



OREGON
Alliance
of Children's Programs

FLOOR LETTER

FROM THE DESK OF
REP. JOHN HUFFMAN

John Huffman
7 June 2017

VOTE "NO" on SB 181 SUPPORT NONPROFIT ORGANIZATIONS SERVING CHILDREN

The Oregon Alliance of Children's Programs represents 44 organizations in Oregon who provide programs and services for 100,000 children – nearly all of whom have faced or experienced trauma in their lives.

Members provide \$235 million annually in services for prevention, juvenile justice, child welfare, foster care, addiction recovery, intellectually and developmentally delayed and mental health.

We are opposed to SB 181 for several reasons:

THE RICH COMMUNITY BENEFITS OF NONPROFITS HAVE LONG JUSTIFIED EXEMPTIONS FROM REAL PROPERTY TAXATION IN OREGON.

- Further, nonprofit holdings of real property provide critical stability, leveragable assets, and a resource against economic downturns and waning government funding.

THE FOUNDATIONAL PRINCIPLE IN SB 181 IS THAT NONPROFITS REPRESENT AN UN-MINED TAX REVENUE SOURCE. IN FACT, WE ARE ALREADY HEAVILY "MINED" FOR TAX SAVINGS.

- The work and outcomes of Alliance member programs are linked directly to cost savings for tax payers, and gains for individuals, communities and government.
- The currently recognized 30% reimbursement gap for critical Behavioral Rehabilitation Services essentially frees up tax dollars that are spent elsewhere.
- Unfunded mandates, such as the filing requirements in SB 181, are another method of saving tax dollars by making nonprofits find resources to complete duplicative administrative work required by government agencies.
- Contract reimbursements do not pay for facility costs or maintenance for property that we must possess to provide safe treatment environments.

ALLIANCE NONPROFIT MEMBERS ARE CHARITABLE ORGANIZATIONS FULFILLING A ROLE THAT GOVERNMENT IS RESPONSIBLE FOR.

- Government is responsible for thousands of children who are in their custody. Many of those children are given to Alliance members who care for them, addressing the impact of trauma and providing healing that supports growth into healthy adulthood.

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- Not only are nonprofits caring for children in the state's custody, but the actions of their care create documented current and future tax savings.

TAX SAVINGS HAPPEN EVEN IF RATES PAID ALL NONPROFIT COSTS

- Taxpayer savings are also realized by contracting with efficient, nimble, and highly competent nonprofit organizations. They are always less expensive than government and save measurable tax dollars.

WE ECHO OUR COLLEAGUES

- Our colleagues in the nonprofit world have provided additional testimony on significant problems in interpretation of tax laws and definitions, the immeasurable good to society that nonprofits provide in every arena of human, cultural, health and social advancement.

THESE RICH COMMUNITY BENEFITS HAVE LONG JUSTIFIED EXEMPTIONS FROM REAL PROPERTY TAXATION IN OREGON.

Thank you!

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