

11/16/89



GREGG / FRED / ROGER /
SHARON / PAUL ...

Neil's remarks
at Springfield
News last week.



Lee

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Lathy -
for Neil's
files

Lee

EDUCATION/SCHOOL FINANCE

QUESTION: I don't think anybody would disagree that the economy is in better shape to day than it was when you took office. Certainly some of it is because of things that happened anyhow. Other things I think on Economic Development your administration has been effective. You've mentioned school finance a couple of times. That's got to be a frustrating area.

GOVERNOR: Let me tell you what I think about school finance. I said this when I was running. It turns out I have been partially wrong and partially right. I had watched very carefully, when I was Mayor I worked with Tom McCall and campaigned with him on the school finance plan and it lost. He is the most popular Governor we've had in my lifetime. He was just really in good shape. He spent two years putting together one proposal and it got beat by a landslide, the McCall Tax Plan. He was so depressed his people said he wanted to resign. I started talking to people about it and said listen Tom no Governor since the war has ever won a ballot measure. Then we watched after Tom left when Straub was in and he didn't win and Atiyeh had eight years and he didn't win a single thing. I campaigned for the sales tax and it didn't win. And that includes Jason Boe's different version of the safety net and so on. I said to the leadership of the state, what do you say we take this in pieces? My first session started about 60 days after I was elected. We didn't have time to mount a full scale school finance plan and frankly if we had it wouldn't of made any difference because the public wouldn't of been connected. We went in and said why don't we stop school closures. It will put an enormous pressure on the state to finance the schools, which is probably what we need to happen, but we've got to stop this New York Times, L.A. Times stuff about Oregon's schools closing. Frankly, it isn't solving anything to have the school districts with guns at the heads of their voters saying pay or we're quitting. It's a substitute in many cases for good communications. We passed the safety net which people are badmouthing but actually go take a look at how few districts are still in the safety net. Go take a look at what's happened for example in Bend and Redmond where they finally went in and talked to their voters and they passed it. The David Douglas School District first tax base in a decade. The leadership has finally said we have to do something. One.

Two, we said we would come back with the next step which was going to be in a three step process, we thought maybe we could get the voters to agree to tax bases which would eliminate all these local ballot measures going on all the time and essentially leave the state alone with the property tax relief share of this without the voters just being sandpapered every week. We were wrong. It didn't work. People said it wasn't a big enough solution or whatever they objected to.

The lesson that I learned through all of this is no one has been able to find 50% of the voters plus one, or 51% whatever you want to pick as your target, of the voters to pass it. Why? One, nobody trusts the Legislature or me as far as that's concerned. They are convinced that what every tax proposal we talk about what we mean to do it put in a new one and keep all the old ones. When they're done they won't have less they have more, whatever way you look at it. It won't even be a break even deal.

The second thing is and I've been doing focus groups, if you were to summarize sort of in one line, you can't, but if you were going to try and I had to pick one line out of all my conversations with adults, some have kids in school, most do not if you look at profiles of society on a sample basis. The question they asked is, are we getting our money's worth? If you've got two sentences the second sentence would be, why do I have to pay for social services for other people who won't take care of their kids?

QUESTION: Do you blame them?

GOVERNOR: No I don't blame them but I'm trying to describe a different problem which is to get 51% of the votes this is not just a property tax problem. We've never been able to find a tax anybody would trade for the property tax. Even if it was a straight trade. Why? Because these other questions are here.

QUESTION: The thing of it is that second part of it though is they believe that tax is going to be added on.

GOVERNOR: No, that's the first part. That's the tax issue. That's the part which they say you can't persuade them that they are going to be traded or less they always think what every you do it's going to be more. That's the tax part. I don't think you'll ever get 51% of the people who vote for a change in the system unless you can answer the first question, the one you just raised and answer the question about are we getting our money's worth and are we really going to have to pay for all this other stuff because other families aren't taking care of their kids.

They are both separate tracks, separate discussions, they are both going on in the minds of the same person quite frequently and as soon as you think you've answered the question about the tax or as soon as you think you've answered the question about the money's worth the other one pops up so why the hell do we keep submitting measures that only deal with one of the issues? That's all we've ever tried.

QUESTION: What's the solution?

GOVERNOR: I don't know. If I did I would be a rich man. I'd just retire and be a consultant and they'd pay me a fortune to solve this once.

Think about this. If you had a chance to vote on a measure which said the following. Before I say that let me tell you the rest of my conclusions. If we fix the tax problem we will only marginally affect the the quality. If we fix the tax problems there are no guarantee that more than 73% of the kids will graduate.

I want to tell you why because people do disagree with me. I believe that to be true because stability which is what you buy by the tax change, in other words you get stability and equity, fairer distribution of the money. Rich district, poor district, and you don't get school boards spending all their time going to the voters for more dough. Those are the two things you get out of this tax fix that produces property tax relief and is substituted some other revenue. You get fairness to the taxpayer, fairness on the distribution side in theory because you're going to take care of the rich district, poor district problem and predictability by school boards in theory that are going to worry about education now instead of the other. But they don't have any more resources. They still have kids that are two years behind their entering class in language skills showing up in the first grade and the probability that they will funk out or drop out is still very high. Which means that you now paint all this money. You've got a perceived fix and the next thing somebody does is say you've got to pay more. In a way its the big lie. Its the most dangerous lie of it all that you told yourself that you fixed the system when you didn't do it and frankly the publics already figured out the argument. In here they know whats going on. They don't like it. They will sit in meetings like these focus groups when you say to them what do you think is going on or what do you feel good about or what do you feel bad about. After this woman who said, I think a single parent head of household, I taught my daughter to read. Why aren't these other kids ready? I went to the school to take a course on sewing and all the sewing machines in the school district were better than any sewing machine I've ever owned or ever will own. How come they don't have any money. They have all these rich things? Then we get into a discussion about the kids and the families and the drugs and on and on and on and by the end of the session it is now starting to make a u-turn and people are starting to talk about but my god what if we don't do it and we've got this problem, my kid grows up and we've got all these people on welfare and they can't hold jobs and da, da, da, da, da. They are very thoughtful people and they are angry and frustrated but they are very decent and they are really worried about it. What they want to know if can you do this and give me my monies worth? Can you do anything about this?

Let me tell you conclusion one. Any conversation that starts with taxes is over fairly quickly. Any conversation that starts with how do we assure people they are getting their monies worth, how do we assure quality and how when we are done do we assure people that maybe 90% of the kids will graduate or an equivalent, is a conversation people are prepared to have even if they aren't sure what the answers are. If I could figure out how I could do that, I've thought to myself, how do I increase the chances that I can take the people who want property tax relief and the people who want these problems solved, but them together and get 51%. Some care enough about this one to swallow a little hard on the skepticism about the other one. Some people care enough about property tax relief, not everyone believe it or not, but maybe together there is 51%.

I'll tell you what I've been doing. The end of it is I will deliver in my budget a school finance plan. I have to have my budget printed by the middle of December. This is a long hard process. We started meeting with teachers in grades kindergarten through five and parents and community people and then come administrators, principals and school board members and we are trying to see if we can draft a performance agreement between the educators in their community.

Its quite interesting if you sit in a room with primary school teachers (voice says: my wife is a kindergarten teacher) and when you say to her can she tell something is going wrong and what does she say (sure) and then she has a younger brother or sister and the kids now four grades up and the problems more evident than ever and she says I told you this ones going to have trouble and is now I'm going to tell you this ones going to have trouble. We are going out doing these with teachers after school or on lunch hour. We are going out and saying if you could have anything you want, thats the first step, what would be on your list? And all they do is raise their hands and say if I could have something this is what it would be. We have a master list and we are going to go price it, implement your idea on a statewide basis. Everybodys idea gets to stay on the list. This will be true for principals and families. We are going to price them. Then were taking them back again and say this is what is costs to do what Susie Smith in McMinnville wanted (we are taking programs right?) Well it might be anything from class size, buying smaller classes in kindergarten, first, second and third grade. It could be a parental involvement coordinator. It could be social services we currently provide instead of offering them in a different location actually put them in a school building. We could have a program like Missouri does called the parent is the first and best teacher which is really an active program to help parents teacher their children. Look we've got pages of this stuff. We are going to price as many of them as we can figure out how to price. Then we will put them back basically in no order on a list and then we are going back to the teachers and say now look, we need to make a priority list now. You can eat up every dollar just on class sizes or something else you'll rank ahead of it and we'll do the same thing with other groups.

When its done the question they were asked to start with is would you be willing to sign an agreement that with a certain amount of resources you could increase substantially the probability that the kids you deliver to the sixth grade will have a better chance to graduate from high school. That is, its 73% now with certain resources do you think you could get us to 90%?

I don't want to give you the list today but not surprisingly a lot of it has to do with things that happen before the kids show up in kindergarten. (absolutely) Thats on our list. When this is done what we are going to try to do is develop the performance contract to the point that it is literally a contract for quality for performance for excellence, in which we've empowered the teachers, supported the teachers tried to give them within financial reason some additional resources and we will put this on the front end of the property tax program. And to say it folks, we are not going to lie to you. We can't fix the property tax, just trade taxes and graduate 90% of the kids. But we can do this contract in which your teachers, because they love the teachers. There is no bad mouthing the teachers, if you will give them these resources they will promise you this product and we'll fix the property tax problem at the same time. Thats the goal.

(The thing is thats going to be a tough row to how. These kids, my wife teaches in a depressed area, its not what happens when the kids are at school in kindergarten its the way they arrive and at times she just hates to send them home)

Survival skills. Do you believe she can increase the chances these kids will graduate without us doing some more. I mean on things we do before they get to school. (absolutely) On after school programs and so on. I think we can affect the kids. If we can't then I think the country is in big trouble. Because thats our workforce. We have to have these kids we don't have a choice.

(thats the front end of crime control)

We are building prisons at 100 miles an hour and these kids are filling them as fast as we can build them.

Anyway, I didn't say I was right but I am very tied of the same old rehashed baloney about taxes because in the end when people say what about my monies worth. What is getting my monies worth mean? It means that the kids who graduate are capable of working and being independent and surviving in the world they are going to face and a lot of kids are capable of doing that. It means that the society they go to live in doesn't create so many people who are dependent that the people who have jobs can't afford to have anything because they are paying so much money to take care of these folks who should have been taken care of in the first grade. It means different things to different people. In the end I don't think the prescription

for success in Oregon is being average and the state strategic plan which the business and professional and other leadership in the state developed basically says our goal ought to be the best workforce in America by the year 2000. The best workforce in the world by the year 2020. Its all got to focus in the beginning at least on education.

(Thats a noble plan but I think it is outside the school and I think it is at those younger ages. Its going to have to be before and after school type things. I wonder if they will buy that?)

I don't know but they in this case -- I'm not proposing to take something to send to the voters. I am proposing to draft a plan which I take to the Legislature and they pass.

(Whats the incentive)

Because the voters can refer it any time they want. Some portions of it would have to be referred, I don't mean none of it. For example, if the plan, and I don't know today if it will or not, this is the part Carl Hosticka and Jane Cease and the Legislature are working on which is the money side of it. What for example would happen if we did all of this and part of the tradeoff to encourage the voters to vote yes were a measure referred to them in which they permanently reduced the 6% growth on the property tax to four or three for schools not the local government. Because the state were involved enough in the financing that the growth in the property tax for schools were not only take it down to what ever number the state substituted but the growth rate of the property tax from that point on wouldn't compound at 6% a year automatic. Thats an option that Hosticka and those folks are looking at. You have to send that to the voters. Please don't run that one up a flag pole in the papers because what I am trying to talk about it not a proposal but what has to go to the voters. Thats a constitutional amendment. The Legislature cannot adopt that by statute.

(This is the 1991 Legislature?)

Sure. The point again is when is the time for Oregon to do this? When your on your butt? No, the time is now. Look at what we had on our list when we started this last two sessions. No prisons in the pipeline. Mental Health and Human Services basically deinstitutionalized their people. Sent them out to the counties and sent no money to take care of them. Mental Health capacity has dropped and you can see it in the people in the street. A third of those people in the street that are homeless are mentally ill that ought to be in our programs. Nothing had been done there. This is the thing John Ball from Lane County chaired the inpatient psychiatric commission and we came into this legislature and we've got a program started back the other day.

We probably have a 25% increase in mental health resources. It will take years to get back what we sliced out. Children's Services Division - child abuse cases. We didn't have enough caseworkers to answer the telephones from school teachers that are calling with abuse cases. We added 83 people, caseworkers and support people in this session. About a 25% increase in drug, alcohol, caseworker programs, family services. All this stuff in CSD. This is an investment in people issues. This is the argument I am having with Cub Houck in the Senate and Larry Campbell in the House. They keep talking about the expenditure limit like god sent it from Mt. Sinai. What this is about are these kids in the street. Its about the fact that we can't replace the faculty we've got at the U of O with the salaries we can offer because we were once in the top 25% . We are now in the bottom third. If we don't make these investments, corrections, mental health, children services, early education we aren't going to get wealthy. We've added a 100,000 jobs. Basically we are growing faster than the national rate and finally our personal income is coming up. If you think about it we are below the national average in personal income in a state that has the second highest SAT scores in the country three years running. Why? Because we are exporting the best kids. They can't find new jobs.