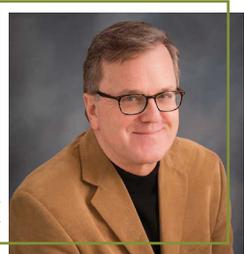


Fall 2020

Cascade Quarterly

Official Newsletter of Cascade Policy Institute

New Beginnings, School Refunds, & More



John A. Charles, Jr. is the President and CEO of Cascade Policy Institute.

Welcome to our newest publication, brought about by the generosity of our donors. As our workload increases, we need new ways to communicate with our supporters. I hope you enjoy learning about members of our team and the issues they are researching.

I'm sure the top concern for most Oregonians is the disruptive effects of the pandemic. For a while it

seemed like this would be temporary; but now we have to consider the possibility that restrictions will be in place through 2021. That calls for fundamental changes in the way government operates.

I think the top priority should be a restructuring of the public school monopoly. Many school districts spend over \$20,000 per student annually, yet most school buildings will be empty this fall. Parents are being conscripted into the teaching workforce without compensation. In thousands of communities across the country, parents are forming "micro schools" in their backyards or basements. In some cases, they are even hiring tutors. These parents understand that they have to look out for themselves. The education bureaucracy hasn't offered a solution.

This is a huge burden on families, and state legislators should help by directing some of the state-level educational appropriations to those parents. Public schools currently

spend about \$8,600 per student annually on instruction. If parents are now part of the teaching workforce, they deserve some of the state funding. Even token refunds of \$2,500/student would go a long way.

For those parents who withdraw their children entirely from the school system, they deserve a much bigger refund – perhaps the entire \$8,600 per student. After all, the primary reason schools have been shut down is that student density is too high. If a large number of parents withdraw their children, it makes it easier to teach the remaining students. Schools could even reopen if enough students transferred.

The idea of paying parents to withdraw their kids is not much different from airlines offering customers free tickets for giving up their seats on overbooked flights. No one is forced to accept the offer, and those who do are made better off. It's the timeless concept of "gains from trade."

Elsewhere in this newsletter, you will read about our work on many Oregon issues. In most cases, the problems have been created by government intervention. The solutions are usually simple: reduce regulation and allow markets to actually function.

Thank you for your continued support of Cascade Policy Institute's mission: to promote public policy alternatives in Oregon that foster individual liberty, personal responsibility, and economic opportunity.

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Giving to Cascade

As you may know, the Congressional coronavirus aid package passed this spring—the CARES Act—provided temporary financial assistance to nonprofit organizations as well as to for-profit businesses. We think it's important for you to know that Cascade Policy Institute continues to rely solely on the voluntary generosity of our individual, foundation, and business supporters. On principle, Cascade doesn't, and wouldn't, solicit or accept government funding. About 70% of our annual revenue comes from individuals like you who believe in our mission, and it will stay that way.

The CARES Act does provide some temporary advantages to individuals like you who want to support nonprofit causes that are important to you this year:

1. Taxpayers who itemize deductions can deduct up to 100% of their 2020 charitable gifts, up from 60% previously.
2. Taxpayers who don't itemize deductions can deduct up to \$300 for 2020 charitable gifts.
3. The CARES Act temporarily suspends the requirements for required minimum distributions (RMD) for the 2020 tax year.
4. For those who do itemize their deductions, the law allows for cash contributions to qualified charities like Cascade Policy Institute to be deducted up to 100% of your adjusted gross income for the 2020 calendar year.

Your generous gift today would help further Cascade's vital mission in 2020 and beyond, and we would be honored to have your continued support. Thank you for your investment in Oregon's future.

Meet the New Staff



Helen Doran
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My name is Helen Doran, and I am the new Program Assistant for External Affairs, much of which entails finding new and exciting ways to communicate with you, our friends and donors!

I was introduced to Cascade in 2019, when I worked as a Research Associate through the Charles Koch Internship Program. In that role, I got to interview with “The Lars Larson Show” about fresh versus frozen spinach (maybe there was more to the story), hike Metro lands hidden from the public eye, and meet with figures that have helped to build and support our Oregon community, including local farmers and distillers.

My degree in History from Benedictine College is an interesting topic for the dinner table. I studied twentieth-century ideologies, their impact on individual and religious freedoms, and the resulting genocides. But on a cheerier note, I will talk all day about Russian literature, my love of classical music, and philosophy. Bring me a nice steak dinner, and I will discuss anything ranging from Solzhenitsyn to why women need deeper pants pockets.



Vlad Yurlov
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I’m Vladislav Vyacheslavovich Yurlov, but you can call me Vlad! My family moved from Russia to America in 2001 and has lived in Portland for as long as I can remember. It was through my unsupervised exploration of Oregon that I learned personal responsibility, which is the driving force in my life.

I capped off my education this spring, when I earned a Bachelor’s degree in Quantitative Economics. I chose this field because public policy has always interested me, due to its massive repercussions, and I wanted to learn what went on behind the scenes.

Last summer, I was a part of an internship team at Cascade, which opened my eyes to what real policy work looked like. Obviously, I loved it and am now back as a policy analyst!

Besides researching, I’m most “at home” while writing, playing my bass guitar, or listening to live music.

A Year at Cascade

When John told me working at Cascade would be an “all you can eat buffet,” he wasn’t kidding. It seemed that everywhere I looked, there was another example of government waste and mismanagement. Thus, the past twelve months have been busy. As I became a better researcher, writer, and presenter I have increasingly taken part in great opportunities. Some of my “best hits” and favorite memories include:

Wapato Jail

I have been closely following the transformation of the Wapato Jail to the future Bybee Lakes Hope Center over the past few months. I’ve toured the facility with philanthropist Jordan Schnitzer, published a letter to the editor in *The Oregonian* about the viability of the center as a homeless shelter, and was invited by Schnitzer to speak at a press conference. The most recent action I’ve taken was submitting testimony to the Portland City Council requesting they grant the Bybee Lakes Hope Center a zoning variance. The Wapato Jail transformation was truly a “barn raising” event that involved many community members, Cascade included. Notably missing was Multnomah County, which hoped the building would instead be demolished.

Oregon Climate Change Policy

Last fall I published a Cascade QuickPoint calling out the Oregon Global Warming Commission (OGWC) for measuring Oregon Greenhouse Gas emissions in aggregate instead of per capita. After testifying on this issue to the OGWC, I was invited by State Representative David Brock Smith to present on Greenhouse Gas emissions measurements to the Oregon Republican Senate Caucus as part of their “Symposium on Building a Low Carbon Future.” Other presenters included Greenpeace co-founder Patrick Moore and Michael Shellenberger, founder of Environmental Progress and a nuclear power advocate.

State Policy Network Annual Meeting

The SPN meeting in Colorado Springs was absolutely fantastic and one of my favorite memories from the past year. It was inspiring and exciting to be in a room with hundreds of men and women who were fighting for freedom in their respective states. I was able to throw axes, attend informative sessions on energy policy, and meet up with some former friends in the movement (including Jakob Puckett, a CPI intern from 2018 who now works for the Show-Me Institute).

I know so much more now than I did 12 months ago, and I’m excited to see how much more I’ll know in 12 months to come.



Rachel Dawson joined Cascade Policy Institute as a Policy Analyst in 2019. Her work encompasses a variety of topics, including electric utility regulation and transportation policy. Rachel previously worked with Cascade as a Research Associate through the Charles Koch Internship Program. In that role, she conducted research and testified at public hearings on affordable housing, transportation, and energy policy. Rachel graduated from Hamilton College in Clinton, New York with a degree in Public Policy and a focus on criminal justice reform.

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Thanks to your continued support, Cascade Policy Institute is excited to announce our 30th anniversary in 2021!

Since 1991, Cascade Policy Institute has educated Oregonians, policymakers, and state and local lawmakers about the merits of limited government and free enterprise. We have developed and promoted public policy alternatives that foster individual liberty, personal responsibility, and economic opportunity in the beautiful state of Oregon. We are proud of our 29 years of accomplishments:

- 2019 Researched the long-term failure of TriMet's light rail program. Our research was the basis for the state legislature's rejection of a request by TriMet for \$27 million for the Tigard light rail project during the 2019 legislative session.
- 2019 Produced the first independent audit of Metro's Parks and Nature program, demonstrating that most properties purchased by Metro are outside Metro's jurisdiction and outside the Portland regional Urban Growth Boundary.
- 2018 Published the first study showing that a partial "money-back guarantee" for public schools could be offered to parents without diminishing funding for those students choosing to remain in public schools.
- 2015 Lobbied for and helped pass the Right to Try bill, giving terminally ill patients access to potentially life-saving treatments not yet approved by the FDA.
- 2013 Lobbied for and helped pass the bill to allow African hair braiders like Amber Starks to practice their profession without obtaining a full cosmetology license.
- 2011 Lobbied for and helped pass the Open Enrollment bill, which has helped hundreds of Oregon families transfer to a school or school district better suited to their objectives.
- 1999 Launched Children's Scholarship Fund-Portland with \$1 million in local pledges matched by \$1 million from the national CSF organization.
- 1999 Researched the necessary information to pass charter school enabling legislation in 1999. As a result, today, Oregon has more than 130 public charter schools.
- 1994 Held Cascade's first Oregon Better Government Competition. With the support of local newspapers and broadcast outlets, anyone with a good idea for improving state or local services was encouraged to submit a five-page summary. Of the ten suggestions selected to be developed into detailed business plans, eight were introduced before the Oregon legislature. One winning idea foreshadowed Uber twelve years before smartphones changed how we move around our cities.

We have some exciting plans in the works for our 30th anniversary to celebrate with Cascade friends and supporters. Are you interested in celebrating with Cascade in 2021? Be sure to subscribe to our email list and follow us on social media for future announcements.



A Money-Back Guarantee for Oregon Students



Dr. Eric Fruits has been a long-time academic advisor and contributing analyst for Cascade. As Vice President of Research, he leads Cascade's policy team and serves as an expert analyst of Oregon state and local public policy issues. Contact Eric Fruits at eric@cascadepolicy.org.

Oregon public school students are not likely to return to their classrooms this fall, with Portland Public Schools bracing parents for at least a semester of online classes. Even if they return to campus, PPS students face a two-day-on, two-day-off schedule. The uncertainty and chaos partially explain the results of a June survey conducted by USA Today and Ipsos that reported 60% of parents are likely to continue homeschooling this fall even if schools reopen. If a large portion of the population opts out of public schools this year, what happens to all that money?

Funds for Oregon schools come from a complex mix of state, local, and federal sources. On average, school districts receive about \$10,500 per student from the State School Fund. The figure below shows that districts in Multnomah County spend about \$8,600 per student in instruction, which accounts for about half (or less) of total public school spending. If students aren't getting instruction from their public schools, they should get that money back to receive instruction elsewhere. Imagine what families could do with \$8,600 a year to spend on educational expenses.

Because district funding depends on how many students attend school in a district, public schools have a keen interest in maintaining or expanding public school enrollment. In written testimony to the legislature, the state's teachers union and school employees union opposed increased enrollment in online charter schools. They claimed that increased enrollment in charter schools would "reduce the funding that districts need." Governor Kate Brown closed online charters along with brick and mortar schools in part because increased charter enrollment would "impact school funding for districts across Oregon." For the unions and the governor, students are not kids seeking an engaging education, they are merely a source of funds to fuel the public school system.

"Public education should fund students' education instead of the education system. The money should follow the child, wherever he or she may choose to go. If a student chooses the public school, then the funds should flow to the public school. If a student chooses a private school or a charter school, then the funds should be used to offset those costs."

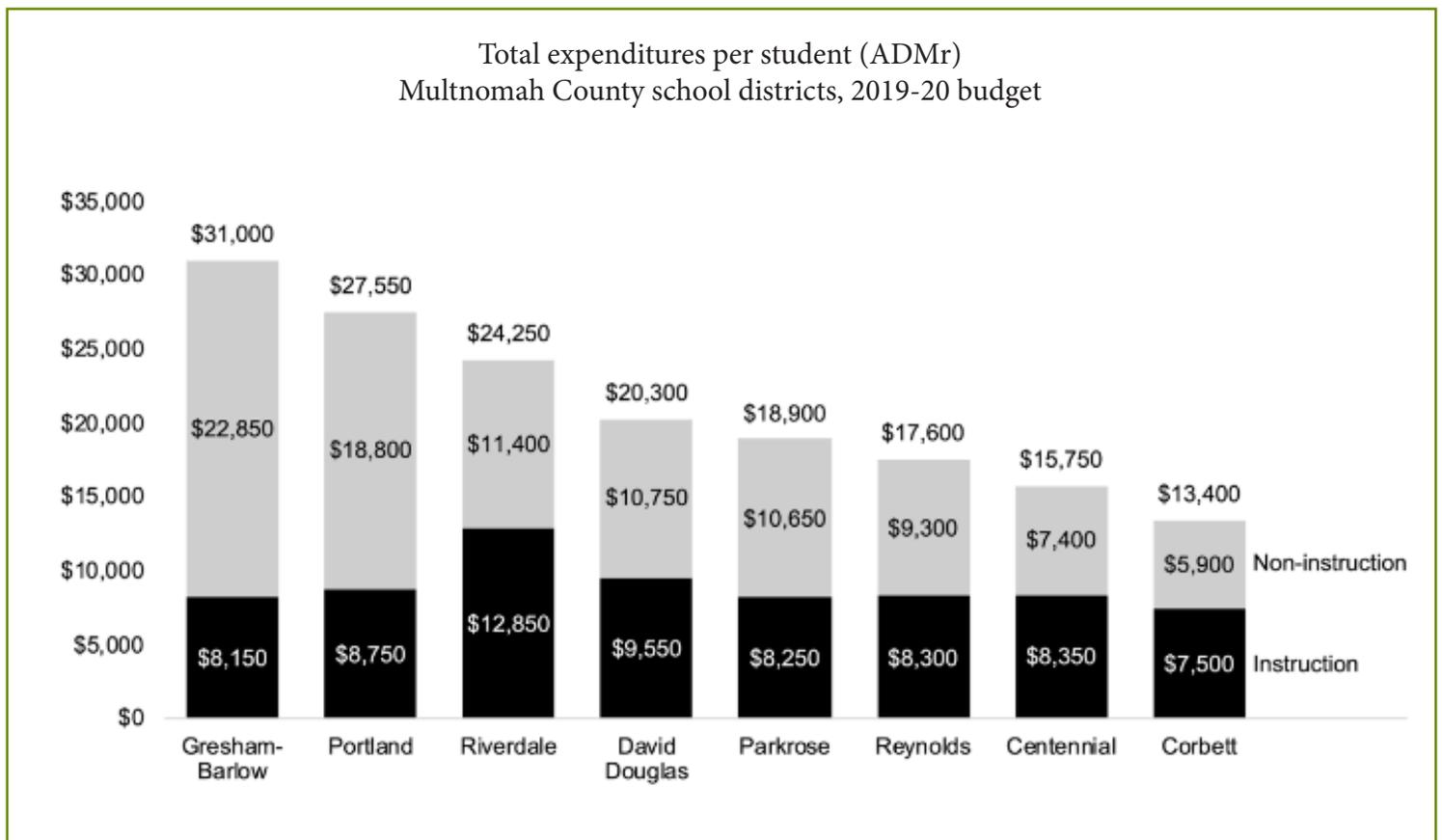
Public education should fund students' education instead of the education system. The money should follow the child, wherever he or she may choose to go. If a student chooses the public school, then the funds should flow to the public school. If a student chooses a private school or a charter school, then the funds should be used to offset those costs. Families of homeschoolers should receive funding to offset their out-of-pocket education expenses. If that seems obvious, that's because it is obvious.

Think of it as a form of money-back guarantee. If you're happy with your public school, stay there. But, if the public school isn't working for your child, you should be able to get your money back and spend it where it works. In July, Education Secretary Betsy DeVos suggested rather than "pulling funding" from schools, the government is considering "allowing families...[to] take that money and figure out where their kids can get educated if their schools are going to refuse to open." Many parents will find \$8,600 to spend on education can go a long way if they shop around.

This isn't a radical idea. It's how higher education works for millions of college students. They can take their Pell Grants, GI Bill funds, and other financial aid to just about any school they want. Why is K-12 "financial aid" contingent on attending a bureaucratically assigned public school?

The practice of assigning students to schools based on street addresses is inherently unfair. Wealthier neighborhoods have better-funded schools with better measures of student achievement, while poorer neighborhoods have run-down schools with dismal academic performance.

The pandemic has exposed our state and local governments as broken. They only "work" during a booming economy, when wasted money and misplaced priorities are obscured by widespread prosperity. But when effective public services are needed most, our government institutions have ground to a halt and, in some cases, made things worse. Now more than ever, families should control their education funds to find schooling solutions that match their children's needs, their work schedules, and their health concerns. A money-back guarantee of \$8,600 per student would go a long way toward finding those solutions.



Source: Multnomah County Tax Supervising and Conservation Commission

Coffee with Cascade

an Oregon-based podcast by Cascade Policy Institute

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Current Projects

Thanks to the support of our donors, Cascade Policy Institute has educated Oregonians, policymakers, and state and local lawmakers about the merits of limited government and free enterprise. We develop and promote public policy alternatives that foster individual liberty, personal responsibility, and economic opportunity.

See our current projects below:

Public Purpose Charge

Oregon's Public Purpose Charge appears on nearly every consumer's energy bill in the state. Originally a temporary charge to fund conservation and renewable energy projects, the PPC has ballooned into a \$200 million a year boondoggle. The program is now set to sunset in 2026, but efforts are underway in the legislature to extend the PPC's life. Cascade has prepared a comprehensive review of the PPC program with an eye toward convincing several swing legislators to sunset the program in 2026.

Homelessness

Homelessness in the Portland region has worsened over the past several years. In 2019 Portland's unsheltered population was at an all-time high, up 22-percent from the previous year. This puts Portland in roughly the same company with large cities such as New York, Los Angeles, and San Francisco, where the unsheltered homeless population has been growing for decades.

In most respects the Portland region is mirroring the mistakes being made by many other large cities. Liberal politicians are spending billions of dollars enabling dysfunctional lifestyles through enhanced public services, without requiring meaningful behavioral changes in return.

Cascade's research is focused on examining the efforts of Bybee Lakes Hope Center (formerly Wapato Jail) and similar programs to provide homeless services focused on personal responsibility without public funding.

Grid Reliability

California's recent blackouts should come as a warning for the Northwest as we increasingly retire reliable fossil fuel plants in favor of solar and wind resources. Demand outstripped supply in California, forcing utilities to initiate rolling blackouts for two nights. This low supply was caused by a decline in solar energy from cloud coverage, unavailable spare electricity from neighboring states, and a sudden drop in wind energy.

California's situation demonstrates the need for reliable energy resources. Cascade is monitoring grid reliability in our region with the goal of providing officials sound policy solutions. Otherwise, projected power shortages in coming years may become our new normal.

Metro 2040 Growth Concept

In 1995, Metro Council adopted a 50 year "vision" and "framework" for regional growth, dubbed the 2040 Growth Concept. This year is the halfway mark in the 2040 plan, and our research will serve as a midterm exam. At the time 2040 was developed, Metro developed several metrics by which success or failure could be measured, such as measures of congestion, air quality, and public transit use. Metro also published several "visions" of how specific parts of the region would be developed over 50 years (e.g., Clackamas Town Center and Gateway Town Center).

Cascade's report will evaluate the extent to which reality matches Metro's initial goals and visions.

Transportation Planning Rule

Oregon's Transportation Planning Rule (TPR) was enacted in 1990 with an explicit goal of reducing per-capita vehicle miles traveled by 10% over 20 years and 20% over 30 years. The rule sets a goal of reducing parking supply by 10% per capita over 30 years. We are in the 30th year right now, and Cascade is measuring the results.

