

State of Flux: An interview with former Secretary of State Phil Keisling

The nation may be out of a recession – officially – but times are still tough for Oregon. Per capita income is just 90% of the national average, while the state’s unemployment rate hovers stubbornly at 10%. Voters voiced their displeasure last fall by ousting incumbent lawmakers left and right. Republicans gained an equal share of the Oregon House of Representatives, while Democrats barely held on to the Senate and governorship. Going forward, key challenges for legislators on both sides of the aisle will be narrowing a yawning budget gap and creating more family-wage jobs, says Phil Keisling, who served as Oregon’s Secretary of State from 1991 to 1999 and recently joined Portland State University’s Mark O. Hatfield School of Government. Perhaps the biggest challenge of all will be putting partisanship on the shelf. In the following interview with Metroscape, Keisling weighs in on politics, poverty and public service. The interview has been edited for space.

MB: To start off with, let’s talk about your new job. In July, you joined Portland State University as the first permanent director of the Hatfield School’s Center for Public Service. What’s the center’s mandate, and what are some of the projects you’re working on now?

PK: The general mission of the center is to connect the extraordinary assets of the university, specifically the Hatfield School of Government – faculty and students – with the real-world problems of the public and private sector – governments and nonprofits. These real-world problems seem to be getting a good deal more complicated and difficult, rather than easier, as we move forward. We’ve identified three broad

categories. One is very obvious, and that is education and degree programs. We run the executive master in public administration degree for full-time, working professionals in the public/nonprofit sector who want to get additional knowledge and get the credential. Many of them have just a bachelor's degree. Or, if they have a master's, it's just very domain-specific – for example, someone who's a biologist in a fish and wildlife department but who's looking at managing. Portland State has the only program of this kind in Oregon. It's very much targeted at people who have 10-plus years of [professional] experience.

We also have an array of training programs in leadership development. For example, the U.S. Army Corps of Engineers, every year for the last decade, has had us put 12-15 people through a leadership- development program that's co-produced. This means that our faculty members sit down with their key managers and work on a shared curriculum that people use to help identify the next generation of leaders, push them forward, and give them more skills and knowledge.

We also have international programs. We see leadership development and what we offer not being confined solely within the borders of Oregon. In fact, one of our professors here, Marcus Ingle, has been working with colleagues on a Ford Foundation grant that involves a new leadership program called Emerge. We're field-testing it in Vietnam. We're working with the Ho Chi Minh Academy helping them development the leadership skills for the challenges they face as an emerging country, particularly around sustainable development – economic, environmental and social issues.

The third broad category is what I call research and consulting. We do very specific, tailored projects for both government and non-profit organizations. We're talking with some folks in the non-profit world about creating a "State of the Nonprofit" report to benchmark a lot of key metrics about the impact and reach of nonprofits here in Oregon. We helped

Clackamas County evaluate the results of a four-day work week pilot project. They used our evaluation and decided to go forward with it on a permanent basis.

There are probably 15 discreet programs here. Some are very specific about topics. For example, we have one focused around the “smart grid,” which is fast emerging as part of what we call the “new energy economy.” We offer programs that take natural resource managers on our field trips, one week at time, three times a year, to look at what we call “wicked” problems on the ground.

MB: You mentioned “smart” grids. You were in the technology sector prior to coming to PSU. What spurred you to make the switch from hightech to higher education?

PK: Yes, I spent 10 years as an executive with a software services company based in Beaverton, called CorSource Technology Group. We did a lot of computer software programming work on behalf of clients. I enjoyed the time immensely, but at the end of the day, I love public policy issues. I made a decision at the age of 55, the kids were beginning to get off to college, that it was time for me to return to my first love in life. I was talking to a lot of people about what to do next, and someone mentioned this PSU job. I threw my hat in the ring. It’s a wonderful opportunity, and it’s an institution I’ve increasingly grown to respect over the years. And though I’ve been a Democrat for virtually my whole life – Mark Hatfield, for whom this school is named – is one of my political heroes.

MB: Let’s turn to state politics for a moment. During the next legislative session, the Oregon House of Representatives will be split evenly between Democrats and Republicans; Democrats will have a slim majority in the state Senate. ... You studied pre-election and exit polling, so what were the biggest local and national forces that led to the GOP gains in the November election?

We are a poor state, economically. That has enormous implications for how we think, and understanding that this is not something that you just flip a switch on.

PK: To me, the most interesting set of statistics goes as follows: CNN does extensive exit polls on a national basis. In the 2006 election, those who described themselves as Democrats or Republicans voted about 90-93% for their tribes. That was also true in 2008 and 2010. In 2006, about 30%, though, of American voters described themselves as independents. And in 2006, they voted 58 to 39% for Democratic candidates. But wait: I think what they were really doing, more precisely, is they were voting against Republican candidates. That's the important distinction to make. In 2010, that group went 18 points against the Democrats – a swing of 37%. It's a remarkable swing, if you think about it. The other 70% of voters basically stayed static and shouted at each other across an increasingly large divide. So you have this 30% of the electorate that is basically the deal-maker, and it has been in recent elections.

I think this is the key to American politics – just who are these independents. What do they want? How do they think? What really makes up their disgust at both major political parties? And I think disgust is not too strong of a word.

Increasingly, when people are voting against things, the danger is that either political party takes their having more numbers than the other party as having a mandate to do things. And I think there was some overreaching that the Democrats who were in control went through. I think you're almost beginning to see some of it already with the Republicans who overreached before, which led to the change of power in 2006.

So politics in this country right now is almost kind of suspended between these kinds of on-and-off cycles between these two poles. I happen to be a really big believer that we

need to rethink the whole framework. I worked in both 2006 and 2008 on a ballot measure here in Oregon that would change the underlying rules of politics, creating a true open-primary election. Everybody runs and everybody is on the ballot. Every voter gets an identical ballot and sees all of the names. Every voter can vote for whomever they want, regardless of their party, regardless of their candidate. The top two go to the finals, regardless of their party. It's a pretty sweeping kind of change, and it's been something other than academic at this point because Washington voters approved it and ran the system for the first time in 2008. California voters approved it, and they'll run it for the first time in 2012. When and if it gets revisited in Oregon, I don't know. It got rejected at the ballot in 2008, though the last poll was 70% in support, 27% against.

We have a system where voters increasingly look at the choices and setup they have and say: "I'm not really happy with how this plays out, but I've got to vote one way or another." And in 2010, the Republicans were the beneficiaries of that. But if they overreach, if they misread this (election) as a sweeping mandate, if they get into a "my-way-or-the-highway" mode – which I've seen Democrats do as well – I think you might see another swing in 2012. And remember, in presidential elections, a lot more people vote.

MB: You cited the significant shift nationally amongst independents. Did we see as big of a shift here in Oregon amongst independents?

PK: Not in the governor's race. It's interesting, especially if you look at the razor-thin margin of victory for (John) Kitzhaber. The CNN (exit) poll had Kitzhaber losing this self-described independent group by only 9%. I did a calculation that if he had lost by 13% – still ahead of the 18 points, on average, in congressional races – he'd be watching the inauguration of Chris Dudley on television. (Kitzhaber's) ability to hold the independents better and not defect is one

way to explain the election. But lots of other things can also explain the election. Kitzhaber did better amongst older voters than Democrats did, generally.

At the legislative level, my guess would be that voters acted more like they did with congressional races. You had those independents probably going 15 or 20 or 35% in favor of the Republican. I think that helps explain the flip in some of these (suburban Portland) districts. In the Oregon Senate, two seats were lost, and in the House, six seats were lost. This resulted in an unprecedented 30-30 tie in the House.

MB: You mentioned the risk of overreaching by the political parties after past elections. Given the slim majority that Democrats have in the Oregon Senate, what advice would you give to Kitzhaber in terms of governing?

PK: Well, I won't be presumptuous to give him advice. But from what I've seen so far, he understands the dynamics in similar ways as I see them. I think there's a tremendous opportunity here. It forces a governor to govern from the center out, not from an edge in. By necessity in the House, in order to get anything passed – even the smallest bill – you've got to find votes on both sides. On major things, you probably don't want to pick off just one vote and have a lot of 31-29 votes in the House. That's not very sustainable. Whoever it is that'll be the one [dissenting] vote in the caucus, the pressure will be just enormous.

I think (Kitzhaber) will be able to say to the more liberal people on the Democratic side: "Look, this view got repudiated at the polls." Also, he was not the favorite choice among some of the major interest groups; he did not get the support of the Oregon Education Association and SEIU. They either stayed on the sidelines or endorsed Bill Bradbury in the Democratic primary. (Kitzhaber) will be able to say that we're not going to be able to deal with this revenue shortfall by increasing taxes.

He can also say to the Republican side: "I'm a Democrat. This state did not go bright red like some of the other places, so let's try to find common ground. The \$3.5 billion budget shortfall, that's a big challenge. And since we can't tax our way out of it, we've got to look at how we'll be able to get more value out of existing programs." So, I think this election result positions not only him, but any of the legislative leaders, to also want to govern in this particular way.

MB: Recently, Kitzhaber proposed that Oregon develop 10-year budgeting practices. What are the pros and cons of taking a longer view?

PK: The framework that he's talked about, and this makes sense to me, is an outcomes-based framework where we're not just caroming from every two-year [budget] cycle. We're more reliant on a single tax than any other state. And the tax source we rely upon – personal income tax – is the most volatile tax. We have these huge swings up and down. So, particularly, with a state like Oregon, when you make a budget decision and you do it between sessions, you need to embed it in a framework of what you get for this money. You need to start ranking and prioritizing programs based on their outcomes and then being pretty honest and brutal about what's working and what isn't. You don't cut across the board and act as if every program is equal.

It's a new way of looking at the budget. It's been talked about a lot, conceptually. (Kitzhaber's) challenge, and he seems ready to dive into it, is how do you take that theory and framework and operationalize it. So the place to watch over the next year is not the place we always watch – which is the Oregon Legislature – it's the management of state government. It's how life changes at that operational level as the governor directs his people. How do they start managing in very different ways that can tell the public, "Here's what we think we'll get measuring against our goals."

At the end of the day, remember, the governor is the head of the executive branch. And during the campaign, Kitzhaber was often asked how he would approach the governorship differently. I really like the answer that he gave, and that is: "In the previous eight years, I often viewed the job of governor as the 91st legislator, but the governor's job is first and foremost the CEO job, the chief executive officer of the state of Oregon." So, he's going to ask the legislature for a lot of things, but the management going forward is his job one. My guess is you'll see an enormous amount of change there. Hopefully, the legislature will give him the tools that he feels he needs to do it. At the end of the day, good management is not Democratic or Republican; it's just public.

MB: Beyond the budget, what are the toughest policy fights and easiest wins Kitzhaber faces?

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PK: I don't think there are any easy wins now. Everybody knows that getting more jobs, particularly family-wage jobs, is extremely important. We're 90% income, per capita, compared to the national average. It's the lowest since 1929. Washington State is 106%. The two curves are diverging, and the gap has never been bigger, in my lifetime. We are a poor state, economically. That has enormous implications for how we think, and understanding that this is not something that you just flip a switch on. It's really not something that a governor, alone, can fix. The easiest thing for politicians to do is to take credit for the economic bounty when it comes. Of course, when it goes away, they say: "Do you really think government can do all that much to fix the underlying forces in our economy?"

There's a tremendous amount of things that are beyond the

reach of government. That said, government must first try to do no harm. Then, government must ask itself where are the places, historically, where we can move the needle. I think that has to do with things like innovation in education, from early childhood all the way up to higher education at places like Portland State.

I mean, we're below the national average in terms of kids who are proficient at reading in the fourth grade. There are southern states, which we dismiss and look down our nose at, that have done far better than we have. In Oklahoma, 70% of their four-year-olds are in a state-financed early-childhood-education program; we've got 7%. According to a 2008 report, our percentage of high school kids who go on to college is fifth-lowest in the country, with even Mississippi, Georgia and others 10 or 20 points ahead of us.

The first step we've got to take is acknowledging the reality of where we're at. We're a poor state. We're falling down in education. We have way too little investment capital for the innovators who are here or come here to help them get to the next level.

There are very, very few software companies, for example, that have broken through this glass ceiling of more than \$100 million of revenue. What are we not doing that we need to be doing? Those kinds of conversations very much need to happen in a new way, a way that stops the ideological divide – more taxes, more spending, more taxes, more spending. Enough. I would be paying particular attention if I were in politics today to the needs of the generation of men and women in their 20s, just entering this job market. They're kind of job one. My generation, we'll muddle through. But it's even tougher for people in their 20s.

Oregon really has its work cut out for it. There's been a bit of patting ourselves on the back for doing things differently and better. These last two years have been a real wake-up

call.

MB: Is Oregon really doing anything “differently and better” in terms of attracting and keeping clean-technology companies? As you know, over the past few years, solar companies have opened manufacturing plants in Salem and Hillsboro. The wind-power company Vestas just announced plans to build its headquarters in downtown Portland.

PK: That’s a good observation. With what I call “clean energy,” everything from renewables to efficiency, we have an enormous opportunity. We need to look at what it’s going to take to not get eclipsed by everybody else, because, believe me, every state in the country is looking at clean energy as a place to put its bets, resources and energy. We’ve got a great base to build on. But how do we attract the superstars? I was working on this very question before I took this job. I think you’ll see the legislature asked to make investments. And, in a time of great budget challenges, you don’t just want to cut, cut, cut. You want, if anything, to cut and invest. You’ve got to think about what you put money into that’ll become the means by which you pull yourself out of the budget hole.

I think with Oregon’s green reputation, and the work that’s been done here by world-class researchers in terms of wave energy and nanotechnology, there are some places where we probably need to double and even quadruple down on our focus.

MB: Let’s turn to redistricting. The legislature will soon be tasked with redrawing congressional and legislative district lines to reflect population changes. Is there a weaker or stronger likelihood that the split legislature will get the job done than if Democrats still held both chambers?

PK: I certainly would like to see the legislature do its job. But I’ve had some experience here.

In 1991, lawmakers didn’t do their job, so their job fell to me. I did legislative redistricting, and the congressional

redistricting, under Oregon law, went to the federal courts. Redistricting is contentious, and political insiders think it's the ultimate battlefield. But I think the insiders are wrong. Redistricting increasingly doesn't affect which party prevails, particularly when one-third of the electorate doesn't like either party.

The other thing is that people are increasingly living and settling in places that fit their ideological/political views. So in some cases, you almost have to gerrymander in order to get to a competitive district. And it's not a standard of redistricting law that you have to draw lines to get to competitive districts; it's to have communities of interest represented. So as the number of self-described independents increases, the lines on the map are going to be less determinant of an electoral outcome. Sure, it will seem to matter to some (legislators). Sure, it will be used to beat each other over the head and make accusations that one side is trying to preserve its advantage. But for the vast majority of Oregonians looking at that kind of food fight – they're going to go "pffaw."

Here in Oregon, either the legislature does (redistricting) or doesn't. If they don't, the Secretary of State will do the legislative lines and the [federal] courts will do the congressional lines. The legislative lines will probably be settled by the courts, anyway, because even the Secretary of State's redistricting plan will be challenged. We're so partisan that anybody who doesn't like it can challenge it.

I just encourage (legislators) to just keep their eye on the prize. Redistricting is not a prize; it's a necessity. I hope it's done in a way that meets the standards of the law, which is keeping communities of interest together. Personally, I wish the legislature well in doing it, but I don't have a high degree of confidence. But what will determine who wins and loses during the next decade in politics will have less to do with where those lines are.

MB: Will Oregon ever follow Washington and other states and put redistricting in the hands of an independent commission instead of the legislature?

PK: I think if it were to get on the ballot here it would probably pass. The problem would be who wants to take another run at it – the other ballot measure fell short – and when do you set the effective date. See, redistricting, almost by definition, is seen through the lens of a bipolar world that has been the baseline for what we've done for over two centuries. It basically says we're going to assume there's this inevitable battle between the reds and the blues. I guess I'm more radical in the original sense of the word, which is getting the root cause of the problem. I think we ought to look at the system and ask why are political parties given – ceded – the kind of power they are. Why are they at the center of the electoral universe?

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