



CASCADE UPDATE

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Tax More or Spend Less?

by Steve Buckstein

Oregonians are as divided as ever over whether our state and local governments should solve their revenue shortfalls by taxing more or by spending less.

In the face of this perennial debate, Cascade is releasing a new report analyzing the nature of state and local government spending. Authored by Oregon economists Randall Pozdena, Ph.D. and Eric Fruits, Ph.D., *Benchmarking Oregon Public Spending: An Update* expands on Dr. Pozdena's earlier report, *Can Oregon Tighten Its Fiscal Belt?* published in 2000.

Benchmarking Oregon Public Spending examines Oregon governments' spending patterns through the economic boom of the 1990s and into the decline of the early 2000s. What it reveals will disappoint anyone hoping to find some semblance of economic discipline among Oregon's policy makers.

Pozdena and Fruits had two goals in producing *Benchmarking Oregon Public Spending*. First, to compare Oregon state and

local government spending in Oregon with that of demographically similar states. Second, to propose solutions to Oregon's pattern of excess public spending.

The methodology Pozdena and Fruits used to benchmark state spending is important. Simply comparing Oregon per-capita spending to that of other states would be very misleading because different states have widely different

“Oregon’s overspending tendency stands out fairly consistently as one of the highest in the nation.”

demographics. For example, the authors found that Oregon's per capita personal income is six percent below the national average, its proportion of school age children is three percent lower than the national average and its population density is 55 percent lower than the national average. These and other

differences must be taken into account when comparing expenditures among states for a given program.

Taking such demographic differences into account, the authors found that by the time the economic boom of the 1990s ended, Oregon state and local governments were spending 19 percent more than would be expected based on other states' spending. Oregon was spending 57 percent more on health care, 24 percent more on welfare, six percent more on education and 26 percent more on corrections and police. The only major area with lower than expected spending was highway transportation, which was eight percent less.

The authors found that Oregon's overspending was even greater at the height of the economic boom in 2000 than it was in 1998. They conclude that during the 1990s, Oregon had “a spending policy that was disciplined by nothing but available revenue.” In other words, as tax revenue grew rapidly during the economic boom, our governments spent every dollar as fast as it came. This set

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Revamping the School System, K-12

Cascade Policy Institute staffer Nicole Williams interviewed the founder and CEO of the successful alternative education system Arthur Academies, several of which have been established in Oregon. (or some other explanatory blurb)

Why did you found Arthur Academies as charter schools instead of private schools?

Private school is great and private schools are wonderful—we need them. But by founding a private school, we don't pressure the public school system to change. The five-year, ten-school Arthur Academy Project aims to make a significant impact on the structure of public schools right here in the Portland metropolitan area. We provide an example of a system similar to the public school system, but with a lower cost structure and better re-

sults. Why? Because this new system, the Arthur Academy Charter School System, is locally governed, not run by bureaucrats, but based on competition and with the people in the schools making decisions for their schools.

Why is Arthur Academy better able to address the needs of students than normal public schools?

Arthur Academies are successful because they use effective teaching practices. That is the mission of Arthur Academies. It's really that simple. And it raises the next questions:

Why don't public schools use the effective teaching techniques Arthur Academies does? They don't want to.

Why not? Because most teachers have a pedagogical philosophy contrary to that

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*Prez piece

During the week of remembrances and ceremonies following the death of Ronald Reagan, I reflected on how this man and his philosophy influenced me and Cascade Policy Institute.

When Reagan burst onto the political stage in 1964 with *The Speech* supporting Barry Goldwater, I was a non-political high school student. By the time I read that speech in college, I was ready to absorb its important messages, including:

“They say the world has become too complex for simple answers. They are wrong. There are no easy answers, but there are simple answers.”

“This is the issue of this election: Whether we believe in our capacity for self-government or whether we abandon the American Revolution and confess that a little intellectual elite in a far-distant

capital can plan our lives for us better than we can plan them ourselves.”

Cascade offers many simple answers to our public policy questions. We also understand that the “little intellectual elite” isn’t always so far away; sometimes it’s right here trying to run our lives in Oregon.

By the time President Reagan told Mr. Gorbachev to “tear down this wall,” the Berlin Wall had become a symbol of how governments try to control their own people. That wall fell peacefully.

At Cascade we work to tear down other walls, such as the public school system’s wall around our children, urban growth boundaries walling in our cities, and the tax and regulatory walls that keep many Oregonians in poverty and many business people from succeeding.

Reagan’s record as president was mixed. He was instrumental in confronting and peacefully ending the Soviet threat. He greatly reduced

marginal tax rates which allowed the American economy to rebound. Yet he didn’t make the federal government smaller and the federal deficit grew to new heights.

Even when he failed to achieve some political goal, he remained the perennial optimist about America’s bright future and what free individuals could achieve.

Reagan often said, “The heart and soul of conservatism is libertarianism.”

If he fell short of his goals, he stayed true to his philosophy of smaller government and more individual liberty. For that he earned a special place in this libertarian’s heart.

Steve Buckstein, president

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*Cascade Welcomes Nicole Williams

Nicole Williams joined Cascade in February as its new director of publications and added the Children’s Scholarship Fund – Portland to her responsibilities in April. Institute vice president Kurt T. Weber states, “In addition to formidable community outreach and organizing skills, Nicole brings excellent management and technical skills to Cascade. We’re proud to have her join the team.”

Prior to joining Cascade, Nicole headed a private language school for five years at The Language Company in Portland, Oregon. There, she gained management and organizational planning experience and honed her education and editing skills. She founded a consulting firm that provides business and cultural research and training for foreign companies interested in marketing products and services in the United States.

In her off hours, Nicole writes and presents business and cultural seminars for international corporations such as DaimlerChrysler. She is also safety chair of the Boise Neighborhood Association and heads Build Our Safe Neighborhood, a volunteer-based group dedicated to improving safety in her North Portland neighborhood.

Nicole graduated from Southern Oregon

University with a Bachelor of Arts in music business and German. She also completed the Oregon Teaching Certification Program at the university.

“Cascade has been in my life since the Westside Max Line opened. My desire to know how such a seemingly inefficient and wasteful project came to exist led me to Cascade. Something told me there had to be faster, less expensive ways to deliver transit services than light rail. Cascade provided those solutions.

“My experience as a teacher in the public school system gave me a real-life lesson that the best way to improve learning is to give parents and students choices about where to go. This first-hand experience dovetails with the solutions advocated by Cascade.”

Global Warming: Fact or Fiction?

by John A. Charles, Jr.

The global warming debate can be broken down into three simple questions. First, is human activity causing the earth's climate system to become warmer (or cooler) beyond what would occur naturally? Second, if we are altering world climate, is that bad? And third, if it's bad, is there anything we can do about it?

The answer to the first question? No one really knows how human behavior is affecting the climate. The growing use of fossil fuels since the dawn of the Industrial Revolution has raised the ambient concentrations of carbon dioxide (CO₂) by about 30 percent. Since CO₂ absorbs infrared radiation, this increase has the potential to warm the earth's atmosphere. But no definitive causal link has ever been established, and as recently as 1975 many scientists were actually worried about catastrophic global cooling.

The evidence from monitoring stations produces trend lines going in multiple directions, depending on where, when and how climate parameters are measured. For instance, in the report, *Climate Change 2001: The Scientific Basis*, published by the Intergovernmental Panel on Climate Change (IPCC), the authors note that "Surface, balloon and satellite temperature measurements show that the troposphere and Earth's surface have warmed and that the stratosphere has cooled. Over the shorter time period for which there have been both satellite and weather balloon data, the balloon and satellite records show significantly less lower-tropospheric warming than observed at the surface. In the upper troposphere, no significant global temperature trends have been detected since the early 1960s."

In addition to conflicting trends, there is a serious problem of measurement error. We rely on measurement stations to provide temperature information that represents large areas; some are hundreds or thousands of square miles. But climate parameters can vary widely even at the most local level. Perhaps nothing illustrates this more than a news story that appeared in the *Portland Tribune* on December 20, 2003. The headline read, "Snow? Depends on where you live." The article pointed out that even though most of Portland had been pounded with heavy snow the previous day, including 7 inches

in the West Hills, the "official" government measurement site at the Portland airport recorded no snow.

So if a team of scientists arrived in Portland tomorrow and began using the airport weather measurements as part of a global climate study, their statistical database for December 19, 2003 would not only be biased, it would reflect the exact opposite of what was experienced by virtually everyone in the Portland region on that day.

Multiply this aberration by the billions of other dates and locations on the earth where measurement errors might occur and it becomes apparent how unreliable "global" averages can be.

Notwithstanding these severe data gaps, climate alarmists claim that the production of CO₂ is an "all pain, no gain" proposition for civilization. Among other gloomy outcomes, they predict that increased CO₂ will lead to rising sea levels and an increase in the severity or frequency (or both) of extreme weather events such as floods, hurricanes and droughts. But this is all

speculation based on computer models—The IPCC has stated, "There is no compelling evidence to indicate that the characteristics of tropical and extratropical storms have changed."

A more realistic outlook would take into account the known *benefits* of CO₂. People sometimes forget that CO₂ is an essential element for the process of photosynthesis by plants. Literally thousands of empirical studies have shown that most plants thrive under conditions of increased CO₂. Many experts believe that perhaps 10 percent of the increased agricultural production the world has experienced during the 20th century can be attributed to the fertilization effects of man-made CO₂.

This means that even if rising CO₂ levels cause some dislocations around the world (e.g., flooding of low-lying island communities), the net result for all of humanity may well be positive.

What if this hypothesis is wrong? Well, we could certainly take steps to reduce CO₂ emissions in Oregon, but a pound of CO₂ has the same effect whether it's produced in Oregon or China, so any reduction could (and probably would) be negated by off-setting

actions elsewhere.

Notwithstanding these concerns, in 1997 Oregon passed the nation's first law regulating CO₂ from new electricity-generating facilities. The resulting regulated emission rate is 17% below the cleanest known facility in the country and will be periodically adjusted to remain 17% below the state-of-the-art. A plant developer may choose to meet part of all of the reduction target by making a one-time, lump sum payment of mitigation funds to The Climate Trust (a nonprofit organization incorporated in 1997) to offset the emission over the life of the power plant. In turn, the Trust must use the funds to carry out projects that avoid, sequester, or displace the carbon dioxide that the plant will emit in excess of the required standard.

In its first two years of operation the Trust received more than \$6 million in revenue and how have those funds been spent? One of the projects it sponsored was an internet-based carpool program run by the city of Portland. The Trust ranked this program very high for its potential to reduce single occupant driving, but after the first year of implementation so few people had signed up that the *Portland Tribune* ran a feature story pointing out that each new carpool formed had cost electricity ratepayers about \$29,000.

The program also failed to meet its targets for CO₂ reduction. In 2002 the emissions target for the program was 2,000 tons of CO₂ offsets; the estimated actual offsets were 95 tons. In 2003 the target was 4,500 tons, while estimated actual offsets were 756.

Extorting money from utilities is politically convenient, but throwing it away on carpool programs simply destroys wealth while having no impact on the climate. Yet wealth creation is the key

to mitigating any effects from climate change. Richer societies are better able to anticipate change and invest in better infrastructure. Spending ourselves into poverty in the pursuit of unobtainable goals will demonstrably make most people worse off, both now and for generations in the future.

The best strategy is to simply do what people have always done: Go about our business and prepare to adapt to whatever climate we confront in the future.

"Is human activity causing the earth's climate system to become [unnaturally] warmer (or cooler)?"

"Is that bad?"

"Is there anything we can do about it?"

John A. Charles, Jr., is environmental policy director at Cascade Policy Institute. The above article is adapted from his September 14 talk, *Global Warming—Fact or Fiction?*

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the state up for significant budget problems as the state and nation went into the inevitable economic decline.

The data shows that, “Oregon’s overspending tendency stands out fairly consistently as one of the highest in the nation.”

The report also found that in the last years of the boom, expenditures in relation to personal income grew at a much faster rate than in the rest of that period. From 1992 through 1998 state and local government expenditures grew eight percent faster than our personal income. But from 1998 through 2000 those expenditures grew 33 percent faster than personal income. Such increases are obviously unsustainable, thus the current “budget crisis.”

There is little comprehensive data from which to compare all states relative spending from 2001 to the present. But the authors found indications that even in the depths of the recession, Oregon was still spending more than demographically comparable states. For example, they found that while K-12 education is the program most prone to revenue declines, education spending in 2003 was on benchmark with demographically comparable states. If Oregon’s education spending was roughly where it should be compared to other states in 2003, other programs not as dependent on income tax revenue were likely above benchmark that year.

Besides reporting on their benchmarking data, Pozdena and Fruits suggest remedies for Oregon’s overspending. They recommend an automatic spending cap similar to Colorado’s expenditure limitation that ties state spending to inflation and population growth. Such a cap could insure that during the next economic boom, Oregon won’t spend at an unsustainable level. They also suggest the introduction of competition and consumer sovereignty into many public services.

The authors argue that, “The only way to reliably improve the efficiency and effectiveness of public services is to create or improve competitive forces in the delivery of [such] services.” This includes introducing some form of school choice, which was done so successfully in much of Europe.

Pozdena and Fruits believe that consumer sovereignty can be achieved in health care by introducing Health Savings Accounts to both the private health insurance market and the Oregon Health Plan (OHP). Noting the failure of the OHP to ration care effectively, they explain how high-deductible major medical policies coupled with tax-deductible health savings accounts would allow low-income Oregonians better control of their health-care costs.

Benchmarking Oregon Public Spending reinforces the suspicion of those who voted down the 2003 and 2004 statewide tax increases: Oregon has been overspending for a long time. We must not allow the coming economic recovery to obscure the flaws in our state and local government budgeting systems with the false security of increasing income tax revenue.

Pozdena and Fruits’ new report should serve as a wake-up call to the legislature as it returns to Salem in January to face what most law makers see as a \$300 to \$500 billion shortfall in Oregon’s general fund budget. Rather than look for ways to increase taxes, lawmakers should study their own recent tax and spending history, as laid out in the report, for clues as to how they should approach budget discussions.

Only by educating ourselves about how we got here, and how we can sustain economic growth and public services in the future will Oregonians be able to break the boom and bust cycle of public budgeting that has caused so much pain these last few years. Cascade Policy Institute is proud to offer *Benchmarking Oregon Public Spending: An Update* as a key component in this educational effort.

Steve Buckstein is president of Cascade Policy Institute.

Beyond Liberal and Conservative

by Kurt T. Weber

The American political landscape is more colorful than is indicated by the simplistic terms “left” and “right,” “liberal” and “conservative.” Two neat boxes may make it easier for journalists and editorial boards to do their jobs, but the terms are deficient when it comes to describing contemporary America.

The terms “left” and “right” originated during the 1790s in France. Marshall Fritz, former president of Advocates for Self-Government, notes the adjectives were first used after “the French assembly rearranged its seating to quell disturbances. They placed Republicans on the left and monarchists on the right, with soldiers in between to prevent debates from leading to bloodshed.”

Like “left” and “right”, the terms “liberal” and “conservative” don’t tell the whole story either. Kevin Phillips, publisher of The American Political Report, wrote this dichotomy is obsolete because it fails to describe the “nuances and divisions” of U.S. politics. In 1984, he suggested we change our pigeonholing ways and, to start, recommended Beyond Liberal and Conservative by political science professors William Maddox and Stuart Lillie.

Maddox and Lillie suggest using a four-quadrant matrix when determining an individual’s political leanings. The matrix is divided into liberal, conservative, populist and libertarian. As Fritz has commented, the matrix is advantageous because it “recognizes that individuals of the same ideology have considerable variation in the specifics of their views. These four categories are areas of general agreement and in no way are cults with lock-step followers.”

As a rule-often broken when votes are tallied-the terms are thus defined: Liberals advocate government interference in the economy, but support individual liberties. Conservatives are free market fans, but favor government interference in how individuals live their personal lives. Authoritarians (interventionists or populists) favor interference in both areas. Conversely, libertarians support both economic and individual liberty.

A matrix enables everyone to plot themselves on a political scale. The left-right spectrum does not; it’s too narrow. Political science professors Kenneth Janda, Jeffrey Berry and Jerry Goldman concur. In The Challenge of Democracy they state, most Americans “do not fit a one-dimensional liberal-conservative continuum. If that continuum is expanded along another dimension respondents can be analyzed more meaningfully.”

Time for the quiz, courtesy of Advocates for Self-Government, which consists of two parts: Personal and Economics. For each statement you agree with, give yourself 20 points; for maybe or unsure, 10; and 0 points if you disagree.

Personal

1. Government should not censor speech, press, media or Internet.
2. Military service should be voluntary. There should be no draft.
3. There should be no laws regarding sex for consenting adults.
4. Repeal laws prohibiting adult possession and use of drugs.
5. There should be no national ID card.

Economics

1. End corporate welfare. No government handouts to business.
2. End government barriers to international free trade.
3. Let people control their own retirement; privatize Social Security.
4. Replace government welfare with private charity.
5. Cut taxes and government spending by 50% or more.

Add up your “Personal” and “Economic” scores and mark them on their respective lines. Find the intersection of your two scores (the accompanying matrix shows an example score of 70 personal and 80 economics)

Where is your political home? Who are your political housemates? Margaret Thatcher and Ronald Reagan (right)? FDR (left)? Stalin and Hitler (bottom) or Henry David Thoreau and Thomas Jefferson (top)?

Obviously, more questions could be added to the quiz. It is also obvious that the left-right continuum is defective. Marxists and fascists “who use virtually the same methods of governing” belong in the same category (as they do in the matrix), not at opposite ends of a spectrum (as they do on the old left-right line).

In 1980, Maddox and Lillie, using a similar diagram and questions, found that 18 percent of the American populace fell into the libertarian category. That’s not surprising: The old left-right continuum has no place for people who consider themselves advocates of more personal and economic freedom.

Political science professors, pundits and journalists should dispense with the left-right / liberal-conservative spectrum and take note of the matrix, which more accurately reflects the U.S. political landscape. Those who refer to themselves as “Independents” or “undecided” may not be as politically homeless as they seem.

Weber tagline?

matrix here

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of the Arthur Academies. That is, public school teachers and administrators don't believe in Direct Instruction: explicit, systematic, and comprehensive. And you can't lay this sort of philosophical change on top of an existing school and expect it to work, unless teachers buy into it. With the Arthur Academies, we can choose only those teachers who agree with our methodology—philosophically and practically—and know that effective teaching will be properly implemented.

One of your schools was rejected because it had to "too few administrators." If the bureaucracy of that school had been larger, do you think it would have been approved?

It has since been approved, but one objection to our proposal was that we scheduled too many school days. Officials wanted to know how we were going to pay for them. They also objected to our having only a half-time administrator, saying it did not comprise enough administrative staff. We handled these objections, proving that both purported problems were, rather, strengths to celebrate.

Where are you opening Arthur Academies?

In districts all over the Portland metropolitan area. We want a diverse portfolio of school: urban and rural, less affluent neighborhoods, majority minority schools, etc. We intend to prove that this method will work everywhere, forestalling arguments such as that Direct Instruction will not work in racially diverse schools, or in financially challenged districts, or in rural settings, or where English is a second language to many students. We want to take away all possible arguments.

What are your thoughts on the recent federal report that showed charter schools lagging behind public schools?

One could challenge the way officials manipulated the data, but the notion that kids in charter schools, if you take

a snapshot of their achievement level right now, are behind those in public schools doesn't surprise me. This is because charter schools tend to attract kids already behind. There also tend to be far more minority kids in charter schools. These days, that is still sadly a proxy for academic achievement.

What I wish we had was a measure of annual academic gain. The true measure of a school is not where the kids are at any moment, but how much they have grown academically per year in the school. Oregon does not have this. Although I lobbied for one during the last legislative session, it was rejected after vigorous opposition from many sides.

How is Arthur Academy dealing with the challenge of runaway health-care costs?

We are looking into health resource plans for our employees. The structure of that will be a high-deductible policy coupled with an account for each employee to use to pay their out-of-pocket medical expenses. That has two benefits: one for the employee—the ability build savings with unused funds—and one for the organization—the lower cost of providing this type of health-care benefit.

And that's a model that anybody can replicate. There is every for school district to emulate it. Protectionist organizations, such as the Oregon Education Association, Portland Association of Teachers and the Oregon School Board Association (OSBA) profit from brokering the insurance plans that

the schools buy. OSBA gets about 60% of its annual budget from health-care plans, so they have little incentive to change.

How do you answer the objection raised by some that school choice would not benefit failing students, because their parents cannot make good decisions for their kids?

Which parents, do you think, are assumed incapable of making good choices for their children? I notice racial and eco-

nomnic overtones, since one's thoughts immediately turn to the minority students and the rural and urban poor. Our country historically and resolutely aims at the opposite philosophy: that individual citizens can and should make such decisions in every area of life.



Direct Instruction involves lots of teacher-to-student contact in a goal-oriented learning environment.

For instance, when the Children's Scholarship Fund (CSF) offered 500 scholarships in the Portland metropolitan area, parents had to go through a rigorous process to apply, including the need to prove low-income status. 6,636 applied, all low income, all from the metropolitan area. It is ridiculous to claim these parents can't make good decisions. They know that education is their kids' best way forward, and they will go to extreme lengths to find them a better education.

Do you see the ability to hire non-certified teachers for up to 50% of your teaching staff as a benefit?

Yes. It is critical. We need that flexibility. Often, certification is an obstacle, rather than the indication of a great teacher. Arthur Academies end up having to unteach what they have learned. As a matter of fact, a study in New York showed that teacher education was inversely correlated to student achievement: the more educated the teacher, the less their students knew. That's shocking.

What freedom do you see charter schools offering that government should grant public schools?

All schools should have more local autonomy. If you look at a typical public school in any school district in Oregon, does the



Rob Kremer and people from the Whatever Arthur Academy discuss the first day of school.

photos courtesy of Rob Kremer

*Cascade Voices the Issues

Cascade president Steve Buckstein (second from r) waits to respond to Gov. Kulongoski's Chief of Staff Peter Bragdon (l) at May 5 *Oregon Economic and Business Forum* in Portland. Other panelists were (l-r) Portland Development Commission Economic Director Marty Schwab Harris and State Senator Rick Metzger, and Michael Hartman, moderator and editor of *Oregon Business Magazine*.

On April 19, Cascade and the Federalist Society-Portland Chapter hosted an evening forum for constitutional law professor and author Randy Barnett, J.D. (c), to promote his new book, *Restoring the Lost Constitution: The Presumption of Liberty*. Sharing a laugh with Barnett are Kristian Roggendorf, J.D., president of the local Federalist Society and Jim Huffman, a Cascade academic advisor and dean of Lewis & Clark Law School.

Oregon Supreme Court staff attorney Bradley Nicholson (l) asks a question of William Maurer, J.D. (c), executive director of the Institute for Justice-Washington Chapter. Maurer spoke at the May 5 Cascade forum *Business Can Beat City Hall*.

Academies . . .

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principal really run the school? Does he or she:

- hire and fire teachers? Not usually.
- choose the curriculum? No.
- choose the assessment system? No.

In fact, the principal has little autonomy. All relevant decisions are made at a level above the principal. Giving a school principal all the accountability and none of the authority is a recipe for failure.

So I think other public schools can learn from charters the benefit of the principal truly being in charge of the school: managing the budget, hiring and firing teachers, making on-the-fly decisions.

It comes down to a governance issue: who runs the school? In charter schools, the people *in* the school do. In district-operated schools, it is not quite clear.

In your quest to get schools set up this year, what irrelevant regulations did you come up, and how did you overcome them?

Boy, it's a long list. There are two categories: school districts and land-use and building permit approvals.

First, school district-imposed obstacles. We first must negotiate a contract with the school district, which does not want

it. When we disagree, there is little incentive for them to negotiate. We end up having to appeal to their sense of fairness.

The financial impact in a school district makes it unlikely public school administration of that district will look kindly on these educational institutions.

Second, land-use issues. It takes tens of thousands of dollars and six to eight months simply to get approval to build a 150-student charter school. The first Arthur Academy was on a one-acre site, bare dirt. We were putting modular classrooms on this site. Land-use planning statutes for the site required us to put in, at our expense, a 400-foot sidewalk, complete with trees of a certain varieties, height and thickness. So we did. The building inspector took a look and said, "The trees can't be there."

The upshot was that, for a building project of only \$200,000, we spent \$60,000 on governmental fees. If you were to ask anyone at city hall, even Vera Katz, whether public education a priority, they would say "certainly." But it seems education is not as high a priority as the building fees, which to into the city's general fund.

Will parents choosing where their children attend school foster improvement in typical government schools?

Yes, it is absolutely essential. Over time, the absence of competition causes any system to decline. Just look at the U.S. post office.

People with a different ideology will argue that the "competition argument" is purely theoretical. But they can't argue facts. We have seen how competition and the threat of competition from charter schools has caused a competitive response in the public school districts. As we speak, there are public-school teachers taking our training in order to do what we are doing in their schools.

Nobody can tell me that competition doesn't have an effect on the system. It will absolutely change the public education system for the better.

Rob Kremer, an associate of CPI, is president of the Oregon Education Coalition, and is co-host of Kremer and Abrams on News Radio 750 KXL, Sunday 9-11 a.m.

*Events

July 9 – Gerard C.S. Mildner, Ph.D. presents *Should Portland Build Another Baseball Stadium?* at the Governor Hotel in Portland, Oregon.

July 24-30 – Cato University Summer Seminar. Learn from the best, sharpen your arguments for liberty and meet others who share your passion at Rancho Bernardo Inn, San Diego.

August 1 – The third annual Lazy Fair Picnic at Blue Heron Park cosponsored by Cascade Policy Institute, the Executive Club, *Brainstorm Magazine*, the Taxpayer Association of Oregon and others.

Event details are online at www.cascadepolicy.org, or call (503) 242-0900.

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Oregon high school students from Scio to Madras to Molalla recently competed in Cascade Policy Institute's 10th annual Independence Essay Competition. Ultimately, an independent panel of judges selected three students to receive awards for their writings.

This year's competition invited students to discuss liberty, law and the proper role of government in a free society. Students were asked to expound upon one of four quotes from John Stuart Mill, Henry David Thoreau, Albert Einstein and former Oregon Governor Theodore Thurston Geer (1899-1903).

Matthew Cleavenger, a senior at Portland's Lincoln High School, was awarded \$500 for his essay, *Respect for Government*. He highlighted how governments reduce their stature by passing laws they cannot—or will not—enforce. Cleavenger wrote, "Ultimately, government needs credibility. If policy is to be made without any realistic desire to enforce it, then it will inevitably be ignored."

The judges awarded \$250 to Audrey Engel, a homeschool sophomore from Salem. She argued that a limited government is best and presented examples throughout history to show large governments ultimately lead to destruction. Engel stated, "The Founding Fathers held that government has an important role in maintaining order, but that its role is limited in many respects."

Kara Ng, a junior at Valley Catholic High School in Beaverton, earned \$100 for her essay. She discussed the need for and challenge of resistance when government assumes too much power and abuses it. Ng noted, "When our government falls from glory, we the citizens must right the government again with our power through civil disobedience."

Judges for the 2004 essay competition are Ayse Y. Evrensel, Ph.D., Department of Economics, Portland State University; Leslie Spencer, former associate editor, *Forbes*; and Zenon X. Zygmunt, Ph.D., Division of Business and Economics, Western Oregon University.

*Publications

- **Stadium Costs: High and Wide**, Matt Roehr, CFA, Cascade Commentary 2004-16, June.
- **Tame the Oregon Budget Roller Coaster**, Steve Buckstein, Cascade Commentary 2004-15, June.
- **Solutions for the Klamath Basin**, Jane S. Shaw, Cascade Commentary 2004-14, May.
- **PERS to Determine Oregon's Future**, Steve Buckstein, Cascade Commentary 2004-13, May.
- **Helping the Poor Help Themselves**, John Blundell, Cascade Commentary 2004-12, May.
- **The Little Buses That Could**, John A. Charles, Cascade Commentary 2004-11, April.
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Rob Kremer, an associate of CPI, is president of the Oregon Education Coalition, and is co-host of Kremer and Abrams on News Radio 750 KXL, Sunday 9-11 a.m.

caption.