

# Oregon News

CLIMATE AND ECONOMIC POLICY WIDENING THE DIVIDE

## Examining the rural/urban divide

■ Experts say the debate between needs of city dwellers and small Eastern Oregon towns more nuanced than most think

By **Claire Withycombe and Aubrey Wieber**  
Oregon Capital Bureau

SALEM — On a rainy Thursday in late June, Matt Gourley drove the 25 miles from Scio to Salem to stand in front of the Capitol to protest a sweeping environmental policy.

Gourley said it's a "bill that's being forced down our throats that we don't really even understand."

Gourley's assertion ended up in a promotional video for Timber Unity, a political group formed to push back against lawmakers' attempts to limit the state's greenhouse gas emissions.

The group and its followers peg cap and trade as the next blow to a timber industry that's been in decline for decades.

They see urban lawmakers as forcing progressive policies on them, rather than listening to the needs of their communities.

Urban lawmakers say that argument is a red herring: Industry is using such policies as a scapegoat as they automate their workplaces and ship jobs overseas, where labor is cheaper.

The debate over the policy seemed to deepen perceptions that there are two Oregons — major metropolitan areas with dominating populations and rural areas, ranging from fisheries-based coastal towns to harvest-dependent communities in the east.

But the reality is more subtle, the differences less stark, based on interviews with state leaders, researchers and a review of state data.

The bulk of the state's revenue is generated in metro areas, where 81 percent of Oregonians live, according to federal data. Exactly how much money that is, and where it gets spent, isn't something the state tracks.

Still, those urban hubs largely fund statewide initiatives, such as the state highway and public education systems.

The Oregon Department of Transportation has budgeted \$78.3 million from the state's transit payroll tax to road projects throughout the state.

Seventy-four percent of that money is spent in the state's most urban areas, despite those hubs housing more than 80 percent of the state's population.

Still, more than half of the overall dollars are spent in the Portland metro area.

Between 1980 and 2018, amid staggering population growth in the state, the share of Oregonians living in rural areas declined from 26 to 19 percent.

The state already uses a mix of local and state funds to have uniform per-pupil funding in schools throughout the state, but some schools might have only 20 students, making it impossible to pay for a building, staff and materials, said Mike Wiltfong, the state Education Department's director of school finance and school facilities.

Wiltfong said \$95 million per year in additional funds are dedicated to those rural schools.

The rural-urban divide shapes policies and debates in Salem.

Urban lawmakers are astutely aware of the optics of praising rural communities and supporting bills that stimulate rural economies.

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— **State Sen. Cliff Bentz, R-Ontario**



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— **Oregon Governor Kate Brown**

Rural lawmakers, conversely, have found railing about urban and progressive lawmakers and policies is often cheered back home.

"When legislation is designed for the Portland area it crushes communities from Bend to Ontario, to McMinnville and Grants Pass," the House Republican caucus said in a January press release.

Some of the ire over state policy has been aimed at Gov. Kate Brown, a Democrat who has been involved in state politics since the early 1990s.

She was singled out during the June protest, her likeness seen bobbing through the crowd in effigy on cardboard cutouts. Big speakers blared a catchy, if predictable, spin on Jim Croce's "Bad Bad Leroy Brown" — replaced by "bad, bad Katie Brown."

"Is there an urban/rural divide? Absolutely," Brown told the Capital Bureau. "But I would really push back and say it's a lot of bunk to say myself as an executive and legislative leadership don't care about rural Oregon."

Reactions to policies crafted in Salem among ruralites are mixed, and nonurban areas of the state are not a monolith — politically or socially.

"If we ask something about public opinion, like, 'Should schools have more funding?' There's always going to be a bigger difference between Democrats and Republicans, than between urban and rural," said John Horvick, director of client relations and political research at DHM Research in Portland. "Yes, one is red and one is blue, but there are a lot of Democrats in rural Oregon, and there are plenty of Republicans in urban areas. And partisanship is a much, much better predictor on almost every policy issue than geography."

Some say there's a lack of understanding when it comes to policymaking for rural Oregon.

"What they think they're doing to help the rural parts of the state doesn't help them," said Jim Geisinger, vice president of Associated Oregon Loggers and an Estacada resident. "We don't need more government programs. We don't need more handouts."

"It's just that we don't like somebody from outside telling us what we need to do, because they think they know better," said Steve Uffelman, the mayor of Prineville. "And that's just a slap in the face. And it's an insult."

Brown said she tours the state talking to local politicians and chambers of commerce and works to respond to their needs.

When she was in Ontario, she was told affordable housing was the city's biggest issue.

In this year's legislative session, the Legislature funneled more money toward affordable housing.

"A disproportionate share, on a per capita basis, of our housing dollars goes into rural Oregon," Brown said.

She also unsuccessfully pushed an idea that would take hundreds of millions of dollars from the popular tax rebate known as the "kicker" and spend it on affordable

housing in rural areas and for wildfire prevention work, bringing forestry jobs to rural communities.

Brown says she's baffled by the lack of Republican support for either proposal.

But some representing rural communities say Democratic leaders are picking and choosing which rural issues to focus on, and they aren't stopping the bleeding.

Sen. Cliff Bentz, an Ontario Republican, agreed that affordable housing is an issue.

But he said liberals force their progressive agenda on the entire state, rather than listening to what ruralites want. He opposed House Bill 2001, which undid long-standing laws barring multifamily housing throughout the bulk of Oregon's cities.

Uffelman, the Prineville mayor, echoed Bentz, saying the bill was an urban solution forced on his town of 10,000.

"We're a classic example of one size does not fit all," Uffelman said. "When they try to ram down our throats their policy on urban planning, for example, it might be fine for Portland, but it isn't fine for us."

Bentz preferred a bill he pushed that failed, which would have rezoned 200 acres on Ontario's hilltops to two-acre lots where nice houses could be built.

"So-called affordable housing. We need it. That's true," he said. "But what we also need is people coming in and spending \$400,000 or \$500,000 on two-acre lots."

Mary Anne Cooper, vice president of public policy for the Oregon Farm Bureau, said affordable housing is needed, but it means less after the passage of a transportation package, a clean fuel standard and a gross receipts tax.

"Those things don't mean a lot when you're income has gone down to a third and you can hardly afford to feed your family anymore," she said.

Brown also pointed to a rural broadband bill that failed and didn't get Republican support.

"I am totally and completely at a loss," Brown said. "Why they would specifically kill a proposal that invested in rural Oregon, and rural Oregon broadband?"

Brown said only Republicans could explain the move, but it could be politically calculated.

"Certainly it adds fuel to the fire for them to say we're not investing in rural Oregon," she said.

Bentz and Cooper liked the policy, though Bentz said he wouldn't have supported it, had it gotten consideration in the Senate.

Rep. Lynn Findley, R-Vale, sponsored a somewhat similar bill increasing a tax on telephone use to pay for 911 systems upgrades.

Bentz said there wasn't appetite to pass both. He liked the broadband bill better, but went with his party in supporting Findley's bill.

Findley, for his part, said in an interview that he disliked the broadband bill because the state still hasn't established how much broadband infrastructure the state

needs. Findley said he voted against the bill because he felt the state hadn't firmly figured out how much money rural communities would need to stand up broadband infrastructure.

"My biggest fear, or concern, was, it wasn't supported with facts," Findley said.

He encouraged the bill's chief sponsor to open the office, then "establish a need."

"Go to all the cities, and the counties, and say, 'What do you need, what is a viable number?'" Findley said, is what he wanted the state to do. "And then go secure the funding for that office, for the grant portion of the office at that point in time, not just to come up with a number that looks good, but is not definable or justifiable. That's why I voted no."

Brown said the way to improve rural economies is to invest in elements like broadband to ensure those communities thrive, rather than go back to peak logging days.

"Are we going to harvest at the levels that we did in the '70s? No, I just don't think that's going to happen," Brown said.

If the state's timber harvests increase, employment in timber could increase as well, Lehner, the state economist, said.

However, employment in timber likely will not reach 1970s levels, because of federal restrictions and mechanization.

Rural Oregon has never fully recovered from two national recessions in the early 1980s, which hit the state's timber industry particularly hard, Lehner said.

The recessions, which reduced demand for Oregon's timber and wood products, were then exacerbated by new federal regulations in the 1990s that significantly reduced the timber that could be logged on federal land.

The fallout from those major shifts and regulatory changes could explain the bitter reaction to the cap and trade effort. While the decline of timber certainly impacted Portland and the state's metro areas, rural economies suffered especially.

Today, Oregon's overall economy is robust, having grown into the 21st century with a booming high tech industry. But that growth has been uneven.

About 80 percent of the state's high tech jobs are in Portland metro area. Rural Oregonians' jobs tend to differ from the reliable, family-wage mill jobs of yesteryear. Median per capita income in Oregon's rural areas lags behind urban areas.

That fact may widen the rural and urban experiences in the state — no longer do urban areas rely on rural ones for natural resources, and the public revenue that employment in the natural resource industry generates. "That timeframe where urban Oregon was dependent on rural Oregon was a while ago," Brown said. "I would say probably more than four decades ago. So I don't think we

can go back to those times." It's that legacy that forms the backdrop to how environmental issues continue to be divisive.

A key permit for the Jordan Cove liquefied natural gas pipeline was denied by the Oregon Department of Environmental Quality in May, stopping the project.

The project could be seen as emblematic of an urban-rural divide, but isn't necessarily partisan. Brown hasn't taken a public position on it. Coastal Democrat lawmakers Rep. Caddy McKeown and Sen. Arnie Roblan have supported the project.

How the policies that aim to preserve the environment are crafted matters, says Bruce Sorte, an emeritus community economist and instructor at Oregon State University's College of Agricultural Sciences.

"There was a lack of concern in many of the policies for letting people to keep doing the type of work they wanted to keep doing," Sorte said. "And I really think that's what sits at the crux of the urban-rural divide. It's not what you're producing that we should be concerned about, it's how you're producing it."

Policies that address how goods are produced in a "slow, sort of evolutionary way," such as requiring replanting after cutting down trees have been more successful, Sorte said.

It's when you tell people what to produce — or expect them to implement dramatic changes quickly — that can be a shock.

Sorte said one way to pass a carbon bill in the future could involve simplifying the policy, and doing more research on the potential impact to share with legislators and constituents.

"We could have gone county by county and done more work on the impacts,"

Sorte said. "And that would have helped for the people who were exaggerating the impacts, and the people who were dismissing the impacts. That would have helped address both of those folks, who were both wrong."

Oregon became known as a leader in environmental policy in the 1960s under a Republican governor.

"Look at our preeminent governor, Tom McCall, who, somewhat like this carbon legislation, went out and did things the rest of the country wasn't doing," Sorte said.

McCall — who still looms over Oregon's political history, his official portrait hanging in the lobby of the House chamber — led the charge on Oregon's bottle deposit bill, which aimed to cut down on litter, and a law making all of Oregon's beaches public.

Legislators from different areas of the state have achieved compromise in recent years as well. Two years ago, rural and urban legislators came together to raise about \$5 billion for transportation projects.

When asked if taking on industrial emission levels through executive order would further alienate her from rural Oregonians who feel she is already abusing authority, Brown did not directly answer the question.

Rather, she pointed to rural projects she championed, like the Wallowa Lake dam, and said she remains committed to listening to rural communities.

More decision makers — particularly in the wake of the 2016 election, which brought the notion of a national urban-rural divide to dinner tables across the country — recognize the gap.

Findley said he thinks urban legislators understand that.

"I've found most of the colleagues that I deal with realize that, and recognize that, and you can talk to 'em about that. Now, does that mean they're going to change their policies appropriately? No. Does that mean they will help you carve out rural stuff? No." Findley said. "But I don't think the urban-rural divide is as bad as it's portrayed."

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