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Cracks in the Dam

The last decade has seen an explosive growth in the size and cost of state government. This is what happens when people elect so many “progressives” to office. For every problem, they have a new program. If a tax is supposed to be temporary, it becomes permanent. No matter how much you give them, they always want more.

Fortunately, that era may be coming to a close.

The reason is that progressive governance in Oregon has failed. It’s been failing for a long time, but now the disasters are too obvious to hide. All you have to do is drive around the state.

More than half of Oregon’s land mass is owned by the government. Which forest lands are over-stocked, unproductive, and prone to catastrophic forest fires? Publicly-owned lands.

The Oregon Department of Transportation has a monopoly on the highway system, making it a central planner’s dream. When was the last time a new highway opened? 1982.

The government runs a cartel of buildable private land in Oregon through the maintenance of urban growth boundaries. What has been the result? Rising land prices and a massive shortage of new homes. This was

predicted by knowledgeable people 50 years ago when the land-use system was about to be enacted.

Oregon’s economy depends on reliable, low-cost electricity. That used to be a hallmark of the Pacific Northwest, but we don’t have that anymore. Liberal politicians have waged war on fossil fuels for decades, while insisting that we build wind farms that don’t do anything 70% of the time. Utilities now face the threat of chronic power shortages.

Politicians have spent billions of tax dollars giving free services to homeless people, without asking anything in return. They seem surprised that the homeless population is growing.

Perhaps nothing has been as eye-opening to parents as Kate Brown’s forced shutdown of schools during the pandemic. Between the preferential treatment of school employees for vaccinations, and the politicized curriculum being foisted on kids, parents learned that education is not the top priority in government schools.

This November, voters will have an opportunity to demand something better. Kate Brown is termed-out, so the most important statewide elective office is open. We desperately need change. Although Democrats have won every gubernatorial election since 1986, Oregon

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has a large contingent of voters who are independent, Libertarian, or unaffiliated. In fact, taken together, those three groups exceed the number of individuals registered in either of the two main parties.

Many unaffiliated voters are not likely to be attracted to Tina Kotek, who is the Democratic nominee. She is the candidate most like Kate Brown, and I'm not sure there's a big appetite for more of the same.

Unaffiliated voters have two reasonable alternatives in the governor's race: Betsy Johnson, a former Democratic State Senator who is running unaffiliated; and Christine Drazen, a moderate Republican who served as Minority Leader in the Oregon House. Both are intelligent, competent women, and both have raised enough money to campaign effectively. Most importantly, Drazen and Johnson are fierce critics of the status quo, and willing to chart a new path for Oregon.

I think many registered Democrats are disheartened by what has happened to Oregon, especially because they enabled it. Year after year, they supplied progressive politicians with all the money and power they wanted, and things got worse. It reminds me of a line from one of the Jason Bourne movies, where a curmudgeonly official says to the head of the CIA: "We gave you a Ferrari, and you treated it like a lawn mower."

I'm not expecting Oregon voters to flip from Blue to Red in one election, but I do think many of them will be choosing competence over ideology, in the governor's race. That's a pretty good start.



John A. Charles, Jr. is President and CEO of Cascade Policy Institute. He can be contacted at john@cascadepolicy.org.

A Summer at Cascade with Mia Tiwana

Last year, I concluded my summer internship with Cascade Policy Institute wishing for more time with the team. Based on Cascade's steady stream of high-quality work, many don't realize that the staff size is relatively small. They impressively cover many policy issues, and still make time for young people like me to participate in research. The executive staff weren't afraid to put interns on the front lines— a different experience from my other internships. It made all the difference; under Cascade's guidance, I immensely grew in my investigative research, writing, and presentation skills. As I've grown deeper in my knowledge of the policy issues facing Oregon today, I have become even more passionate about advancing freedom across the state with Cascade.

Coming back to Cascade, I hope to continue informing Oregonians about what is really happening, what could change, and why it should change. While diving back into the same type of work this May was an exciting prospect, I also hoped to explore some of my interests. This past academic year at Notre Dame, I took two classes that covered energy policy and education policy. The executive staff was happy to oblige my interest in these topics, and I get to apply my knowledge to several projects for the next few months.

Smaller projects I've completed include research on affordable housing and Portland's 2022-2023 budget. I calculated that Portland and Metro's affordable housing projects, subsidized by housing bonds, are more expensive than originally planned. For example, Portland is partially subsidizing 15 buildings, where construction costs have crept up to an average of \$350,000 per apartment unit at the expense of taxpayers. I've also researched budget line items for Portland's upcoming fiscal year. This includes an extra \$35 million the city received from unexpected tax revenue. Under Mayor Wheeler's discretion, this money was allocated to different city interests, and I learned more about which groups hold political weight.

I have two larger ongoing projects. First, I am researching various regulations being put in place by our elected officials to try and coerce all Oregonians to drive expensive, allegedly "clean" electric vehicles. I recently wrote and submitted comments opposing Portland's proposed "Electric Vehicle Ready Code" draft. This code would mandate new multi-dwelling and mixed-use developments to include EV charging infrastructure in half of their parking spaces. Proponents of the draft claim the Code will provide equitable access to EV chargers for lower-income apartment dwellers. In reality, the Code is just more bureaucratic red tape that will discourage new development and hurt housing affordability.

I am also researching Education Savings Accounts (ESAs) to support Cascade's efforts to expand school choice in Oregon. Despite Oregon Department of Education's extensive funding, the state consistently fails to help many children meet basic benchmarks in subjects like reading and math. The money should follow the child instead of getting lost in the public school money pot. Even though public opinion has favored school choice in recent years, the Oregon legislature has rejected any bills introducing ESA programs. My work consists of gathering data from other states' ESA programs to find relevant arguments and counterarguments for bringing ESAs to Oregon.

I am grateful to Cascade for having me back this summer!



Mia Tiwana completed Cascade's internship program in 2021 and is returning as a Summer Junior Policy Analyst. Mia is a senior at the University of Notre Dame, where she is majoring in theology and political science.

Opening Doors of Opportunity for Oregon Students

For more than 30 years, Cascade Policy Institute has advocated for school choice for all Oregon families because parents should be “in the driver’s seat” of their children’s education. But did you know that Cascade does more than promote educational opportunity at the policy level?

In addition to school choice advocacy, Cascade expands education options for children today, through a partial-tuition scholarship program called the Children’s Scholarship Fund-Oregon. Since 1999, CSF-Oregon has offered scholarships worth \$3.5 million to more than 800 lower-income children.

Cascade’s CSF-Oregon program is an independent partner of the New York-based Children’s Scholarship Fund (scholarshipfund.org). CSF and its partner programs provide scholarships to lower-income families so their children can attend tuition-based elementary schools they believe will help them reach their full potential.



Families’ school experiences during the pandemic, and a renewed public focus on the quality and content of K-12 education, have made it clear that parents urgently need more choices. Whether their children were not learning effectively during the pandemic, or they don’t agree with what’s being taught in classrooms, parents in Oregon and across the U.S. are demanding a meaningful say in their children’s school experiences. Students need options now that meet their educational needs.

For 23 years, the Children’s Scholarship Fund’s motto has been “giving parents a choice and children a chance.” The core value of CSF and partner programs like CSF-Oregon is that parents are the first educators of their children. When families with limited financial means are offered a scholarship partnership that empowers them to make crucial education choices for their children, options open for a brighter future for their students.

CSF-Oregon scholarships are designed to “make the difference” for families who wouldn’t be able to afford private school tuition without some help. Participating parents always pay some tuition themselves, demonstrating personal investment in their education choices. CSF scholarships are a partnership with parents who believe a quality elementary education puts students on the path to success in life.

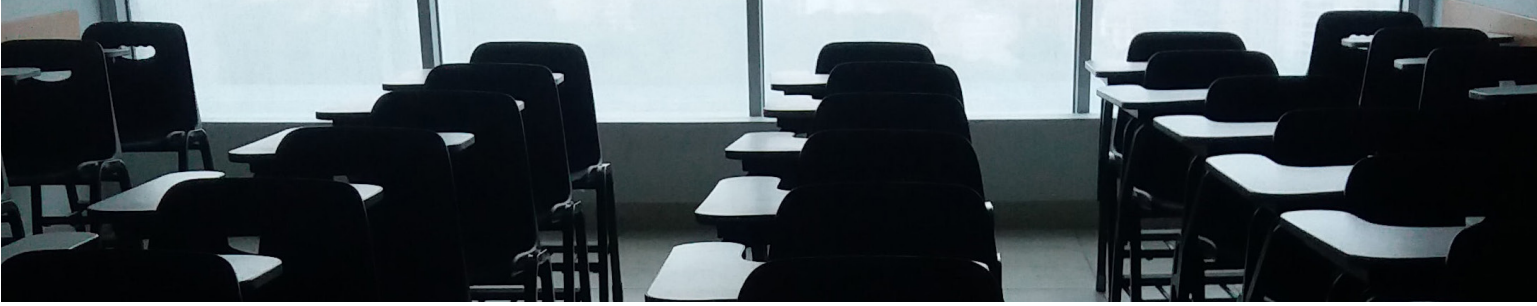
Cascade Policy Institute raises all scholarship funds independently of our other programs, and every dollar donated for CSF-Oregon is used 100% for scholarships. If you would like to know more about the CSF-Oregon program, please contact Cascade Policy Institute or visit the program website: csforegon.org.

The Children’s Scholarship Fund’s founders often said, “If you save one life, you save the world.” CSF-Oregon has opened doors of opportunity to hundreds of Oregon students, who have been given the chance to learn and grow in the schools that are best for them.



Kathryn Hickok is Executive Vice President of Cascade Policy Institute and Director of Cascade’s Children’s Scholarship Fund-Oregon program. She can be contacted at kathryn@cascadepolicy.org.

The Mysterious Center for Black Student Excellence



We've all been there before. You open your Oregon ballot and there's yet another school bond measure. The school district promises the money will be used to repair existing schools or maybe to build a new school. You may agree or disagree with the measure, but at least you know where the money is going to go.

But, what if you had no idea where or how the bond money was going to be spent? It's a troubling trend in Oregon, and it's not limited to school districts. Over time, local governments have become more and more vague about how bond money will be spent. That's troubling because many bond funds are turning into slush funds with little accountability to taxpayers or voters.

Cascade Policy Institute recently published a report showing a clear example of this troubling trend within Portland Public Schools' latest bond measure. Oregon has strict laws regarding the use of bond funds for school construction, and the district's proposed spending on one item within its 2020 bond measure—the "Center for Black Student Excellence"—may be crossing the line.

*"What exactly is a 'Center for Black Student Excellence'?
The short answer is no one knows."*

In the early stages of the COVID-19 pandemic, PPS was putting together the last pieces of the 2020 bond measure. As the pandemic pummeled the economy, interest rates on government bonds plummeted. For PPS, the low interest rates meant the district could borrow even more money than originally planned.

The opportunity set off a cash grab. More money for curriculum. More money for Americans with Disabilities Act accessibility. More money to a rebuild a high school.

Then, somewhere along the way, one of the biggest expenditures from this windfall was dropped in at the last minute—\$60 million for a "Center for Black Student Excellence." According to one board member, that's equal to the cost of "two K-5s or at least a very good middle school." Despite the cost, the board unanimously voted to include the line item.

What exactly is a "Center for Black Student Excellence?"

The short answer is no one knows. No one. The school board calls it a "concept." PPS chief operating officer, Dan Jung, told the board the scope for the Center was "undefined." In May 2021, the PPS School Improvement Bond Committee received an update on the Center that described it as "concept" with "a vision."

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The district's adopted budget for the 2021-22 fiscal year allocated \$6.4 million for the Center. A presentation to the bond committee indicates the spending in the program's first fiscal year would be used to "launch, learn, ideate, test and refine" and make recommendations.

So, here we are. Two years after the idea for the Center was introduced, neither PPS board members nor its staff have any idea what it will be, where or when the Center will be built, what it will do, what it will accomplish, or how its operations will be funded. To date, there is no public record of any launching, learning, ideating, testing, or refining.

This is a problem. And, it's not just a political problem for what appears to be a floundering school board. It may be a legal problem for the district.

The district's forecast of expenditures indicates that at least 30% of the anticipated spending will be on community engagement, design, planning, and project management. These spending plans may conflict with the Oregon Constitution's requirement that bond funds be spent only on "capital costs." In addition, this spending may also conflict with Oregon law regarding school districts' use of bond funds.

The Oregon Constitution requires that bond proceeds be used for capital costs only. The constitution defines "capital costs" as costs of land and other assets having a useful life of more than one year, including costs associated with acquisition, construction, improvement, remodeling, furnishing, equipping, maintenance or repair. Oregon law requires bond funds be used only to (1) acquire, construct, reconstruct, improve, repair, equip or furnish a school buildings, (2) acquire or improve real and personal property to be used for district purposes, (3) remove or contain asbestos, (4) fund the payment of outstanding debts, and/or (5) provide for the payment of debt.

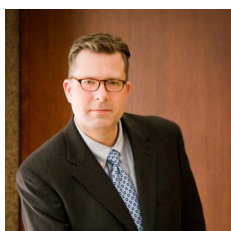
Nothing in either the constitution or state law explicitly allows bond funds to be used for community engagement, planning, or design. Because engagement is ephemeral and plans can be scrapped at any time, they have no meaningful "useful life." As such, spending bond funds on these activities could violate Oregon law.

PPS has been here before. In 1998, then-superintendent Benjamin Canada determined the district misused funds from its 1995 construction bond to remodel the district headquarters building and halted the remodeling project.

PPS should halt any spending on the Center for Black Student Excellence project until it receives clear guidance that its planned use of bond funds for the project complies with the Oregon Constitution and state law.

This is not just a Portland problem. Local governments are taking advantage of the pandemic to keep voters in the dark. The Washington Post likes to say, "Democracy dies in darkness." If that's true, then fiscal responsibility is the first to fall. Cascade Policy Institute is committed to shining a light on public sector shenanigans and you can help by staying vigilant and getting involved.

To learn more, read Cascade Policy Institute's report, *The \$60 Million Question: What Is the Center for Black Student Excellence?*, on our website: cascadepolicy.org.



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ARE YOU WONDERING
WHY HOMELESSNESS IS
UP IN OREGON?

OR WHY TRAFFIC IS
JUST
NEVER-ENDING?

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cup o' joe and listen now on your
favorite podcast platform.

Forming a New Generation of Liberty Leaders

According to a poll from DHM Research, a plurality of young Oregonians [ages 18-35] believe that socialism creates better outcomes than capitalism. It's not by a small margin either—45% of young Oregonians favor socialism, while a mere 30% favor capitalism.

On key issues like homelessness and education, a majority of young Oregonians also believe that socialism offers better solutions than free markets. These numbers should startle anyone who cherishes the freedom and prosperity that we enjoy today.

To protect the future of liberty in Oregon, it's vital that this younger demographic isn't ignored. That's why Cascade Policy Institute has had a structured internship program for college-aged students every summer since 2005.

Through our internship, we help shape young public policy leaders who can teach their peers about the virtues of free markets and limited government. By the end of the summer, our interns are equipped with the tools they need to advocate for liberty across Oregon and within their own generation.

At Cascade, interns conduct research to uncover politicians' broken promises. They write policy articles analyzing the state's biggest issues. They make their voices heard in the media by publishing op-eds and submitting letters to the editor at local newspapers. They appear on local talk radio programs and record short radio commentaries that air on business radio station 1410 AM KBNP. They even provide legislative testimony to state and local lawmakers.

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Eric Fruits, Vice President of Research at Cascade Policy Institute, guides interns on policy research projects during Cascade's summer internship program.

Former interns have worked to advance freedom at organizations like the Show-Me Institute in Missouri, the Fraser Institute in Vancouver, B.C., the Manhattan Institute, and the Institute for Justice.

Thanks to Cascade's internship program, our policy team is able to focus on a wide array of policy issues this summer that matter to Oregonians—from fighting higher taxes, to stopping the expansion of light rail, and everything in between.

This summer, our interns are focusing on three main projects:

- Demonstrating how Education Savings Accounts could expand Oregon students' opportunities by converting a portion of per-pupil state funding to portable accounts they can use to attend any school that best meets their needs.
- Researching how eliminating the age requirement to take the GED exam can expand educational opportunities for high school students stuck in a failing public school system.
- Digging into the I-5 Bridge Replacement Program's newly unveiled design and tolling proposal.

By donating to Cascade Policy Institute, you can help support these research initiatives and ensure that the principles of individual liberty, personal responsibility, and economic opportunity have a bright future in Oregon.

Make a gift to help support the next generation of free-market public policy leaders by visiting cascadepolicy.org/make-a-donation or calling 503-242-0900. Thank you for your generosity. Without you, our work would not be possible.