

# School Dollar for School Kids

HB 4141– which puts school district dollars in a “lock box” –  
protected from tax abatements.

# Long Road to Travel to Fix Oregon's Public Schools

## **\$1.9 Billion Short for Quality Education Model**

- Oregon's school employees per 100 students has gone down from 16.5 in 2008 to 14.8 in 2013
- In 2000, Oregon had 28,194 teachers. In 2012, we had only 25,984
- We have the 3<sup>rd</sup> highest class sizes in the country
- For example, in Hillsboro, in 2000-01 the student to teacher ratio was 20.9:1, and this year it is 30:1

Counties, cities, and school districts have all suffered during this recession, but staffing ratios at school districts have suffered far worse.

Looking just at

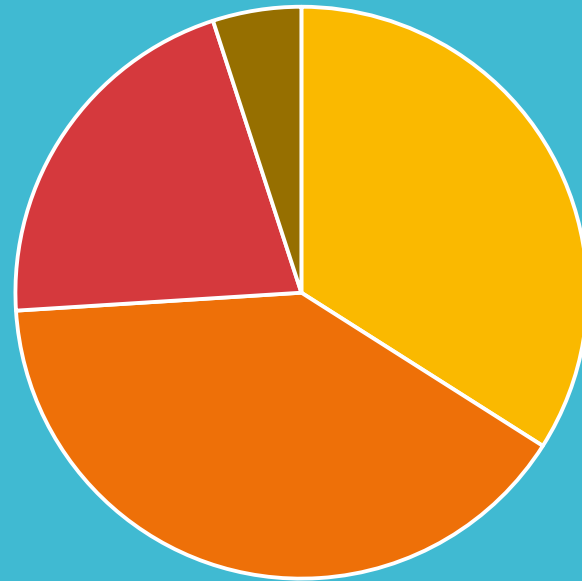
Washington County:

- Washington County had approx. 1749.2 FTE staffing in 2006 and approx. 1765.96 FTE in 2012.
- Washington County Schools had 4167 teachers in the 2006-07 and 3649 in 2012-13, while students went up from 82267 to 85582.

# Tax Abatements Contribute to School Shortfalls

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What gets cut when abatements occur?

Percentage breakdown of a hypothetical \$100 million abatement



■ Schools ■ Cities ■ Counties ■ Other

Percentage  
breakdown:  
Schools – 34%

Cities – 40%

Counties – 21%

Other – 5%

# The Impact of Tax Abatements on Education

The impact of tax expenditures on the state budget is bigger than you might think.

Property tax abatements with some level of local control, plus Urban Renewal tax expenditures, will cost the state around **\$863 million** in 2013-15.

**\$396.9 million** of that revenue would go for education.

Type of Abatement	Revenue Lost in 2013-15	Portion of Revenue Lost that would be for Education
SIPs	\$322 million	\$141.4 million
Urban Renewal Division of Taxes	\$378 million	\$165.9 million
Other Tax Expenditures	\$163 million	\$71.557
<b>TOTAL</b>	<b>\$863 million</b>	<b>\$378.8 million</b>

What can you  
buy for \$396.9  
million?

New Teachers	3969
Statewide School Days	~9 days

An education budget that included money currently abated by local governments could have meant that every school district in the state of Oregon would not have laid off a single teacher or cut a single day of school.

In fact, our schools may have been able to hire back many of the thousands of teachers the state has lost in the last 10 years.

# Proposed Solution

Proactively decide that education dollars need to be protected for the classroom by putting school district dollars in an abatement “lock box” that can’t be given away.

This type of exemption already exists in other parts of statute. For example:

- Special districts may separately opt-out of Vertical Housing Zone agreements
- Each taxing district must opt-in to a Rural Health care Facilities agreement

Our schools are still struggling, and can’t afford to be cut any further. Restoring these funds would put \$396 million back into our K-12 system.

HB 4141

Will exempt revenue intended for schools from tax abatements. This protects dollars meant for classrooms to stay in classrooms – helping our kids and our economy.