

JOINT COMMITTEE ON TAX REFORM
Oregon State Capitol
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Members of the Joint Committee on Tax Reform,

As a citizen, mother, instructor at Oregon State University who has degrees in law and economics, I've seen some of the effects of our current budget model personally and have informed opinions about the consequences for our future.

You have received testimony about cutting class offerings, larger class sizes, and lack of support staff in our schools. As a parent of children in the Corvallis school district, my kids and our family is directly impacted by other shortcomings of Oregon education that have accumulated through successive years of dismal funding. We need to do better for all of our students, urban and rural, and we can't do that with some of the lowest education funding in the country and shortest school year. **Education Week gives Oregon an F grade on education spending, and we are ranked 40/50 overall in education metrics among the states—we can and must do better.**

Most of the students in my classroom at OSU are from Oregon, pursuing one of the agriculture-related majors. Many of them are simply not prepared for a college classroom, through no fault of their own or their teachers. Yesterday I was in a meeting with an employee of the Oregon Department of Agriculture, who grew up in Oregon, who also said that the **young people coming out of Oregon high schools do not have the skills for today's workplaces.** He has interns from other schools because it's hard to find anyone with the skills here. This is appalling. Our Oregon students should be prepared to be the top candidates for positions in our state government internship programs.

When our Oregon kids get to higher education, they struggle to pay for and complete their degree. Only 61% finish in a "reasonable time" of 3-6 years; that means almost 40% walk away with no degree, and likely with student loans to repay out of the wages of a high school graduate. **Increasing tuition year after year puts more of the burden on the backs of our students, when all of society benefits from their educational achievement,** particularly when they can go back to their Oregon communities with their skills and drive to build economic opportunities.

Through my work at OSU, I have also seen how our lagging education system affects our ability to attract great people to our state. When we have interviewed candidates for faculty positions, they know that Oregon is ranked in the bottom half of the nation in education metrics. **Innovative, exceptional people will not bring their kids to a state where they will not get a quality education.** This isn't just an issue for the universities, it is an issue for every employer, including our private businesses. They use our great state's assets as a recruiting tool—but it's a recruiting tool that is sadly lacking—people have to know that their kids will be better off for coming to Oregon, but we can't promise them that right now. It's hurting our efforts to bring the best and the brightest to our universities and to our private sector.

Job applicants also ask about the individual tax burden. Oregon is the only state that lands on the top five in top income tax rates, middle class income tax rates and income tax collection per capita, and property tax rates are in the top half of the US (true, we don't have a sales tax). **Individual citizens pay high taxes, yet we are not getting quality education for our kids.** It makes no sense for the individuals to bear such a high tax burden while we have the lowest corporate taxes—because **corporations benefit from our state services and should be required to pay their fair share.** We provide an infrastructure for moving their goods and providing services, our state provides basic services for citizens that creates a working economy for their goods and services to operate within.

Furthermore, businesses take much more than tax rates into account when choosing to locate here—they want great services, and they want to be able to attract great employees—**we are sorely missing the point of economic development if we continue to ignore our education system, health care system, transportation**—all of the infrastructure that government provides to make a thriving economy and society.

Finally, we need PERS reform, but it is time to stop using PERS as a scapegoat for budget issues. **Oregon has been in this funding situation for too long. Now is the political moment to fix it.** We can't have a whole lot of influence in Washington, lord knows we will try, but we can choose our course here at home, in our state. **We have this opportunity to choose to have a society where every child has a quality education, where people have basic health insurance, where young adults can go to college and prepare for a prosperous future to create a virtuous cycle of education and investment in our education and our economy.**

I choose a course for protecting and uplifting our kids, our families, our communities here at home. **By putting spending cuts on the backs of children, college students, and families, you are effectively increasing taxes on us. Spread the tax burden in an equitable way by taxing corporations that reap the benefits of our state's services, making them pay their fair share of the cost.** Make courageous choices to invest in our future now, to build the communities that we want to live in, and make Oregon a leader in investing in all of our citizens.

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