

Chair Roblan and members of the Senate Education Committee,

I support SB 353.

I don't need to remind the legislature that Oregon faces a \$1,600,000,000 shortfall.

While Measure 98 passed through the initiative petition process, it did so in a misleading way. Stand for Children answered Questions About Measure 98 Implementation.[\[1\]](#)

17. Where does Measure 98 funding come from?

Measure 98's funding is supposed to come from a small portion (about \$300 million) of the nearly \$1.5 billion in new income tax revenue the state is projected to collect because both the economy and population are growing, and inflation is at an all time low.

18. If there's all this new money coming in, why am I hearing the state is in a huge deficit?

There's definitely new money coming in - the state is projected to collect more tax dollars than ever before. And, with inflation continuing at an all-time low, there should be plenty of tax money to fund Measure 98 and maintain our existing K-12 investments. However, the projected costs of existing government programs are rising faster than those revenues are growing -- and much faster than normal inflation. If lawmakers do nothing to change that, that government inflation is projected to eat up all the new money and then some.

19. How will the state government deal with this deficit?

There's been a lot of extreme scenarios being circulated, but there's more to it than that. Lawmakers always have four tools to reconcile a deficit. They could reprioritize existing government programs and do fewer things better. They could reduce the cost of running existing programs so government inflation is consistent with the rest of the economy. They can raise taxes to cover those cost increases. Or, they can cut everything equally across the board.

At this writing, state legislative leaders have been saying that their choices are more limited than this -- either make painful across the board cuts, or raise tax revenue. More recently, there has been renewed discussion about also reducing the underlying costs of running government programs to make it more sustainable over the long run. The point is, there is a lot of political pressure for lawmakers to make some kind of deal -- and there should be.

M98 called for being “funded over and above schools current funding levels.” Without a source of new revenue, the bill suggested that “new money coming in” would pay for this initiative. Stand for Children’s definition of “new money” does not account for inflation, increased health-care costs (including the state’s share of the cost to implement the Affordable Care Act after federal funding decreased), and Oregon’s Public Employees Retirement System unfunded liability.

Fully implemented, Measure 98 will rob money from other general fund priorities. Would Stand for Children think it's ok for a poor child's mother to be thrown off her expanded Medicaid plan to fund this program? Should the legislature completely clip the funding for the DEQ? Cut veteran funding? What if districts have to slice money from k-8 to pay for this mini-NCLB?

Stand for Children claims that Measure 98 was a mandate "for maintaining and expanding K-12 funding to improve the success of our high schoolers."

10. If schools don't have the money to implement Measure 98, will they have to take it from other programs?

No. Measure 98 is not a mandate for individual school districts or schools. Districts will have the option to request Measure 98 funds and implement or expand the career-technical opportunities, college level courses and drop out prevention strategies of their choosing.

If less Measure 98 funds are available for districts than what they planned for, districts are only required to implement programs that are funded.

While we expect most school districts to use these opportunities in order to raise graduation rates, they are not required to do so.

The funding for Measure 98 is separate from the State School Fund -- and Measure 98 calls for being funded over and above schools current funding levels. In other words, Measure 98 is a mandate for maintaining and expanding K-12 funding to improve the success of our high schoolers.

Stand for Children did not endorse M 97. That would have scared off deep pocketed donors, including anonymous donors to their PAC.[\[2\]](#)

Stand for Children

\$5,000,000+

Two Anonymous Donors

\$100,000 - \$499,999

Connie Ballmer

Tom & Susan Dunn

ExxonMobil

Stacy Schusterman & Steven Dow

Jim Walton

Two Anonymous Donors

Stand for Children claims Measure 98 is an unfunded mandate.

5. Is Measure 98 an unfunded mandate?

Not at all. Districts are not required to participate, although we hope all do. For those that do participate, funding comes with the programs. Districts are under no obligation to commit or divert other funds to these programs beyond what is provided in new state funding.

The Portland City Club Committee that reviewed ballot measures[3] disagrees in asserting these additional reasons to have opposed M 98:

Major assertions against Measure 98

- Budgeting by ballot measure can have unforeseen problems and bypasses the Legislature, something that past City Club reports recommend against.
- Dedicated funding becomes unavailable for other critical and underfunded state services and programs, like K-12 education, social services, public safety and higher education.
- Mandated programs force districts to use these funds for specific programs that may not address individual school and district needs.
- It's unclear whether the remaining limited resources would be enough to rebuild CTE, college prep and dropout prevention programs where they don't already exist.
- It does not adequately address systemic issues of equity and access them in new ways.
- A top down, state-centered measure creates more complicated and costly bureaucracy to provide accountability and oversight
- Criteria used to measure the impact of mandated HS Fund spending is unclear.
- It assumes a sufficient level of experience and expertise among districts, adequate infrastructure and enough qualified personnel to implement these programs and sufficient community capacity to support these efforts.
- It is unclear how the measure's "best practices" for building high school success programs would be adapted to local needs, implemented, tracked and evaluated.
- It lacks an analysis of the current capacity of districts to implement the mandated practices or the costs of doing so in districts of different sizes across the state.

This committee was evenly divided on Measure 98—despite a stacked list of witnesses.

And I can understand why. It's hard to find organized opposition for a bill that promises college and career ready students.

The City Club committee pointed out: *CTE has been a casualty of funding cuts in many Oregon school districts. In the 1999-2000 school year, there were 1,202 programs in Oregon. Only 690 exist today. A wide range of CTE programs have suffered cuts. There are currently 70 business management and administration CTE programs, down from 174 such programs in 1995-96. Since 2007-08, there are 85 fewer industrial engineering programs. Construction programs have decreased by 16, from 61 to 45 across the state, over the past year.*

The funding mechanism (based on the school funding formula) would be inadequate for rural schools.

I've been a vocal advocate for adequate school funding through fair taxation, having tromped down to Salem over the past 15+ years to try and achieve that.

This legislature faces huge deficits. I surely agree that we need college and career ready students. But just as Measure 97 wasn't the right vehicle toward adequate, fair taxation, Measure 98 is not the right way to mandate the education of Oregon's kids.

DO raise corporate taxes. Then, re-invest in our public schools!

Respectfully,

Kris Alman

[1] <http://stand.org/oregon/action/oregonians-high-school-success-faqs>

[2] <http://stand.org/2014annualreport/>

[3] <http://members.pdxcityclub.com/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=67fb20ee-1336-2dc2-abb8-d0adbec653f5&forceDialog=0>