

## Governor Kitzhaber's Inaugural Remarks

So I guess none of you could get tickets to the game either.

Before I begin I would like to pause to offer my heartfelt thanks, my own and on behalf of Oregon to Governor Ted Kulongoski. I don't believe that another person in the history of this state who found more ways to express his love for and commitment to Oregon and its people: Marine, Legislator, Insurance Commissioner, Attorney General, Supreme Court Justice and Governor.

But these official positions only scratch the surface of his good works and those good works have made a great difference. Throughout his lifetime of service he has never for a moment forgotten his roots; lost his empathy for those who struggle or failed to preserve.

Today may mark the end of his term as Governor, but if anyone thinks this is the end of his working for a better Oregon, well, they don't know Ted Kulongoski.

He has governed well during very difficult times, marked by war as well as the recession.

I am proud to have served with him.

We are gathered here today at a sobering and humbling moment in Oregon's history: sobering because of the task before us; humbling because our fellow citizens have chosen us to find a way forward, and to forge a better future for our state and for our people.

We face high unemployment; a divided state; and a projected budget deficit of \$3.5 billion - about 20% of our General Fund. But it is not always going to be this way. And while those numbers will surely occupy all of us for the next six months, we cannot let them consume us. Because if we do this right - and if we do it together -- we can navigate through this recession and this budget deficit to the brighter waters that lie beyond.

We should not underestimate the magnitude of these challenges; but at the same time we should never - never -- question our ability to successfully meet them. I am here to tell you that we can and that we will. Our future will be shaped by the choices we make over the next six months; and by the degree of civility with which we deal with one another as we address the difficult structural changes needed to put Oregon on a more solid and sustainable path.

Over past week as I thought of what I would like to say this morning, I searched for an analogy or a metaphor which could capture both the responsibility and the opportunity which lies before us. And I found one in one of my fondest childhood memories: the camping trips that our family used to take during summer vacation.

Led by my father we would sally forth, armed only with an ancient Coleman stove (which I still use) and a huge canvass umbrella tent supported by an elaborate metal infrastructure which could attract lightning from miles away. We camped on the shores of Bear Lake Utah, in the Snowy Range of Wyoming and in Yellowstone National Park.

As I grew older my father and I left the umbrella tent behind and took our stove to the banks of the great rivers of western Oregon - rivers with names like Santiam, Umpqua and Rogue. It here along these rivers that I first met the salmon in its native habitat and developed my life long fascination with it and its life cycle. It was here at a place called Boulder Flats that I first witnessed these scarred and broken creatures, these brave warriors, planting the seeds of tomorrow; fulfilling their responsibility to the future.

Because the life of the salmon is dedicated to the future - to nurturing, sustaining and giving to that which will follow. The salmon I grew to know as a boy were born in the gravel beds of the cold fast moving streams that tumble down

the west slope of the Cascade Mountains. They migrate down these streams to the ocean where they mature and spend their adult lives until some inner voice tells them it is time to come home.

On its final journey this remarkable creature travels thousands of miles, fighting its way upstream -- leaping impossible falls and negotiating obstacles - in a single minded effort to return and spawn in the very gravel where it was born. And even those who never make it home - who die in the effort - give their bodies to the river and to the future; providing the nutrients essential to the survival of the next generation.

I share this story because there is a similar voice calling to us - a voice that reminds us of the responsibility that each generation has to the next. Through the crucible of the recession and the deficit, we have the chance this session to set Oregon on a course to a very bright future.

But today in Oregon - on our current courses - we are not fulfilling either our responsibilities to one another or to our children and grandchildren - because behind the immediate problem of our \$3.5 billion budget deficit lies a deeply disturbing trend.

The demand for public services is increasing because of an aging population and because of the current recession - more people on food stamps, more people on the Oregon health plan - while our public resources are shrinking - not just because of our high unemployment rate but also because the per capita income of those who are working has been eroding over the past decade. And the public resources we do have are increasingly being spent on corrections, health care and the human consequences of neglect, abuse while our investment in educating our children and building a better economy is decreasing. And this trend is accelerating.

To understand the problem this creates we need to understand the two ways in which Oregon spends money. The first way we spend money is by investing in people - in children and families, in education and in workforce development - investments which make people's lives better; which give them a pathway to a family wage job; which give them a secure future; and which lift up our whole state. Educated citizens are more likely to succeed in the workplace and less likely to need social support services or to become involved in the criminal justice system.

The other way we spend money is by taking care of problems after they have developed - in foster care, in public assistance, in the criminal justice system. Locking people up in our jail and prisons; and much of what we spend in our health care system and social support systems are expenditures - important in the sense that they deal with immediate problems -- but problems that could be prevented if we increased the size and effectiveness of our investment in people.

Today we are spending more on problems than we are investing in people and it is taking us in the wrong direction. We have our priorities backwards and the central challenge facing Oregon today is to reverse this trend.

Doing so will require three steps.

First we need to know where we are going - we need a destination. And here it is. By 2020, the end of this decade - by the time the children entering kindergarten this year graduate from high school -- we should live in a state where our children are ready to learn before they get to school; where they have the resources and attention to learn and our teachers have the time and support to teach; where drop out rates are steadily falling and graduation rates are steadily rising; where all Oregon high school graduates are prepared to pursue a post-secondary education without remediation; and where 80 percent of them achieve at least two years of post-secondary education or training. We should live in a state that creates family wage jobs and career pathways that lead to those jobs; and where the average per capita income exceeds the national average in every region.

I want to live in a state that looks like that - I think you do, too. And if together we commit ourselves to building that future; we can, over time, reverse our current trend of disinvestment in education; we can increase the per capita income of Oregonians; we can reduce incarceration rates and the cost of corrections; and we can reduce the cost of human service programs.

The second step is to change the focus of our political debate from cutting budgets and raising taxes to a focus on growing the economy and redesigning how we deliver public services. Let's start with the economy.

One week after the November election I launched six transition teams to lean into the immediate challenge of job creation. At the Oregon Business Summit last month I promised that before January 14 I would convene the Oregon Business Plan Steering Committee; labor and legislative leadership to develop actions plans to move this important work forward. That meeting will take place tomorrow when these six transition teams make their recommendations.

I strongly support one of the central goals of the Oregon Business to create an average of 25,000 jobs a year through 2020 and to increase Oregon's per capita personal income to a level above the national average. And we must work hard to increase jobs and incomes throughout the state and for all Oregonians. It is important to recognize that adding 18 jobs in Coos Bay will have the same impact on that community as adding 500 jobs in Portland. Rural incomes need to grow as fast as metro incomes - and we must also commit ourselves to providing jobs and increasing incomes even faster in our communities of color where chronic unemployment is far higher than the statewide average.

I will use the full power of the Governor's office to make this aggressive goal a reality and I want -- and expect -- to be held accountable by the citizens of Oregon for making significant progress during my term.

Building the economy is essential to all we wish to achieve for our state. But we must also create a state government that supports the important public services on which our private sector economy depends; a budget that begins to shift our pattern of investments toward children, education and workforce development; and which is financially sustainable over the long term. We can, and must, manage through this budget crisis in a way that creates a solid foundation on which to build Oregon's future.

Let's remember that this is not the first time Oregon's pattern of economic "boom and bust" has put us in this position. Historically, state government's response has been to cut from the current structure in lean times, and add back those cuts in good times -- leaving the structure of how services are provided basically intact. It is a cycle that has repeated itself over and over again, leaving us where we are today.

Think of Oregon as a house that was built decades ago. And think of Oregonians as a family who've lived in that house for generations. Now, the way the house was designed probably made sense at the time it was built. But over time the family and its needs and the way it lives have changed but the structure of the house hasn't.

There are too many rooms and they aren't the right size. There's no insulation and the windows are drafty. And the cost of keeping this house up is more than the family can afford. The roof needs to be replaced and the siding is falling off. And at some point, simply patching things up isn't good enough. The point comes when you have to build a new house that's affordable and that's designed for what the family needs and the way the family lives.

For better or for worse, the Great Recession has leveled the House of Oregon to its foundations and has given us the opportunity to rebuild it for the 21st century

This is the legislative session when we stop kicking the can down the road and start reshaping Oregon's state government. Instead of creating a budget that does less of the same in the hopes that we will later be able to do more of the same, I will be proposing a budget and structural reforms that will do things differently - and I will be announcing some of those this Friday.

The final step in rebuilding the House of Oregon is to recognize that the kind of transformational change required can't happen overnight or over the course of a single biennium. It will require a sustained and consistent effort over the next eight to ten years, built on such a solid foundation that it can continue to move forward and be sustained regardless of changes in the executive branch or partisan changes in the make up of the legislature. We have the opportunity and the responsibility to put that foundation in place during this session.

Long-term changes require long-term planning and commitment. That means moving from a two-year budget to a

ten-year budget frame; from a current service level budget to true outcome-based budgeting will provide us a roadmap and which can help inform us as to whether the individual choices we must make along the way moves us towards or steer us away from our long term objective.

None of this is going to be easy. But if we do it right - and if we do it together -- this session will be an historic one: one that future generations will look back on and see as the start of a bright and sustainable future for our state. I know that every one of the things I have outlined today can be achieved. But we can only do it if we work together.

We have been placed in this room by the people of Oregon. Each of us traveled a different path to get here. We have our own life experiences, our own sense of the world, and yes, our own ideologies. And the political season that we navigated to bring us to this moment inflicted some bumps and bruises.

But I am absolutely confident that we have at least one thing in common: we launched ourselves on this journey upstream because we love Oregon, and have made a personal commitment to doing what it takes to give it a better future.

As we embark on this session each of us has a choice to make. We can remember that the common commitment, or we can allow the divisions of ideology to be magnified making progress difficult.

We have seen that happen here; we have seen it in Washington DC; and as we saw it two days ago in Arizona, these divisions can turn tragically toxic.

Let each of us choose to turn away from that path because the challenges we face dwarf those divisions. Let us debate; let us disagree; but let us never question each other's motives, patriotism or love for Oregon.

The works we must complete - and the consequences if we fail to do so - are not Democratic, or Republican - they are Oregonian. It is clear what we have to do. It is clear that we do not have much time to do it. And it is clear that we can only succeed by keeping our common goals first, and working together as Oregonians.

That is why I am here, and I know that is why you are here too. This is the moment to revive our great tradition of reaching across the divides of partisanship and geography to do the right thing for Oregon. Oregon expects that of us, and you can expect that of me.

So today let us pledge to use the next six months to fulfill our responsibilities to those who will come after us: to meet this challenge and seize this opportunity - not as captives of the past or victims of the status quo - but as the proud architects of a new and brighter future.

Today marks the beginning of our collective effort to do just that: to put our state back together and to build the solid foundation for that future. And I know that we will be successful.

Somewhere in America a state needs to be able to demonstrate that we can weather this kind of challenge without losing our sense of community, without losing our commitment to one another, and emerge stronger and more united than where we began.

Let's make that our state. Let's make that state Oregon.