

The Oregonian

THINKING BIG FOR OREGON

Page 1 of 3

CENTRAL POINT --

It's a big idea, bigger than you might expect to come out of a small, squat building a block off the main drag in this southern Oregon town. It involves an amount of money, and a number of people, more common to the computerized scorings of Salem than the thinking of Central Point.

But it's no bigger than what the people at the Rogue Valley Council of Governments think their region -- and their state -- desperately needs.

"Oregon invests in fixing potholes, not in changing paradigms," says Ron Fox, executive director of Southern Oregon Regional Economic Development Inc. "If you think of it, Oregon is West Virginia with a beach. It's a pretty scary future we have in terms of the global market."

So Fox and the other folks represented in this regional council of governments -- nonprofits, chambers of commerce, education groups -- came up with an idea:

Two years' free tuition at any Oregon public university or community college for any Oregon high school graduate. The state would issue bonds to cover the costs, and get its money back when income tax revenues rise because better-educated Oregonians make more money.

In other words, when a young Oregonian becomes a nurse or a welder, or goes on to university instead of setting on a career in fast food, the state will be taking higher income tax revenues from him or her for the next four decades. The idea is something like urban renewal, except instead of investing in a piece of geography to produce future tax returns, this play would invest in a generation.

Admittedly, the numbers need running.

"I love the idea," says Rep. Peter Buckley, D-Ashland, chairman of the House Education Committee. "The Legislative Fiscal Office is working to see if it could realistically pencil out. Hopefully, we'll get an idea in July or August, and be able to shop it for the 2009 Legislature.

"I explained it to the governor, and his eyes got big, and he said, 'Could we make it work?'"

The people behind the idea admit they don't know that. What they know is that the state needs to do something, something big, before it falls further back in global competitiveness and loses a hunk of another generation.

"Big dreams, big ideas come from southern Oregon," Fox says. "It's that 'state of Jefferson' idea," the 1930s dream of southern Oregon and northernmost California spinning off from their state capital controls and just going off by themselves.

This isn't the kind of thing the group typically thinks about. In the past, Rogue Valley group has focused on losing kids to drugs, housing that locals could actually afford and work-force preparedness. When they thought about strategies such as getting a little more money for schools, it seemed clear that any little bit they could dig up would just be squeezed from someplace else.

Then they thought about this idea, which could produce a better-prepared work force, one more able to afford housing, and give kids the idea that their lives could actually have a different possibility.

"It just addresses all the issues, and it's market-driven," Fox says. "The money goes not to the universities, the students make the call. It imbues the kids with a different bargaining position.

"If this isn't one of the best investments, long-term, that Oregon could make, I don't know what is."

Maybe because they're close to the state border, they got the funding idea from California, which voted to issue \$3 billion in bonds for stem-cell research. If you know the future is coming, you might as well invest to meet it.

They didn't need California to tell them Oregon has a problem. In 1991, the state paid 73.7 percent of the costs of public higher education; families paid 26.3 percent. Now the two percentages are even, and middle-aged Oregonians are more likely to have a degree than Oregonians under 35.

Oregon is below the national average in percentage with a degree, percentage of high

school graduates going directly on to college and percentage of college students who graduate in three years (associate degree) or six years (bachelor's). It's also above the national average in percentage of median family income needed to pay for college costs -- and outside the Portland metro area, and Benton and Deschutes counties, the disparity gapes even wider.

But Oregon is in the top third of the country in percentage of the work force in high-tech jobs.

The pipeline isn't connecting. And looking around southern Oregon, the group found a lot of other job pipelines weren't connected. By their calculation, it would take at least 65 percent to 70 percent of high school graduates getting at least a two-year technical degree for Oregon to be globally competitive.

"We thought about a pilot program at the local level," Michael Cavallaro, executive director of the Rogue Valley Council of Governments, says. "Then we decided we can't fool around and should go to the state level."

After all, if you've got a big problem, go big to try to fix it.

But that's a problem in itself, because in Oregon, we don't do big any more. We're too busy admiring the old pictures of us with Tom McCall to remember the last time we tried to do something big to change the nature of the state -- maybe the Oregon Health Plan 15 years ago, admittedly not a great reference.

Instead, we try to face major changes with small adjustments, and the gap between who we are and who we hope to be gets steadily wider.

Maybe this is why this idea, whether pencils out or not, comes from southern Oregon.

Maybe they're too far from Salem to realize we don't do this kind of thing any more.

David Sarasohn, associate editor, can be reached at 503-221-8523 or davidsarasohn@news.oregonian.com.