

# Kitzhaber outsourced \$3.1M in policy work

By HILLARY BORRUD  
Capital Bureau

SALEM — Former Gov. John Kitzhaber's administration paid outside contractors more than \$3.1 million for policy development work to support his third term agenda.

Matt Shelby, a spokesman for the Department of Administrative Services, said the Kitzhaber administration used a special procurement process to hire contractors to create a 10-year strategic plan for Oregon, which set long-term goals to guide the state's two-year budgets. The process allowed the Governor's Office, Department of Administrative Services, Department of Human Services, Oregon Health Authority, Department of Education, Oregon Employment Department and Oregon Housing and Community Services to hire 21 pre-qualified contractors for work related to Kitzhaber's policy goals.

"The reason that we created this group was Kitzhaber came in and created the office of the state operating officer, and tasked Michael with working with agencies on goals in the 10-year plan," Shelby said, referring to chief operating officer Michael Jordan. "That's something that wasn't necessarily being done before."

It's unclear whether Gov. Kate Brown will continue the level of policy contracting that occurred in Kitzhaber's administration. Brown spokesman Chris Pair wrote in an email Thursday that "regarding contracting practices, Governor Brown is working with staff to as-



File/Pamplin Media Group

**Former Gov. John Kitzhaber spent \$3.1 on outside contractors to develop policy during his third term.**

sess a number of policies and areas of focus."

Under the procurement system, the Governor's Office and state agencies were authorized to sign work orders worth up to \$10 million. Firms hired through the process included polling firm DHM Research, the public relations firm Pyramid Communications, the economics firm ECONorthwest and the University of Washington Center on Reinventing Public Education.

One of the consultants hired was Steve Bella, a friend of former first lady Cylvia Hayes who introduced Hayes to employees at a Wisconsin think tank called The Center for State Innovation that briefly worked with Hayes on a proposal to coordinate green energy policy in West Coast states, *The Oregonian* reported last fall.

Bella was a fellow at The Center for State Innovation, and he and Hayes both own homes in Bend. In addition, Bella worked as a consultant for West Chester, Pennsylvania-based Public Works LLC.

In August 2012, the Department of Administrative Services hired Bella at \$200 an hour through Public Works LLC. The state paid for the work with a Medicaid grant, and Bella had four months to produce a plan to "empower historically unemployed and under-employed Oregonians in obtaining meaningful employment" by Dec. 31, 2012. The state paid Public Works a total of \$88,890 under the contract. In April 2013, the state amended Bella's consulting contract to authorize an additional work at \$200, with a cap of \$100,000. However, Shelby said

the state terminated the contract and never paid Public Works under the amendment.

Bella remembered the situation differently, and wrote in an email that the contract extension allowed him to work on implementation of the employment plan in 2013.

"During that time, the (Closing the Employment Gap) work group met almost every month, and there were four work groups established that consisted of various agencies and stakeholders," Bella wrote. The group completed a report on its work, and Bella wrote that he "staffed all the (group's) stakeholder meetings, interagency meetings, work group meetings, and was the primary author of the 32-page report."

Bella said his employment with Public Works lasted eight years and "during that time I worked for state governments all over the country on workforce development, including Delaware, New Mexico, Connecticut, Arizona, and Pennsylvania."

Another Public Works consultant also worked on the employment gap contract, Bella wrote, and "my salary for Public Works was around \$60K, might have been even less, and included work not just in Oregon, but also for projects in a number of other states."

skilled workforce. The contract essentially called for Bella to serve as a policy adviser to the Governor's Office, reviewing audits, ideas for pilot projects and meeting with the governor's staff.

When Bella's state contracts ended, a private group stepped up to pay for his continued work on policy. Bella contracted directly with the Oregon Business Council from the spring through fall 2014 to coordinate the group's work on poverty reduction with Hayes' first lady Prosperity Initiative, vice president Jeremy Rogers wrote in an email Thursday. Rogers said he did not know how much the group paid Bella, because its bookkeeper was out of the office.

The *Willamette Week* newspaper reported last fall that the Oregon Business Council paid for a spokeswoman to help publicize Hayes' Prosperity Initiative with money from a \$35,000 Northwest Area Foundation grant.

The Business Council is one of the four main organizations behind the Oregon Business Plan, which calls leaders together every year to formulate an agenda for state action. Kitzhaber relied on the plan and the support of business groups to drive his own agenda.

Shelby said Bella was open about his role working with Hayes and the Oregon Business Council. "That's who was paying him," Shelby said. "That's where he was coordinating with the first lady quite a bit."

— This story first appeared in the *Oregon Capital Insider* newsletter. To subscribe, go to [oregoncapitalinsider.com](http://oregoncapitalinsider.com)

# State still dealing with flood of records requests generated by scandal

By HILLARY BORRUD  
Capital Bureau

SALEM — Questions raised last fall about former Oregon first lady Cylvia Hayes' contracting business triggered a flood of public records requests that state employees are still working to address.

*Willamette Week* broke the story on Oct. 8 when it published "First Lady, Inc.," which detailed the overlap between Hayes' consulting contracts and her work as an unpaid green energy and economic development adviser to her fiancée, then-Gov. John Kitzhaber. The story also provided the first glimpse at Hayes' use of state resources to benefit her business, for example her use of a

state employee to schedule consulting appointments.

The Governor's Office received 181 public records requests from Oct. 8 through Feb. 18, the date Kitzhaber's resignation took effect, according to an analysis of figures provided by the governor's office and its records log.

As of Oct. 7, the Governor's Office had received 136 public records requests in 2014. That number was probably already higher than usual because Kitzhaber was running for reelection.

The Brown administration also faces the much larger task of providing records to a subpoena from a federal grand jury investigating Kitzhaber and Hayes.

"Our preliminary estimates put the number of responsive documents to the subpoena at more than 1 million," Brown spokesman Chris Pair wrote in an email.

Two employees of the state Department of Justice are assisting the governor's office with processing the records requests.

A state DOJ attorney is also helping process records at the Department of Administrative Services, which has also received numerous records requests related to Hayes and Kitzhaber. Senior Assistant Attorney General Tim Smith is assisting with responses to public records requests at the Department of Administrative Services, as well as with subpoenas "in investigations related to former

Governor Kitzhaber, Cylvia Hayes and other entities," chief operating officer Michael Jordan wrote in an email to Enterprise Technology Services employees on Feb. 20.

Pair offered a snapshot of how Brown and Kitzhaber's administrations have handled public records requests. Kitzhaber received 207 public records requests from Oct. 1 through Feb. 18, and 108 of those requests were processed and closed during that period.

From the time Brown was sworn into office Feb. 18 through the morning of March 4, her office received 22 public records requests and legal staff closed seven of those requests. Employees also closed out three requests from the Kitzhaber administration during that time, Pair wrote.

— This story first appeared in the *Oregon Capital Insider* newsletter. To subscribe, go to [oregoncapitalinsider.com](http://oregoncapitalinsider.com)

## Corrections

The *East Oregonian* works hard to be accurate and sincerely regrets any errors. If you notice a mistake in the paper, please call 541-966-0818.

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**AccuWeather.com Forecast**

**TODAY** Partly sunny  
**WEDNESDAY** Cloudy and mild with a shower  
**THURSDAY** Sunny to partly cloudy and mild  
**FRIDAY** Partly sunny and mild  
**SATURDAY** Considerable cloudiness and mild

**PENDLETON TEMPERATURE FORECAST**  
73° 47° 64° 45° 64° 38° 69° 52° 69° 47°

**HERMISTON TEMPERATURE FORECAST**  
70° 42° 65° 43° 68° 35° 70° 43° 70° 45°

**ALMANAC**

**PENDLETON**  
through 3 p.m. yesterday  
**TEMPERATURE**  
HIGH 70° LOW 34°  
Yesterday 70° 34°  
Normals 53° 34°  
Records 77° (1916) 21° (1933)  
**PRECIPITATION**  
24 hours ending 3 p.m. 0.00"  
Month to date 0.00"  
Normal month to date 0.33"  
Year to date 1.55"  
Last year to date 3.13"  
Normal year to date 2.84"

**HERMISTON**  
through 3 p.m. yesterday  
**TEMPERATURE**  
HIGH 72° LOW 30°  
Yesterday 72° 30°  
Normals 56° 33°  
Records 76° (2005) 16° (1933)  
**PRECIPITATION**  
24 hours ending 3 p.m. 0.00"  
Month to date 0.00"  
Normal month to date 0.29"  
Year to date 1.06"  
Last year to date 2.09"  
Normal year to date 2.53"

**SUN AND MOON**  
Sunrise today 7:18 a.m.  
Sunset tonight 6:54 p.m.  
Moonrise today none  
Moonset today 9:37 a.m.

**REGIONAL FORECAST**

Coastal Oregon: Some sunshine giving way to clouds today. A couple of showers tonight.  
Eastern and Central Oregon: Partly sunny today. Considerable cloudiness tonight; a shower near the Cascades.  
Western Washington: Some sun, then turning cloudy today.  
Eastern Washington: Partly sunny today. Plenty of clouds tonight. Cloudy tomorrow with a shower.  
Cascades: Some sunshine giving way to clouds today.  
Northern California: Some sun, then cloudy today.

**REGIONAL CITIES**

	Today			Wed.		
	Hi	Lo	W	Hi	Lo	W
Astoria	62	48	pc	57	47	r
Baker City	66	38	pc	60	39	c
Bend	69	38	pc	55	32	sh
Brookings	57	49	pc	55	47	r
Burns	69	38	pc	56	34	c
Enterprise	68	37	pc	59	40	c
Eugene	66	47	pc	60	46	sh
Heppner	72	47	pc	62	41	c
Hermiston	70	42	pc	65	43	c
John Day	69	42	pc	58	38	c
Klamath Falls	66	40	pc	53	31	sh
La Grande	71	41	pc	62	42	c
Meacham	67	40	pc	56	39	c
Medford	69	46	pc	58	43	sh
Newport	60	49	pc	55	49	r
North Bend	60	50	pc	59	49	r
Ontario	70	41	pc	63	43	c
Pasco	69	43	pc	67	43	c
Pendleton	73	47	pc	64	45	c
Portland	67	49	pc	60	49	sh
Redmond	71	38	pc	59	32	sh
Salem	67	47	pc	60	48	sh
Spokane	65	44	pc	57	42	c
Ukiah	71	42	pc	60	41	c
Vancouver	67	47	pc	59	47	r
Walla Walla	73	50	pc	65	49	c
Yakima	69	42	pc	67	40	c

**WORLD CITIES**

	Today			Wed.		
	Hi	Lo	W	Hi	Lo	W
Beijing	49	27	s	52	27	s
Hong Kong	68	61	c	69	61	r
Jerusalem	71	57	pc	69	49	pc
London	52	37	pc	52	43	r
Mexico City	72	47	pc	69	45	sh
Moscow	43	35	pc	45	34	sh
Paris	54	41	c	56	38	c
Rome	58	41	s	60	43	pc
Seoul	35	24	s	42	26	s
Sydney	78	70	sh	83	68	pc
Tokyo	51	36	r	51	40	pc

**WINDS**

(in mph)	Today	Wednesday
Boardman	VAR 3-6	SW 4-8
Pendleton	NE 4-8	SW 4-8

**UV INDEX TODAY**

0 2 3 3 2 0

8 a.m. 10 a.m. Noon 2 p.m. 4 p.m. 6 p.m.

0-2, Low 3-5, Moderate 6-7, High; 8-10, Very High; 11+, Extreme

The higher the AccuWeather.com UV Index™ number, the greater the need for eye and skin protection.

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**NATIONAL WEATHER TODAY**

Shown are noon positions of weather systems and precipitation. Temperature bands are highs for the day.

**Yesterday's National Extremes:** (for the 48 contiguous states)  
High 90° in Palm Springs, Calif. Low -3° in Houlton, Maine

**NATIONAL CITIES**

	Today			Wed.		
	Hi	Lo	W	Hi	Lo	W
Albuquerque	64	35	s	67	39	s
Atlanta	76	58	sh	76	63	sh
Atlanta City	48	45	r	53	35	pc
Baltimore	49	45	r	60	35	r
Billings	63	38	s	66	42	pc
Birmingham	75	46	r	72	62	r
Boise	71	61	c	62	45	c
Boston	46	39	pc	52	31	pc
Charleston, SC	79	60	c	77	63	c
Charleston, WV	57	50	r	57	40	r
Chicago	53	36	pc	49	31	s
Cleveland	49	36	c	47	29	pc
Dallas	64	45	c	70	47	pc
Denver	59	30	s	68	35	c
Detroit	48	37	pc	52	31	pc
El Paso	69	43	s	71	45	s
Fairbanks	3	-19	c	4	-20	pc
Fargo	55	27	pc	58	42	pc
Honolulu	79	66	pc	76	65	sh
Houston	66	52	r	70	53	c
Indianapolis	53	39	r	58	35	pc
Jacksonville	83	62	pc	82	64	pc
Kansas City	66	41	s	69	41	s
Las Vegas	77	52	r	74	53	c
Little Rock	60	49	r	66	53	pc
Los Angeles	82	57	pc	72	54	c
Louisville	56	49	r	63	43	c
Memphis	63	52	r	62	55	c
Miami	84	75	pc	85	74	pc
Millwaukee	50	34	pc	46	32	s
Minneapolis	59	31	s	54	37	s
Nashville	68	56	r	63	53	r
New Orleans	75	63	r	73	64	r
New York City	49	42	r	55	36	pc
North Carolina City	67	41	pc	73	43	s
Omaha	69	35	s	66	39	s
Philadelphia	51	44	r	60	36	pc
Phoenix	85	57	s	87	64	pc
Portland, ME	44	35	s	50	28	pc
Providence	45	36	pc	50	28	pc
Raleigh	73	58	c	76	55	c
Rapid City	61	30	s	70	39	s
Reno	70	46	pc	57	36	c
Sacramento	75	55	pc	63	50	sh
St. Louis	62	44	r	67	41	s
Salt Lake City	63	40	s	67	45	pc
San Diego	75	60	pc	71	58	c
San Francisco	65	55	pc	64	53	c
Seattle	61	51	pc	57	50	sh
Tucson	80	51	s	84	56	pc
Washington, DC	52	49	r	62	40	pc
Wichita	72	40	s	74	39	s

**Weather (W):** s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice.