



MEASURE: HJR 26
EXHIBIT: 6
HOUSE REVENUE COMMITTEE
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SUBMITTED BY: LAURIE WIMMER

Date: March 1, 2011
To: House Revenue Committee, Co-Chairs Barnhart and Berger, and members
From: Laurie Wimmer, OEA Government Relations
RE: *SJR 26 [Local Option Authority Revision]*

On behalf of OEA's 45,000 members, it is my pleasure to testify in support of SJR 26, which would expand the local-option authority of local governments, including school districts, to fund essential services in local communities.

We are asking you to approve this resolution to the people for their vote so that schools and other local governments may have the flexibility to tailor local funding solutions to their particular community needs and interests. With respect to Oregon's current local-option law for schools, the limits of the gap between measures 5 and 50 prove challenging, particularly in this post-housing-bubble world, in which the real market value of properties has fallen fast and the gap between the limits has therefore resulted in local-option-foreclosing compression in the majority of our communities.

In these times, when resources are scarce and the state's share of education-related funding has declined from a high-water-mark of 48% of General Fund/Lottery resources in 2003-05 to just 37.7% in the Governor's Recommended Budget, local communities need to have every resource at their disposal to help keep the school doors open, all educators on deck, and class sizes reasonable.

Too often, however, compression and local political realities have eliminated the possibility that a local effort will be possible. HJR 26 asks voters to decide whether local communities deserve to reform our local option system so that longer-term planning is possible (moving from 5 to 10 years); whether they wish to allow renewals at the 8-year mark; and whether they want to allow levies to abide outside the limits of gap-created compression.

Because the maximum amount of local option revenue schools currently have available, voters willing, is the amount of resource within the Measures 5/50 gap, and because real market value of property has decreased in the recent recession, the opportunity of districts to obtain school funding per student has also decreased. Other factors influencing the resources available through a local option include the discount for early property tax payments and delinquencies on payment, because both reduce revenue received by counties from property taxes. Additionally, many districts are simply unable to access local revenues for support of an education investment. HJR 26 would remedy these problems.

The resolution does not impose new local options; it simply enables Oregon voters to decide this question for themselves. We believe that the time has come to allow local communities more control over their destinies with respect to essential services such as education. Thank you for your support of this measure.