



CASCADE UPDATE

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Legislative Leadership Forums draw crowds

*Speakers' solutions
embrace liberty,
free markets, and
property rights*

As testimony to the importance of good ideas, over 200 legislators, aides, department and commission heads, public employees, lobbyists and business representatives have attended Cascade's first three Legislative Leadership Forums at the State Capitol. The fourth and final forum will be April 7.

Legislative Leadership Forum (LLF) speakers provide an overview of important issues facing Oregon, and offer practical suggestions for

policy makers that are consistent with the principles of individual liberty, free markets, and property rights. In addition to elected officials, attendees have represented the Office of the Governor, Secretary of State, Division of State Lands, ODOT, Public Utility Commission, Adult & Family Services, OLCC, Dept. of Consumer and Business Affairs, the Department of Fish & Wildlife, PERS, Dept. of Corrections, and more.

A packed room of 80 attended Cascade's inaugural LLF on January 26, which covered transportation, education and the economy. Cascade environmental policy director John A. Charles instructed the audience on congestion pricing and transit deregulation. Randall Pozdena, Ph.D., managing director of ECONorthwest



Cascade president Steve Buckstein, the Governor's chief of staff Bill Wyatt and former New Zealand Cabinet Minister Maurice McTigue meet in the Governor's Office.

and a Cascade academic advisor, reviewed the benefits of choice and

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Corporate welfare on wheels

*Cascade academic
advisor provides
ammunition against
airport light rail*

Despite several private studies that challenge its worthiness, and three state and local citizen votes against such projects, Portland area officials just can't say no to light rail. The latest light rail plan is a proposed \$182.9 million dollar, 5.5 mile extension to Portland International Airport.

"Fundamentally, building the airport MAX extension is a waste of resources," declares Gerard C. S. Mildner, Ph.D. in *Potemkin Transit: An Analysis of the Airport Light Rail Proposal in Portland,*

Oregon. Mildner's study examines the project's cost and ridership projections, its environmental impact, and offers low-cost alternatives.

An assistant professor of Urban Studies and Planning at Portland State University, and an academic advisor to Cascade, Mildner has done extensive work on transit, land-use, housing, and other urban planning issues. He is co-author of the book, *Scarcity by Design: The Legacy of New York City's Housing Policies.*

Proposed by Bechtel Corporation, the airport rail project is misleadingly labeled a "public-private" partnership. Mildner demonstrates the cost is entirely public, and the benefit, private. Mildner states, the "private 'investors' are not investing in a light rail project at all, but are building part of the light rail line to gain

*"Fundamentally, building the
airport MAX extension is a
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— Dr. Gerard C.S. Mildner
Dept. of Urban Studies and
Planning, PSU

access to a prime development site near Portland Airport and two major interstate highways."

Bechtel will receive an 85-year lease on a 120-acre parcel of publically owned, commercially-zoned land in the deal. As Mildner points out, "The land acquisition and the light rail construction contract are both being negotiated under no-bid clauses."

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Give parents control

Cascade recently took former New Zealand cabinet minister Maurice P. McTigue to Salem. He spoke with legislators about how his country, comparable in size and population to Oregon, embraced competition to improve K-12 education. McTigue described how New Zealand abolished its education bureaucracy above the school level, converted its 4,500 schools into charter schools, and gave parents direct control over them.

Today, when New Zealand students change schools, the funding goes with them. Without one more taxpayer dollar, student achievement rose significantly.

Politicians released the Oregon Quality Education Model in Salem during McTigue's visit. He was astonished to see a proposal advocating more government control, instead of reforms that would give parents control. McTigue

knows from firsthand experience the latter works.

The Oregon Model tells us to focus on the cost per institution, not per student. The Model tells us a "prototype elementary school" should cost \$2,070,583, a "prototype middle school" \$3,104,292, and a "prototype high school" \$6,576,000. These targets would require \$5.6 billion in state spending per biennium, \$650 million more than the Governor's revised March 15 budget request!

Is this shift in focus an attempt to hide something? Fact: The Model will boost total local, state and federal tax spending per student beyond \$9,000. This approaches the sums spent in notoriously bad school systems such as Washington, D.C. and Jersey City, New Jersey. More money there didn't help students learn; likewise, the Model offers no guarantee that Oregon students will learn more or faster. Nobody will get their money back if only 50% of the kids pass tests. The system will keep all the

money, regardless of the results.

If we had "prototype children" perhaps the Salem Model might work. However, no two children are the same. Top-down political mandates don't address diverse interests and diverse ways to learn. The answers lie in the opposite direction.

Choice, competition, and charter schools will provide more opportunity for students than central planning from Salem. We can roll over, accept The Model, and watch more students fail and another billion taxpayer dollars per biennium be wasted. Or we can allow parents and students to choose their schools, let the money follow them, and watch the positive results, just like in Arizona, Milwaukee, Cleveland and New Zealand.

Let's give parents control.

— Steve Buckstein
President

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competition in education. William B. Conerly, Ph.D., president of the Portland-based investment management firm Conerly Whelan Inc. and Institute chairman, provided an analysis of the state's economy and budget.

On February 11, over 60 people heard Clint Bolick, vice president and director of litigation at the Washington, DC-based Institute for Justice, discuss regulations and licensing laws that hinder economic self-sufficiency. Bolick's second talk provided a first-hand account of school choice initiatives around the country. Bolick successfully defended the nation's first school voucher program before the Wisconsin Supreme Court.

Clay J. Landry, research associate with the Political Economy Research Center (PERC) in Bozeman, Montana and Cascade adjunct scholar, discussed the use of private, voluntary alternatives to costly government programs in "Saving Streams and Salmon Through Water Markets." In early February, the *News-Review* (Roseburg) and *Times Journal* (Condon) published Landry's commentary "Cooperation, not regulation, will save salmon."

At Cascade's March 4 LLF, The Honorable Maurice P. McTigue spoke to an audience of 65 about "Deregulation, Competition and Privatization: The New Zealand Success Story." A former Cabinet Minister and member of the New Zealand Parliament, McTigue



A full house of 80 listens as Randall Pozdena, Ph.D., managing director of ECONorthwest and a Cascade academic advisor, discusses the benefits of choice and competition in education at the Jan. 26 Legislative Leadership Forum.

played an instrumental role in his country's remarkable economic and political reforms of the last decade.

On April 7, free market environmentalist Rick Stroup of PERC will speak about how property rights can help endangered species, Superfund cleanup sites, and other environmental issues.

For information about the Institute for Justice, see www.IJ.org, or call (202) 955-1300; Political Economy Research Center, www.PERC.org or (406) 587-9591; Honorable Maurice McTigue, Mercatus Center, www.GMU.edu/mercatus or (703) 934-6970. Contact Cascade for tapes of presentations by Bolick and McTigue.

Cascade would like to thank Safeway Food & Drug for generously providing lunches for the Legislative Leadership Forums.

Scholarship program gains support

Cascade works to increase school choice in Portland

There have been some exciting developments since Cascade announced last fall it would facilitate the Children's Scholarship Fund - Portland. For starters, the advisory board has grown; local community leaders have signed on because they believe low-income children should be able to pick the school of their choice, as their well-off peers do.

The current advisory board includes: Derrick Foxworth, Northeast Portland Commander of the Portland Police Bureau; Jim Francesconi, Portland City Commissioner; Tony Hopson, President, Self Enhancement, Inc.; James L. Huffman, Dean, Northwestern School of Law at Lewis & Clark College; Diane Linn, Multnomah County Commissioner; Lorenzo T. Poe, Jr., Director,

Multnomah County Department of Community and Family Services; James M. Taylor, Vice President, Albina Community Bank, and Maura K. White-Cioeta, Executive Director, Police Activities League.

"The Children's Scholarship Fund appears to be a great vehicle to allow low-income students access to expanded educational opportunities."

— James M. Taylor, Vice president, Albina Community Bank and CSF-P advisory board member

CSF-P chairman Paul R. Farago was interviewed about the scholarships by Bruce Broussard for his cable television program *Oregon Voters Digest*, which is broadcast to several hundred thousand homes weekly. Farago was also interviewed by *The Oregonian*, which published the article "Low-income children given chance at scholarships to

private schools" on February 23.

Farago was quoted extensively, as was Sam Wheeler, a logging business owner who has pledged to support the CSF-P through the Wheeler Foundation. He states all students, not just scholarship recipients, will benefit. "I think it will encourage the public schools to further strengthen their programs," he noted. "There's nothing like competition. I face that every day in business."

A recent CSF-P private school survey found more than 1,800 seats available at a wide variety of schools from which scholarship recipients could choose. In support of CSF-P, several schools have made arrangements to provide additional funding to help parents afford any tuition not covered by the scholarship.

If you are interested in supporting the Children's Scholarship Fund-Portland, please contact executive director Julie Riggs or program coordinator Hallie Shapiro at (503) 242-0900.

Victory for transit users

Sandy follows Molalla and Wilsonville, leaves Tri-Met monopoly

The City of Sandy has followed in the tire tracks of Molalla and Wilsonville: it recently left the Tri-Met bus system to seek better transit for its residents. Cascade's John A. Charles wrote about this possibility in "Choice and Competition: Sandy to leave Tri-Met?" (*Cascade Update*, Spring 1998.)

A Sandy resident who regularly commutes by public transit, Charles figured prominently in the withdrawal process. Craig Flynn of ORTEM, a local pro-consumer choice transit organization, wrote after the successful separation, "I think we need to give John Charles of the Cascade Policy Institute a big 'thank you' for helping this idea become a reality through his testimony and research."

Robert W. Behnke, a transportation consultant, also figured prominently in the deliberative process. Behnke presented the Sandy City Council with a low-cost transit system modeled on his winning report for Cascade's 1994 Oregon *Better Government Competition*.

Behnke's proposal was one of two finalists considered by the council to replace Tri-Met.

Wilsonville left Tri-Met 10 years ago and successfully *reduced* its local business payroll tax by 50%, *eliminated* out-of-pocket fares, and *improved* service. Tri-Met made up for the lost Wilsonville revenue by raising the payroll tax on those who remained in its taxing district.

More communities can be expected to seek ways to improve their residents' transit service and reduce their tax burden. As Charles wrote months ago, if multiple jurisdictions left Tri-Met simultaneously, its "financing system would collapse under its own weight. Such a crisis will probably be necessary for local officials to realize that government monopolies don't work." Cascade stands ready to assist all persons interested in competitive, private transit solutions.

Robert A. Behnke's transit report *Athena: An Advanced Public Transportation/Information System for Residents of Urban, Suburban and Rural Communities* is available at www.CascadePolicy.org, or by calling (503) 242-0900.

Liberty Link NCPA

The National Center for Policy Analysis (NCPA) is a nonprofit, independent public policy think tank whose primary goal is to discover and promote private, voluntary alternatives to government programs and regulations. Organized in 1983, the NCPA has offices in Dallas and Washington, DC.

NCPA's work spans the spectrum of policy issues. It has been a proponent of privatizing Social Security, producing several studies on the topic since the 1980s. NCPA president John C. Goodman co-authored the 1994 book *Patient Power: The Free Enterprise Alternative to Clinton's Health Plan*, an antidote to socialized medicine programs.

Executive Alert, NCPA's bi-monthly publication, is more than a newsletter; it offers summaries of studies produced by other think tanks. A shorter, daily version of this publication is available on-line.

Write NCPA at: 12655 N. Central Expy., Suite 720, Dallas, Texas 75243-1739. T: (972) 386-6272, or refer to www.NCPA.org.

Self-improving, self-reforming schools

Handbook outlines key points for successful charter school legislation

Just in time for the fast-track legislative debate on charter schools, Cascade published the *Oregon Charter Policy Handbook*. The report, written by the Oregon Charter School Task Force, was hand-delivered to all 90 state legislators on January 26.

Richard Meinhard, an educator and parent, and Cascade academic advisor organized the task force. Among the members were economists, public and private school administrators and board members, and professors. They self-organized to present the perspective of parents and school level educators who seek more choice in public education. Said Meinhard, "Charter schools are about opportunities for teachers and choices for parents."

"Charter schools are about opportunities for teachers and choices for parents."

Richard Meinhard
Organizer, Oregon Charter School
Task Force

The handbook lays out two tasks for the legislature. First, define a new form of accountable public school, approved by a public board, that operates under a revokable performance contract. Second, remove the exclusive control local school boards have over public education inside their district boundaries.

"The goal for legislators who want accountability and responsiveness is to create the opportunity for self-improving and self-reforming schools," states the handbook. "Ultimately, the legislature can't really reform schools. Schools must reform themselves, and so the legislature must do more than enact standards and testing. It must have a strategy for change, and the charter idea is its best strategy for taking the next step

in...creating accountable and responsive public schools."

The *Oregon Charter Policy Handbook* outlines key points for effective charter school legislation. At the top of the list: charter schools must be both legally and fiscally autonomous, separate and independent from district control.

Further, charter schools must be fully and directly funded by the state with per-pupil funding based on enrollment; open to all students; non-discriminatory and non-selective in admissions; tuition-free; secular; and under public oversight. In contrast to the current system, charter schools must be fully accountable for their results through revocable, limited-term contracts. In exchange, charter schools must be released from regulations, including curriculum requirements and employment decisions.

Copies of the 66-page *Oregon Charter Policy Handbook* are on-line at www.CascadePolicy.org. To obtain printed copies for \$5, please call (503) 242-0900.

Cascade moves!

The continued success of Cascade and the growing interest in our programs has prompted a move to bigger offices. The street address remains the same; only the suite number has changed. Effective immediately, please address correspondence to: **Suite 450**. Phone and fax numbers, and electronic addresses remain the same. Your generous support has made our success possible. Thank you!



Gary Chittim from KGW Channel 8 News prepares to interview Cascade program assistant Angela Eckhardt about her polystyrene foam study. The study concluded that Portland's ban on foam to-go food and beverage containers does not help the environment and is needlessly costing consumers between \$3.3 and \$3.9 million annually. Eckhardt has also been interviewed by Portland's KXL Newsradio 750, KOIN Channel 2 News, *The Business Journal*, KPDQ, *The Oregonian*, and KITS in San Francisco.



Clint Bolick of the Institute for Justice discussed legal barriers to quality education and economic self-sufficiency at a Feb. 3 luncheon co-sponsored by Cascade and The Federalist Society. CPI president Steve Buckstein (left) looks on as Bolick autographs his book *Transformation: The Promise and Politics of Empowerment* for a luncheon attendee. To Bolick's right is Oregon Commissioner of Labor and Industries Jack Roberts, who introduced the keynote speaker.

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Without competitive bidding, we will not know if this is the best deal that could be made.

Mildner estimates the project will cost area taxpayers approximately \$25 per passenger round trip — if government ridership forecasts are accurate. Mildner warns that an analysis of ridership at other airports suggests Tri-Met's forecasts are greatly overstated.

To add insult, the airport line will necessitate a significant decrease in existing rail service. Mildner writes, "The environmental benefits and congestion relief benefits of the project appear minimal, and depending upon the system-wide ridership impacts, possibly negative."

Instead of light rail, Mildner recommends using congestion pricing and carpool lanes, and opening the taxi and van shuttle markets. Mildner says these alternatives will improve mobility and relieve congestion with little cost to taxpayers.

To obtain *Potemkin Transit*, or Cascade's other studies on low-cost transit alternatives, call (503) 242-0900 or refer to www.CascadePolicy.org.