

Governor Theodore R. Kulongoski
Closing Comments to 4th Annual Oregon Leadership Summit
January 9, 2006

Thank you again Allen. This has been a great summit. We've learned a lot about the progress of Oregon's clusters. And most important, we've come together around a commitment to make 2007 the year of *real* change in education for Oregon.

I also want to thank my colleagues – Senators Wyden and Smith, Speaker Minnis, and President Courtney.

We represent two different parties, but we are of one mind that the time has come to stop tinkering with – and start revolutionizing – education in Oregon.

Finally I want to thank the businesses, foundations and citizen groups that have been working hard over the last three years to test new ideas for improving education in Oregon.

In particular, I want to acknowledge the Chalkboard Project. This project is being led by some of the brightest lights in Oregon. These are men and women who have put their foundations – and their great talent – to work increasing excellence in public education.

That means not only finding stable and adequate funding – but also improving teacher training, increasing parental involvement, and promoting transparency.

I met last week with three of the leaders of the Chalkboard Project. Their work isn't finished, but they're making real headway – and I'm expecting to receive their report soon.

They've also begun the *Open Books Project* to give the public an open and honest look at where our K through 12 dollars are spent – including district by district comparisons.

This is an important step in educating the public about public education. So I hope all Oregonians will take time to learn more about the Open Books Project.

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Earlier this afternoon I told you that the time has come to recognize that education and the economy are one issue.

I also gave you my first principle – that the more we put into education the more we will get out of the economy.

Yes, *The Oregonian* editorial page got it mostly right when they wrote that I spent my first term focused on the economy.

But whoever wrote the editorial left out a few details. So let me take a moment to fill them in.

Focusing on the economy has meant billions invested in infrastructure. Not only roads and bridges, but with *ConnectOregon* – rails, ports and air travel too.

We're also investing an unprecedented half-billion dollars in capital construction for our community colleges and universities.

Over the last three years, I've led successful negotiations with major companies to move or stay here, streamlined government, added more industrial land, lowered or kept flat workers compensation rates, reintroduced non-stop air service to Europe and Japan, made Oregon financially attractive to the movie industry, raised our investment in tourism to record levels – and kept my door always open to you.

What's been the payoff to all my attention to the economy? Our unemployment rate is 5.8 percent – the lowest since 2001.

We've created over 80,000 new jobs.

In the last 12 months, our non-farm payroll rose 3.1 percent – double the national average.

We have the sixth fastest growing economy in the country.

We are a national leader in high tech innovation – consistently in the top ten states for being awarded patents – while maintaining our strong manufacturing base.

All of this progress has come despite having an education system that is stuck knee-deep in the last century.

I'm talking about inadequate budgets; managing by sector; lack of transparency, no reserve fund; no predictability; the state's inability to demand accountability – even though we pay for the system; and failing to respond to the needs of the 70-percent of Oregonians who either don't have a post-secondary education or don't want one.

So I come to this Summit with two messages.

First, the economic news is the best in years. Oregon's economy has made solid gains and is absolutely on the rebound.

Second, we face the very real prospect of being an economic also-ran if we don't change the way we budget, fund, manage and think about education in Oregon.

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One reason these OBC summits have been a success is that we're not trying to reinvent the wheel every time we come to this Convention Center.

In that spirit, I'd like to remind you that last year I quoted Mark Twain on the subject of "rampant sin and abundant booze."

Mr. Twain did not seem to have a problem with either one.

This year, I want to quote Mark Twain again – but on a subject more relevant to this summit. He said, "It is noble to teach oneself. It is still nobler to teach others, and less trouble."

Twain is right. Teaching others is noble.

Oregon's teachers work extremely hard, have made real sacrifices the last few years, and believe – as I do – that we have a moral obligation to create an education system that gives all Oregonians the opportunity for a prosperous future.

That's a major challenge. But as the leaders of this state, we have an even bigger challenge – to make sure we do not let fear, inertia or skepticism stand in the way of creating the best educated, best trained, best skilled population of *any* state in America.

We must not be afraid to act.

We must not let more time slip away waiting for the perfect political moment. There will *never* be a perfect political moment – so let's seize the one in front of us and get to work.

Most of all we must not listen to the skeptics who say we don't have the money – or the will – to be anything more than a bench player in a major league global economy.

These skeptics are wrong!

But their cramped view of Oregon's potential will prevail unless we move toward my vision of education and the economy as one pillar of our future – not two stovepipes of our past.

I gave my vision a name at last year's Summit: The Education Enterprise.

But the name is less important than what it is intended to achieve – which is an end to the same exhausted and out-of-date thinking about education.

The old paradigm – education as a series of islands – each with its own name, its own budget, its own advocates, and its own policymakers and administrators – is a prescription for failure.

So let me repeat what I said earlier today – and many times last year.

To get the absolute most out of education in Oregon – we need to create a seamless continuum that begins with pre-K, moves on to K through 20 -- and the retraining of older workers.

This way education isn't a series of islands. It is one great expanse – like Oregon itself – with a clearly marked trail that all of our citizens can travel from beginning to end.

If we do this, we will end up with an education system that aligns itself with the global economy – and the reality that high technology is used in almost every industry.

Aligns itself with Oregon's changing demographics – and the changing career choices of students.

Aligns itself with challenges inside the classroom that our teachers never had to face before – and challenges outside the classroom that we, as children, never had to face.

And aligns itself with the workforce needs of Oregon's growing number of clusters – especially manufacturing clusters – and the training needs of workers who don't have the skills they need to land high paying jobs.

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I want to spend a few minutes talking about manufacturing because right now we're facing a perfect storm.

We have a growing dependence on manufacturing to create jobs and spur economic growth – combined with a growing skills gap in our manufacturing base.

My goal is to solve three problems at once: Your need for skilled workers. Help for older workers who feel they're being left behind. And better choices for the large number of students who don't want a four-year degree.

I can't say this enough: In a global economy – where almost every industry requires the use of high technology – putting the next great idea down on paper is no help if we don't have skilled workers who can pick up tools and turn that great idea into a manufactured and marketable product.

That's why workforce training has been on my radar screen since the day I took office. And we've already made real progress.

We've given out over 300 regional training grants through the Employer Workforce Training Fund.

We've invested 8-million dollars of our Federal Workforce Investment Act funds to build public-private training partnerships, close the skills gap, and retain quality jobs in Oregon.

Approximately 14,000 workers have taken advantage of these regional training grants – learning everything from the ins and outs of high performance manufacturing, to English as a second language.

We're organizing groups of industries – for example metals and health care – to make sure that our training focuses on the skills these industries are looking for.

We're helping to fund the Portland Workforce Alliance, a business, labor and education alliance that is creating a model to better connect schools with the needs of business.

In 2004, I asked the Chair of the Oregon Workforce Investment Board to appoint a committee – representing both business and labor – to develop a workforce manufacturing strategy.

This committee – co-chaired by Elizabeth King from ESCO Corporation and John Burns from Neilson Manufacturing – includes business leaders from metals, transportation, food processing, RV manufacturing and wood products.

The strategy this committee is working on will lead to a broader manufacturing partnership that builds on what business and labor are already doing together.

The partnership includes the Manufacturing 21 Coalition, Associated Oregon Industries, the Northwest High Performance Enterprise Consortium, the AFL-CIO, the Oregon Manufacturing Extension Partnership, the Gateway Coalition, the Western Council of Industrial Workers, and more.

Since I'm naming organizations – let me also mention a few of the leaders of this partnership: Steve Pratt, Susan Reece, Eileen Drake, Tom Chamberlain, Dennie Scott, Charlie Lake, Patrick Murphy, Tom Fahey, Dan Thorndike, Carl Califano, Clark Nelson, and many others.

The long-term purpose of our manufacturing strategy is to make sure that our businesses never have to look outside Oregon for skilled workers; . . .
. . . that the number of high wage manufacturing jobs continues to grow; . . .
. . . and that our manufacturing industries always beat the competition on quality and price.

This strategy – which is absolutely critical to Oregon's economic future – is not fully in place.

But today I'm pleased to announce that we will put forward another 1-million dollars to keep us on track toward all of our manufacturing strategy goals.

Half of the million-dollar investment will come from federal workforce training funds – and will be used specifically to implement the Oregon Manufacturing Workforce Strategy with our private sector partners.

The other half will be used to continue our commitment to manufacturers to provide high performance consulting services through the Oregon Manufacturing Extension Partnership.

Our manufacturing strategy is one more way that we are using our education and workforce training systems to grow jobs for Oregonians – and to train Oregonians for jobs.

So the state has a big role to play – and we’re playing it. But the real strength of the manufacturing strategy is in the private sector partnerships that are leading the charge.

The Northwest High Performance Enterprise Consortium will help make Oregon a leader in high performance manufacturing.

The Oregon Workforce Investment Board – and its labor partners – will focus on basic reading and math skills, and technical abilities.

And the Manufacturing 21 Coalition will develop a concept for the Center for Manufacturing and Infrastructure Engineering.

No one is more committed than I am to seeing that Oregon achieves its full economic potential. We can build strong companies, expand our markets, and train the best skilled workforce in the world. All we need to do – is do it together.

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The premise that I’ve gone back to several times today – that the more we put into education the more we will get out of the economy – does not just apply to manufacturing.

The same is true for other critical pieces of my agenda: Protecting the environment; creating an affordable health care system; keeping children healthy and safe; building infrastructure; and fostering art and culture.

All contribute to economic growth, which means all are supported by education.

To illustrate my point, I’ll give you one example. (You’ll hear more in my state of the state address next month.)

Renewable energy is a great opportunity for Oregon.

It will help us achieve energy independence. It is one of the best bets for rural economic development. And it meshes with our workforce training goals because many renewable energy jobs require technical training.

I bring this up because I attended the breakout session this morning that discussed converting forest biomass to energy.

A lot of the discussion was about removing barriers and creating the right incentives for a viable industry. Those are the right issues.

I want you to know that I am committed to making Oregon a national leader in forest biomass energy development.

At my direction, the Department of Forestry is coordinating a blue ribbon work group that includes partners from the forest products, non-profit and energy sectors.

This group will make recommendations to me about how to move this industry forward.

Our forests make biomass a natural fit for Oregon.

We will be able to reduce the risk of forest fires by removing dry debris – and then use that debris to generate energy, all the while creating jobs, attracting new businesses, and shifting our economy into a higher gear.

That, after all, is what these summits – and all of your hard work – are about: Turning the Oregon economy into a high performance engine of growth, high wage jobs, skilled workers, and financial security for Oregon families.

But we will not reach any of these goals without well educated and well trained Oregonians.

We're not there yet. But with four economic summits behind us – and the Education Enterprise ahead of us – I promise you and the people of Oregon, . . .

. . . we're going to get there very soon.

Thank you.