



STATE OF OREGON

INTEROFFICE MEMO

TO: Governor

FROM: Jim Sellers *[Signature]*

SUBJECT: Arlington Club, February 11

February 6, 1986  
DATE:

*Safety  
Initiative  
1/2*

Attached are the talking points you requested for your appearance before the Arlington Club.

The items are arranged alphabetically by category, which you can re-arrange in the order you want.

The categories are:

- /* Budget
- /* Business Openings, Expansions
- /* Commonsense in Government
- /* Economic Development
- Environment
- Higher Education ~
- Highway ~
- /* Jobs for Oregonians
- /* Keidanren Visit
- Lumber and Woods Products
- Oregon "firsts"
- Tourism
- /* Travel for Oregon
- /* Initiatives for 1986

- ① COMMIT OREGON FOR ECONOMIC DEVELOP.
- ② ~~PROTECT~~ CHANGE JUDGE OF OREGON
- ③ PROTECT THIS STATE TO HUMAN RESOURCES
- ④ REVIEW GOV. TO COMMON SENSE
- ⑤ REMOVE STREAMLITING
- ⑥ SEEK DIVERSIFICATION
- ⑦ CHALLENGE NEW SENSE LEGISLATION

ECONOMY SLIP IN U.S.  
 CALIF. 13% INFLATION 21% PRICES  
 RATE  
 REMAINS STUPID INFLATION - JOBS LOSS  
 TODAY SOME STATE REBOUND - OREGON  
 SLOWLY RECOVERING  
 BUT THEY WERE PRESENTED - OREGON WITH  
 NOT - TODAY OREGON IS REVALUED  
 WHILE CONSUMERS CONSIDER ANNOTATION  
 MY 2 OUL TIME & EMBLEM IN  
 KEEPING BUDGET BALANCED - KEEP  
 MY EYE ON GOV'S

- ④ PERSONAL PUBLIC BONDING
- BUILD DEPT.
- BUFFED UP PROFESSIONALISM
- LAND BANK
- ARTIST CENTER
- TODAY'S
- TODAY OFFICE / CTR. HIGHER EDUC. COUNCIL
- CITIZEN DESK

SMALL BUL. SETTING

(1) 10/26

# # #

Budget

Governor meets directly and individually with department heads to establish goals and write budget.

2. State government spending kept in check: State government spending power is at its lowest point since 1973-75 biennium..
3. Governors have called eight legislative special sessions in Oregon history to re-balance state budgets; this Governor has called half of them.
4. State government started using a computerized model to estimate tax revenues.

Commonsense in Government

Reorganization in state government.

Department of Human Resources:

- a. created Senior Services Division
- b. transformed DHR from a confederation of divisions into a unified department
- c. reorganized mid-management, reducing Director's office staff by 38 percent, freeing up much of \$8 million of cutback money for direct services to poor and dependent people.
- d. new technology introduced: e.g., Keith Putman about to introduce computerized eligibility system, which will permit would-be welfare clients to plug in data and learn whether they are eligible and, if so, for how much.
- e. moved Alcohol and Drug Section to Director's office to give it more visibility, greater Department-wide usage, more clout in dealing with other agencies in and out of state government; it had been in MHD.

1. NEC America groundbreaking
2. Fujitsu groundbreaking
3. Epson groundbreaking
4. American Electronics Assn. last year (Jan. 1985) cited Oregon as leading the nation in electronics-industry growth.
5. Other companies chose Oregon (but pulled back because of temporarily soft market): Fujitsu, National Semiconductor.
6. Wacker Siltronic planned expansions (and reasons for delay).
7. Statewide activity: Van Duyn in Eugene, Colby Plastics in Pendleton, Equatorial Communications in Klamath Falls, etc.
8. Hyundai Motors America selects Port of Portland as one of two ports of entry for new Excel automobile.
9. Hanna Car Wash Systems \$42-million deal.

10. Korean trade negotiator Kihwan Kim terms Governor "very instrumental in bringing together discussion between electronic firms here and leading electronic firms" in Korea, says several companies are considering joint ventures with Oregon companies. (The Oregonian, Mon. 2-3-86).

11. Current investment cases:
  - 195 new business inquiries handled in December, including 158 from two trade shows
  - 61 current cases, of which 12 are "active" (nearing a decision)
  - Cases are spread across 20 different Standard Industrial Classifications, including wood products, paper, metals, machinery, electronics.
12. Statewide nature of lottery-dollar awards (including to investigate potential of a metro-area convention center).

f. State hospitals internal reorganization, giving Dammasch responsibility for general patients and Oregon State Hospital responsibility for geriatrics, children, forensics.

Tourism Division moved from ODOT to EDD.

Consistent efforts to respond to business and citizens, to reduce paperwork, to cut red tape. Trade strangulation for regulation.

Commerce, which issues 140-plus licenses, consolidated eight forms into a single four-page form, only a part of which must be completed. No longer asks county of birth, maiden name of mother. Used to be 27 pages (PROP).

3. Adopted modified zero-based budgeting, automated budget system.

4. Telephone hearings increased hearings productivity 50 percent in Employment, Revenue departmentse.

5. Employee Suggestion Awards program reinstated.

- a. Total suggestions: 5,296
- b. Adopted suggestions: 1,136
- c. No. of cash awards 128
- d. Cash awards' value \$80,875
- e. Total annual savings \$2,521,169

#### Economic Development

Associate Development Organization contracts with -plus cities, counties, regional economic-development organizations.

2. Ports' cooperation.

3. Tourism Division moved to EDD from Transportation.

4. Keidanren visits to Oregon.

5. Unitary-tax-formula repeal.

6. Workers' Compensation premium reductions.

7. Streamlining land-use laws, giving Oregon greater predictability and reliability in land-use decisions than any state in the nation.

8. Industrial Property Inventory developed, computerized system to locate plant sites; judged fastest system in nation after only a few months' operation.

9. Economic Action Council.

6. Consolidated statewide court system.

7. Word processing advances.

8. Volunteers greater use to augment state staff.

9. Value-engineering clauses added to Highway contracts.

10. When Fred Heard recognized citizens confused Commerce with EDD, he alerted staff to respond appropriately; also published the popular booklet, "How to Start a Business."

11. Commerce freed up expensive space by cleaning out filing cabinets, throwing away 30 barrels of paper weighing 3,600 pounds.

12. Commerce sent questionnaires to its "customers" asking them to comment on Department's services; Energy has done likewise.

13. Employment Division alone cut paperwork by 37 percent in recent years.

14. Management studies: 150 performed since 1979.

Examples:

Callahan Center: Documented delay from injury to admittance, workers' low attendance, lack of patient follow-up. Governor's Task Force recommended closure in 1980.

OLCC: Analysis of liquor inventories reduced state investment in overstocks, obsolete and slow-moving merchandise, saving an estimated \$486,000 annually.

State Hospital: Misconduct investigated, leading to new management team, revised budget-spending plan, inventory of fixed assets, some savings.

10. Outer-continental shelf mining potential.

11. Movies:

"From Oregon With Love" a continuing success  
Movie filming in Oregon  
Commercials filming in Oregon  
\$6 million return to Oregon on \$49,000 investment in  
Film and Video recruitment  
Assembling statewide photo portfolio on Oregon  
EDD attends conferences of scriptwriters who filming  
locales

12. Veterans Affairs:

Since 1979, sold bonds worth more than \$4.3 billion.  
Since 1979, lent more than \$3.08 billion..

Environment

1. Showed Oregon, nation that environment & economy not an either-or choice.
2. First to propose protection for Columbia River Gorge; will carry case to D.C. later this month.
3. First-in-nation woodstove pollution legislation.
4. Hazardous wastes legislation.
5. Personally led campaign to maintain public access to 42 miles along the Deschutes River.

Higher Education

Governor's Education Mission (April 1985): first time governor led opinion leaders to every state campus.

2. Maintained budgets even in lean times.
3. Research "centers of excellence" won for state's research universities, plus money statewide for buildings, classrooms, salaries, other improvements.
4. Within 60 days after '85 Legislature adjourned, government and foundation grants exceeded \$26 million (some of it in direct response to Governor's initiative).
5. OCATE (Oregon Center for Advanced Technology Education) established for high-tech education in Washington County; may be expanded to other regions of state.
6. Higher-education research brings \$120 million a year to Oregon.
7. Impact of higher-education excellence on industry.

Highway Expenditures

1. Oregon highways in their best condition in a decade.
2. Gasoline-tax increases, and cooperation of state and local officials.
3. Gasoline tax increases being split with local government for the first time in Oregon history.
4. Oregon gasoline tax still lower than those of most states.
5. Gas-tax increase will provide about 500 jobs in 1986.
6. In 1985, state Highway Division contracted \$203 million in road preservation and improvement projects; cities and counties contracted for an added \$22 million. In all, \$225 million for 221 contracts.

### Jobs for Oregonians

1. Oregon JTPA program won National Alliance of Business award last September as best program in USA.
2. JTPA put more than 7,200 Oregon adults back to work in 85 alone.
3. Block Grants worth \$34 million awarded for 226 projects, creating more than 3,000 jobs since 1983.
4. \$10 million of Block Grants went to businesses, and will be repaid to revolving loan funds in local communities.
5. More than \$2.5 million in lottery dollars already at work saving and creating jobs statewide.
6. Seasonal unemployment rate at its lowest point in nearly six years.
7. 88,000 Oregonians have gone back to work since 1982.

### Keidanren Visit

Keidanren is an organization of Japan's most influential businesses and trade organizations.

2. Keidanren leaders visited Oregon in May 1984 as part of a 25-state tour, but only after Governor invited them.
3. In March, Keidanren leaders will be in USA on an 11-state tour, and Oregon was included in this visit without an invitation.

### 8. Home sales up:

- Metro-area housing sales in December was up 8 percent over November
- Metro-area sales in December were up 30 percent over December 1984
- Metro-area home sales for 1985 were up 13-plus percent over 1984.

### 9. Dwelling-unit building permits increased significantly in 1985 (over 1984):

Numbers rose more than 30 percent (from 8,184 to 10,658)

Dollar value rose more than 27 percent (from \$449.1 million to \$572.1 million)

NOTE: Most of increase is due to multi-family units, which a Housing economist attributes to anticipated changes in tax laws.

### Lumber and Woods Products

1. State moved quickly to modify timber contracts on state-owned lands, saving 1,800 jobs.
2. Governor repeatedly phoned and called on Reagan, Cabinet members to persuade the President to sign Hatfield-promoted bill modifying timber contracts on federal lands; Reagan had planned to veto the bill.
3. Mortgage-interest rates at their lowest point in this decade.
4. Oregon practicing sustained-yield practices, unlike some of our competitors in the South and Canada.

### Oregon "firsts"

1. Medicare waiver for nursing-home relocation and diversion program.
2. Lottery revenues for public works to save and create jobs.
3. Statewide wood-stove pollution legislation.
4. Governor making presentation to influential Keidanren in Japan.
5. Oregon's JOBS program has moved 21,000 off welfare, is most effective in nation (Massachusetts only other state with such a program).
6. Nation's toughest drunk-driving laws (documented by a national commission).
7. Oregon Food Share first statewide food bank, organized by Governor's office.
8. Conducting one-state-only food shows in Taiwan, Korea.

9. State agriculture department receives first Presidential "E" award for excellence in export

10. Land-use planning
11. Unitary repeal.

### Tourism

1. Tourism Advisory Council created.
2. "Oregon. You're More Than Welcome."
3. Seibu department store holiday promotion, 1985
4. Oregon Book published in Japanese, German.
5. Best-funded Tourism budget ever (general fund, Expo 86, lottery revenues).
6. Tourism shows frequently attended:
  - November: National Tour Assn., Reno
  - November: Largest travel show in Far East
  - February: Featured state, International Tourism Exchange, Berlin

### Travel for Oregon

1. Travel 35,000 miles annually inside the state.
2. Extensive USA travel to speak to groups and to meet with corporate executives. Examples: Meet with Saturn officials in Detroit, speak to World Affairs Council in San Francisco.
3. Visits to Japan, Korea, Taiwan, China, Egypt, Saudi Arabia, Israel, Syria, meetings with world leaders, two hours with Assad.
4. Tokyo trade office opened.
5. Plans for continued travel on behalf of Oregon.
6. Surprising how much visibility Oregon has won out of only two weeks' annual travel by Governor.
7. What travel means for Oregon: Governor knows Akio Morita, others; Oregon gains greater visibility with each visit; it was Governor who took new EDD director Kennedy to Japan to introduce him around.

8. Sister-state agreements with provinces of Fujian, Taiwan.

9. Free-trade advocacy, carried tariffs message each time visited Japan.

10. 26 governors visited Japan in 1985, 37 governors traveled overseas.

Initiatives for 1986

1. School tax-base proposal to prevent random closure of schools.

2. Liability insurance task force.

3. Governor's continued travels to market Oregon business climate, farm and manufactured products, tourism, use of ports.

4. Cushion impact of Gramm-Rudman-Hollings legislation.

5. Ports study.

6. Rail-abandonment task force.

7. Columbia River Gorge legislation (with Governor Gardner) while Parks Division buys up key available parcels in the Gorge.

8. Institutionalizing the gains Atiyeh administration has made.

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