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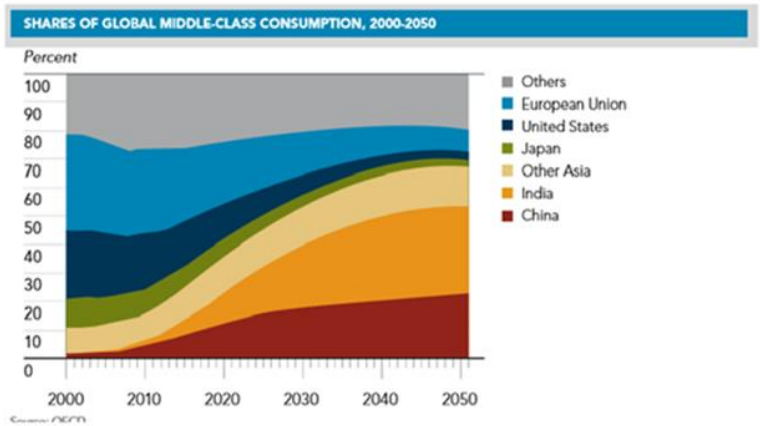
3/16/17

To: Ways and Means Subcommittee on Education

From: Dave Porter

Subject: SB 5517: High School Study Abroad and State School Fund

The global order that has generally kept the peace since World War II is coming to an end. In the Pacific, China with a growing economy and military, is becoming more assertive. North Korea is about to threaten Portland with nuclear intercontinental missiles. President Trump is threatening to become more confrontational and bellicose. Oregon needs to strengthen immediately its peaceful engagement with the Asian-Pacific region. It is not a time to be complacent, just tinkering with the status quo. Please take two bold actions relating to the State School Fund to signal that Oregon cares about good, long-term, engaged relations with other Asian-Pacific countries:



- (1) Empower local school districts to develop paid high school study abroad programs by instructing the Board of Education to adopt a rule that clearly states:

"For the purpose of calculating Average Daily Membership (ADM) used in the distribution of State School Funds, a school district may count high school students studying abroad on programs approved and paid for by the school district."

- (2) Establish a "Strategic High School Study Abroad Program" run by the Department of Education. Target sending student to China for the first biennium (other countries to follow). Send ten Oregon high school students to China each year. Allocate \$10,000 for each student for a total of \$200,000 over the biennium. Shift that \$200,000 from the State School Fund (as dollars follow these students). Note that the proposed HB 2436 ("provides for payment of program expenses of study abroad program for eligible students"), if passed, could give further, and perhaps different, structure for this allocation.

Recall that the study abroad organization ASSE offers a high school year in China (including tuition, room and board with a family, and international transportation) for \$8,305 (\$8,950 minus 10% for early payment plus \$250 application fee). This is roughly the per student State School Fund allocation (non-weighted).



For both economic and national security reasons, Oregon needs to increase its engagement with the countries of Asia. With an increasingly aggressively China, a more confrontational style in the Trump administration, and the demise of the Trans-Pacific Partnership (TPP), economic and security arrangements in Asian are in turmoil.



Consider the following from teenVogue (<http://www.teenvogue.com/story/the-tpp-whats-next-for-america-and-the-other-11-countries>):

So is this all about money? No, economics is certainly a huge part of the TPP, but the agreement also included requirements for workplace safety regulations, the prohibition of forced or child labor, punishments for illegal wildlife trafficking, and standards for Intellectual Property (IP), among other things. All these standards may now be up in the air with the loss of the TPP and the potential gain of the RCEP. “The TPP had several social elements to the agreement, with focal areas around the environment and labor laws, ensuring that all countries meet at or above the international standard,” Barnes says. “However, the RCEP is a trade-focused agreement and does not cater to these social elements, and many observers think that with the huge focus on trade growth, it will have an overall negative impact on the environment and labor issues.”



And that impact could directly affect American workers. “[The] RCEP will put China in the driver’s seat to set the rules of trade in Asia, with many of those rules possibly being anti-American,” Barnes says, a sentiment also expressed by Senator John McCain, as reported by CNN.

But it’s not even just about labor laws and environmental standards. Cowen’s concerns about withdrawing from the TPP are far graver than that. “I think it’s saying [to the other countries], ‘We won’t be there for you,’” he says. **“It’s signaling there is no pivot to Asia, America will go back into its shell. And I think 50 years from now, through largely intangible factors, that will mean a much worse world.... It’s [about] the whole vision of America engaging with the world.”**

For example, Cowen points to both Japan and South Korea and the domino effect this could have on them. “If you’re South Korea and your best and biggest ally just told you, ‘We’re not even going to run this trade agreement,’ [but] they’re still telling you, ‘We’re gonna defend you against North Korea,’ I think at some point you start doubting that,” he says. “And [with] Japan, [if] the U.S. says, ‘No, you don’t need to build nuclear weapons — we’ve got your back,’ I think, as Japan, you need to start doubting that. I’m not sure either of those are things that will change overnight, but if we don’t reverse the unraveling perceptions, you’ll find those countries looking for their own solutions. South Korea would probably cut a deal with China. Japan might rearm more.”



As for the smaller Asian countries that Cowen says are “sort of torn between the Chinese orbit [and] the American-Western orbit” — like the Philippines, Thailand, and Vietnam — he imagines they’ll ultimately move toward aligning with “the less free, more local power.”

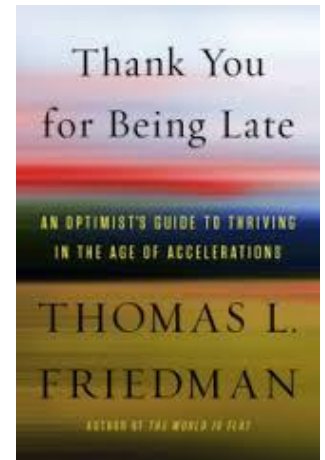
“I think that’s very bad for a few hundred million people,” he says. “I think it means they’ll never quite aspire to be really free, fully well-functioning democracies, because their biggest ally, China, won’t really want it. I don’t think China is going to enslave them in any way, but it will be [a situation in which they’ll] have to toe the line and not criticize China, and control [their] own press somewhat and kind of manage everything in a particular way. I think that’s what it would mean for the future of that whole region.”

All of the above will be bad for Oregon. **Oregon needs to engage all these issues and counter the impression that the US is withdrawing from Asia by sending as many Oregon high school students to study in Asia as will want to go.**

Now is not the time to be complacent, status quo thinking will not do. Too much is rapidly changing.

Further consider that Thomas Friedman’s latest book “Thank You for Being Late” argues that man’s capacity to adapt is being outpaced by a “supernova,” built from three ever faster things: technology, the market and climate change. From Goodreads:

Thomas L. Friedman shows that we have entered an age of dizzying acceleration--and explains how to live in it. Due to an exponential increase in computing power, climbers atop Mount Everest enjoy excellent cell-phone service and self-driving cars are taking to the roads. A parallel explosion of economic interdependency has created new riches as well as spiraling debt burdens. Meanwhile, Mother Nature is also seeing dramatic changes as carbon levels rise and species go extinct, with compounding results.



Economist professor Tyler Cowen in his latest book “The Complacent Class: The Self-Defeating Quest for the American Dream” argues that Americans are pulling away from the traditionally mobile, risk-accepting and adaptable tendencies that defined them for much of our history, and toward economic stagnation and comfort, and how this development has the potential to make future changes more disruptive. From MacMillan Publishers:

Since Alexis de Tocqueville, restlessness has been accepted as a signature American trait. Our willingness to move, take risks, and adapt to change have produced a dynamic economy and a tradition of innovation from Ben Franklin to Steve Jobs.

The problem, according to legendary blogger, economist and best selling author Tyler Cowen, is that Americans today have broken from this tradition—we’re working harder than ever to *avoid* change. We’re moving residences less, marrying people more like ourselves and choosing our music and our mates based on algorithms that wall us off from anything that might be too new or too different. Match.com matches us in love. Spotify and Pandora match us in music. Facebook matches us to just about everything else.



Of course, this “matching culture” brings tremendous positives: music we like, partners who make us happy, neighbors who want the same things. We’re more *comfortable*. But, according to Cowen, there

are significant collateral downsides attending this comfort, among them heightened inequality and segregation and decreased incentives to innovate and create.

The Complacent Class argues that this cannot go on forever. We are postponing change, due to our near-sightedness and extreme desire for comfort, but ultimately this will make change, when it comes, harder. The forces unleashed by the Great Stagnation will eventually lead to a major fiscal and budgetary crisis: impossibly expensive rentals for our most attractive cities, worsening of residential segregation, and a decline in our work ethic. The only way to avoid this difficult future is for Americans to force themselves out of their comfortable slumber—to embrace their restless tradition again.

Unless the Oregon educational establishment can shake itself out of its currently comfortable status quo to make significant changes, like high school study abroad programs, to respond to the geo-political changes in the Asian-Pacific region and to respond to the “supernova” of changes identified by Friedman, Oregon’s next generations will suffer.

We in Oregon need to awaken from our comfortable slumbers, embrace our restless, dynamic tradition again and pass on that entrepreneurial, adventurous spirit to our next generations.

Thank you – Dave Porter



Program Fees: 2017/2018* Price

School Year or Semester**
(August/September 2017 Departure)***

Germany, Sweden, Norway, Italy, Switzerland, Czech Republic, Finland, Spain, Holland, Turkey, Belgium, Estonia, Romania, Portugal, Slovakia, and Moldova	\$7850
France	\$8900
Denmark	\$9150
Mexico	\$7140†
English Canada	\$9850†
English Canada Choice Plus (Vancouver)	\$21000
English Canada Choice Plus (Calgary)	\$20750
French Canada	\$12000†
Thailand (July departure)	\$7200
China, Taiwan, Mongolia, Vietnam	\$8950