



STATE OF OREGON

INTEROFFICE MEMO

TO: Governor

DATE: January 6, 1982

FROM: Gerry Thompson

SUBJECT: Updates

January 5

Received a call from Stub Stewart. He feels the Governor could save an immediate \$75,000 in the budget by eliminating the Educational Coordinating Council. He feels Terry Olson is "no good." Stub agrees that coordination is needed, but feels the current arrangement is simply duplicating other efforts. He wanted you to know of his feelings and indicated he will be calling Debbs Potts with the same message.

January 6

Representative Verner "Andy" Anderson called. He indicated that Kyle Industries which recently moved into Roseburg is headed up by Dr. James Kyle. He apparently is a very innovative businessman and knows a great deal about economic development. Andy would like you to have an opportunity to visit with Kyle. In the meantime, I have told Andy I will be giving Kyle a call to visit with him about the same subject in light of your economic recovery act. Andy also expressed concerns about the leak from the Republican caucus and wanted to know if we had determined precisely where the leak was. He is concerned because he knows the Senate Majority office is right over the House Minority office and suspects that somebody may have been using a doctor's stethoscope to pick up on your conversations on the day of the meeting. LAUGH LAUGH LAUGH!

January 6

As I mentioned to you on the phone, Leland Johnson turned down the appointment to the Regional Power Council. He wanted you to know he was pleased to have been asked, but because he is enjoying his "loose" retirement, he is just not willing to accept at this time. Shirley will have a full new field of candidates for you to review. REMINDER: We are getting a lot of calls in support of Al Hampson for this position.

January 6

Meeting with Ed Zajonc: He has a good idea regarding the \$16 m transfer of education funds. Should you receive too much criticism with this plan, Ed feels a portion of the \$16m can be offset from the Land Board. There will be approximately a 60 percent increase in the common school fund. This equates to \$6m or more. Usually this money is distributed on a per capita per student basis to the school districts in July of each year. This is not usually a



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budgeted amount within the school districts. Ed feels he can step up this distribution by disbursing in April \$2-3m, disburse again in May \$2-3m and then in July disburse the difference. He feels this could be a viable option for you and could be done by the Land Board administratively. Of course, he agrees it should be run by the Land Board members for concurrence.

January 6

Ex-Bob Smith received a letter from Stan Long regarding insurance premium tax. In short, the letter simply indicates that the Attorney General's office does not have the ability to develop a proposal for your consideration within the available time for special session. The question is, do you wish them to continue working on the matter. The AG's office feels they need your concurrence to approach members of the insurance industry and disclose the fact they are doing the project to enable defense of the pending litigation. I am concerned that such disclosure could upset the industry and cause a great deal of premature and unnecessary concern. Unless we direct the Attorney General's office otherwise, they are discontinuing any efforts in developing the proposal and reconsider the matter when the information is readily available.

The situation with Al Riebel and the second position at the Insurance Commissioner's office is still in limbo. Jo Driscoll and Al Riebel have met. Al still indicates an interest in the second position. Jo and Al have reached an agreement that both will think about the workability and compatibility of an Al and Jo team and come to a conclusion following the special session. Confidentially, Al is apparently by all reports now out of work. It appears that Fred S. James Co. has removed him from his position with their firm. It would seem that Al is actively seeking employment.