

Co-chairs Roblan and Smith-Warner, members of the committee, thank you for the opportunity to speak today. My name is Rob Fullmer and I have been an IT worker and SEIU 503 represented employee at Portland State University for the past 15 years. I am testifying in favor of HB 3427.

As you know, since measures 5 and 50 were passed by voters in early 90s, Oregon's ability to meet the needs of its residents has suffered, and young people and the most vulnerable have suffered disproportionately. Class sizes have increased, college tuition has spiked, foster children have been warehoused and under-served by case workers with far too many kids to shepherd, and the elderly and people with disabilities desperately in need of services have not always been able to get them.

Every two years for the past decade you've heard variations on the same message - we have a tax system that's volatile, unbalanced, and doesn't bring in enough revenue to meet demonstrated needs. At the same time, personal income taxes are too high for lower and many middle income earners. With no state sales tax and a low effective corporate tax rate, when the economy tightens, revenues plummet. Even when the economy is doing well, the cuts are less deep, but more often than not, there are still cuts. Our educators want to know - will this be the year that Oregon asks the large corporations that rely on the infrastructure and educated workforce paid for largely out of our personal income taxes to step up their contribution towards these resources that are needed for their businesses to be successful?

Each session we hear from the business lobby that costs must first be cut. But spending cuts have never changed their call for more cost cutting. Costs were cut in 1995. Costs were cut in 2003. Retirement costs for those hired after 2003 are not responsible for the UAL, but corporate interests would have the state take from younger workers to balance the books - at the same time state business tax receipts are less than the amount collected via the Oregon lottery and corporations benefit from a federal tax windfall. We're hearing the business lobby say that \$1B a year is "too much." Oregon has among the lowest state corporate tax rate across all sources in the nation, and raising an additional \$2B a year, double the amount they object to, wouldn't get us out of the bottom half.

What will it take to fully fund K-12 education, invest in higher education and cap tuition increases at the rate of inflation, cover the state's health care costs, and provide the quality services that people expect when they pay one of the highest state personal income tax rates in the country? Business interests have made their message clear - for them the answer is "too much" - an unsubtle warning that they will refer any real corporate tax reform to voters and spend tens of millions attempting to defeat it. We ask that you trust voters by passing strong legislation that fully funds K-12, gives low and middle income earners a break, holds Oregon small businesses harmless while holding big business accountable, and brings stability and predictability to a tax system that has lacked both for decades. Oregonians are ready for smart legislation that helps fix our broken tax system and funds schools. It took 30 years to get this chance. Please, take it.