reflect not only our determination to prevail but that we did, indeed, prevail.