

Whatever Oregon's trying to communicate, it's costing you millions

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By The Oregonian



This is a billboard advertising the Oregon State Lottery. Situated on U.S. 30, it helps illustrate the ways in which the state spends money to sell certain images and concepts to the public.

Oregon is cutting programs that serve poor families, threatening to close highway rest stops and laying off teachers, yet state government spent millions of dollars last year on public relations, advertising, outreach and marketing campaigns.

An investigation by The Oregonian found that over the past five years, the number of state-employed communicators increased, even as the economy tumbled.

The state may well have a responsibility to tell people about bridge closures or what to do to avoid a flu pandemic. But state communication goes beyond information, sometimes deliberately spinning the message to promote state policy. State agencies carefully calibrate their messages through polling, outside communications consultants and multimillion-dollar media campaigns.

There are 125 "public affairs specialists" alone on the state payroll. Their wages, not including health insurance and other benefits, cost \$7.5 million annually.

Toss in top-level communications and public relations managers, along with employees who work in design shops, and the roster of officials devoted to state messaging swells to more than 220 employees collectively paid nearly \$13.5 million last year.

But that's just part of the story.

Last year, eight state agencies examined by The Oregonian paid outside companies and consultants \$10 million for public outreach and advertising campaigns. This doesn't include the Oregon Lottery, which spent \$8.9 million on messaging during the 2011 fiscal year to boost its image and encourage Oregonians to gamble.

By the numbers

125: Public affairs specialists in state government in 2011

32 percent: Growth since 2006

6 percent: Growth in overall state payroll since 2006

\$60,000: Average annual salary of state public affairs specialist

Source: Oregon Department of Administrative Services

The Oregonian sifted through state databases and filed a dozen public records requests to arrive at these totals, but they are almost certainly lower than what the state actually spent. The state and its agencies do not track money spent specifically on communications programs, making it nearly impossible to arrive at a full accounting.

Health agency touts "transformation"

The strategy could have been from the latest Apple iPhone announcement. It called for a "constant drumbeat of media outreach and story pitches," sticking to "disciplined, clear messages" to "build interest, create demand and ease concerns about change."

That's a communications plan for the Oregon Health Authority.

Since 2009, when the Legislature spun off the Health Authority from the Department of Human Services, the new agency has amassed the state's largest communications staff: 24 public affairs specialists, two managers, an analyst and seven designers it shares with the DHS.

Together, the two agencies, which also have absorbed some smaller boards, employ 39 communications employees. That's up from 12 in 1991, and 16 in 2009, according to communications managers who worked at the agency when it was one entity.

Most of the Oregon Health Authority's public affairs staff members these days are busy informing Oregonians about the recent state health care changes or, as the department refers to it, the "transformation."

It's a "massive" undertaking, says Patty Wentz, the director who oversees most communications work for the Health Authority. "People want to know what does this mean for me, when is it going to happen, and how is it going to be done."

Times have changed, communications employees say. A news release alone doesn't cut it

anymore. The Department of Transportation has several Twitter feeds that deal mostly with road conditions. Healthy Kids, the state's subsidized health care program for children, has a Facebook page. The Employment Department has a website with a distinctly nongovernmental feel that encourages youths to consider careers in Oregon's high-growth industries.



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Oregonian An eastbound MAX train pulls away from a stop at the Rose Garden sporting a Healthy Kids ad.

The state's social media efforts show little traction, however. The Healthy Kids Facebook page has been "liked" by 1,600 people; the program serves more than 370,000. The Department of Transportation has 5,013 followers on its primary Twitter account, while the Department of Revenue has 151 and Healthy Kids has 533. For comparison, Portland Mayor Sam Adams has more than 40,000 followers.

Though the state's spending has waned, its advertising force has not. Between 2006 and 2007, the number of employees classified as public affairs specialists grew from 94 to 126, a 34 percent increase. The number hasn't dropped.

That doesn't seem to track with the private sector.

Hiring messengers

The Oregonian found nine state agencies paid at least \$20 million to outside communications consultants and advertising agencies last year. Examples:

Talking about health care: The Oregon Health Authority spent \$21,670 to survey public attitudes and tailor messages about state-level health reform and more than \$200,000 to measure response to Healthy Kids advertising.

Changing driving habits: The Oregon Department of Transportation spent \$1.2 million on a campaign aimed at getting Oregonians to carpool, take public transportation, walk or ride a bicycle, and \$720,000 to promote safe driving.

Influencing career decisions: The Employment Department paid \$129,180 for website development and a marketing campaign targeting 16- to 26-year-olds.

Encouraging gambling, or not: The Oregon Lottery spent \$8.9 million on ads encouraging play and about \$400,000 to educate Oregonians about problem gambling.

Private clients "are doing their best to minimize the staff levels that they carry" and "are looking for outside help when there's peak need," says Pat McCormick, a longtime communications strategist in Oregon and partner in the newly formed AM:PM PR.

Generally, the salaries government public affairs staff earn seem to track with their private-sector counterparts, according to data kept by the Bureau of Labor Statistics. Midlevel employees make about \$60,000 a year on average, while managers make about \$84,000.

The state employs 16 managers who make more than \$90,000 a year, not counting benefits, including the Education Department's most recent communications hire.

In June, the department advertised for a new communications director. The nine-page job description and questionnaire noted an annual salary range of \$56,040 to \$82,668. But the agency ended up paying \$116,000 when Christine Miles moved over from Gov. John Kitzhaber's PR shop.

Deputy Superintendent Ed Dennis said it was his decision to bring Miles in at more than \$30,000 above the advertised salary.

"We've had as many as five people in this unit. Now we're down to 1 1/2, and the expectations are as high or higher," he said. "She was the most experienced person. We'll have to cut back on something else we're doing in order to put her in that position, but that will be worth it to us."

Contractors benefit

Even with writers, artists and Web designers on staff, state agencies hire outside help.

In March, as legislators pored over lists of significant budget cuts, the Oregon Department of Transportation inked a five-year, \$5 million agreement to promote traffic safety.

The agreement, which was competitively bid, continues the agency's relationship with Gard Communications, a Portland advertising and public relations firm, to provide billboards, TV and radio announcements, and a variety of other messages.

Between October 2009 and October 2010, Gard billed the state \$720,311 for work reminding Oregonians to wear seat belts, slow down in work zones, watch out for bicycles and pedestrians, and not to drink and drive. A healthy share of those dollars came via the federal government, sometimes with strict requirements on how they're spent.

But ODOT also has discretion about whether the work is done in-house or brokered to outside agencies.

Though the agency has 22 employees devoted to communications, it still pays well over \$100 an

hour for outside copywriting, media buying and creative direction. That's because ODOT does not have the creative expertise or the industry contacts to do it all, says Walt McAllister, the agency's Safe Communities program manager.

"This particular type of work is very specialized," McAllister says. "We're trying to affect behavior."

The Oregonian's survey of nine agencies found at least \$20 million spent over the past year on outside advertising agencies, communications consultants and outreach.

Some campaigns were small and highly targeted, such as the \$129,180 in federal grant dollars the state Employment Department paid Portland-based Pyramid Communications to encourage 16- to 26-year-olds to enter Oregon jobs that are in high demand.

Other campaigns were large and intended to persuade broad audiences to think or act a certain way.

On Southeast Division Street in Portland, the Oregon Lottery has a sign -- one of 107 statewide - promoting how lottery money flows back into the economy.

"Lottery dollars help brew jobs in Astoria," it says in a stylized beer can next to a man stacking cans of beer. The message is clear: When you gamble, you're making the economy stronger.

The lottery spent \$8.9 million in the past fiscal year encouraging people to gamble and trying to generate a public-friendly image.

The agency also spent money to remind Oregonians that gambling can be addictive and debilitating. The spending on those ads: \$399,423.

The Oregon Health Authority, the state's newest agency, spent at least \$7 million last year for ads, public education, outreach and advice on how to refine its message for maximum impact.

For example, the state paid Lake Research Partners, a prominent Washington, D.C., research firm to test whether the agency's Healthy Kids advertising would click with families.

The firm polled English and Spanish speakers and offered analyses of ads from Oregon's program and similar health programs in other states.

The bill: \$197,028. That was three times as much as two other firms estimated it would cost.

Healthy Kids Director Cathy Kaufmann says the agency took the high bid because the proposal was substantially stronger.

"I don't feel like we overpaid," she said, noting that the agency was gearing up to spend \$2.5 million on advertising and wanted to do it right.

Numbers elusive

As state officials look for ways to trim spending, messaging generally escapes notice. In large state agencies, officials say, it's hard to figure out how much is spent on advertising and other communications projects.

Rep. Dennis Richardson, R-Central Point, co-chair of the Legislature's Ways and Means budget committee, says he's asked for specifics about spending on advertising.

"I was unsuccessful in obtaining the numbers," he says. "That seems strange to me. It seems like if they write checks, they should know what they're written for."

The state's accounting systems should be updated to do that, says Michael Jordan, the state's chief operating officer. "It's a hell of a bad way to run a railroad."

At the governor's request, Jordan has launched a review of government operations, including communications.

He's not prepared to say the state spends too much or too little. "We do have to get more focused on what's important," he says, "how to do things in the most strategic way possible."

Sen. Richard Devlin, D-Tualatin, Ways and Means co-chair, says he's not surprised the number of state communications employees has grown because the state has launched dramatic changes, especially with health care.

But Devlin says the Legislature probably will cut the budget more when it returns to Salem in February.

"It doesn't make sense to go out and try to get people to enroll in a program" when people eligible for those programs may be cut. In other words, Devlin says, he'll put services ahead of communications.

That has already started for some.

Last year, the Department of Human Services set aside more than \$100,000 for a media campaign to tell Oregonians that the food stamp program had been renamed SNAP, for the Supplemental Nutrition Assistance Program.

The money was never spent. Gene Evans, the agency's communications director, said he stopped it when he saw the billboard designs.

"It wasn't even, 'Make sure you apply for benefits,'" he said. "Why did we think that was a good idea in the first place?"

Instead, the agency used the money for assistance staff and getting machines to farmers markets

that would make it easier for people who rely on food stamps to buy fresh, local foods, Evans said.

"It didn't just sit in a billboard on the side of the I-5."

-- Michelle Cole and Ryan Kost