

State of the State: Oregon Gov. John Kitzhaber warns against losing our nerve

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By **Michelle Cole, The Oregonian**



Enlarge

Bruce Ely, The Oregonian

PORTLAND, OREGON -January 13, 2012 - Governor John Kitzhaber makes the state of the state address before the Portland City Club at the Governor Hotel. Bruce Ely / The Oregonian

John Kitzhaber gives Oregon's State of the State address gallery (6 photos)

Arguing that the state stands on the brink of sweeping changes, Gov. John Kitzhaber cautioned state leaders on Friday not to lose their nerve.

"Real change is always uncomfortable," Kitzhaber said in his **State of the State** address delivered to a sold out meeting of the Portland City Club.

"Some are suggesting we have come too far, too fast," he said, adding that Oregonians tell him "we have not come far enough."

"We cannot lose our nerve at this critical moment, and we must forge ahead together."

Returning to Salem for an unprecedented third-term in office, Kitzhaber pushed the 2011 Legislature to launch broad reforms in public education and health care.

In education, Oregon has created new leadership structure and adopted reforms aimed at ensuring that children start school ready to learn and that they graduate and go on to college.

In health care, Oregon has launched a health insurance exchange to provide individuals and small businesses the ability to compare various plans. The state is also in the process of transforming the way health care is delivered to approximately 600,000 Oregonians who receive care paid by the Oregon Health Plan.

"None of us should be willing to accept 65 percent high school graduation rates," the governor said.

On health care, he said the state "can no longer simply stand by while businesses, families and your state government are forced to spend more and more every year on an inefficient, hyperinflationary system that is not making us healthier as a population."

Lawmakers will be asked to approve the next steps in those reforms during their upcoming February session.

Kitzhaber said they must "lock in" education and health care changes next month so leaders can turn to the next set of pressing issues facing Oregon including: tax reform, public safety and prison sentencing, the future for timber and energy.

While much of the speech focused on policy, the governor also talked about Oregon's struggling economy.

He said he's been "unable to shake an image" from a story published in The Oregonian this fall featuring Becky in Crook County. She'd exhausted her unemployment benefits and was only able remain in her home because her landlord had cut the rent in half. Becky kept the lights on by running an extension cord to a generous neighbor.

"That extension cord is her fragile lifeline and a harsh reminder that we are at or near the high point in terms of human need in Oregon, at the very moment when we are at or near a low point in state revenue to provide critical public services," Kitzhaber said. "That extension cord is also a symbol of our interconnectedness as Oregonians -- the realization that together we will weather this economic uncertainty and emerge stronger and more united than where we began."

--**Michelle Cole**

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