



To: Joint Committee on Student Success
From: Matt Newell-Ching, Public Affairs Director
Subject: Statement of Support for the Student Success Act (HB 3427)
Date: April 18, 2019

As Oregonians, we are united by a common value: equality of opportunity.

Partners for a Hunger-Free Oregon supports the Student Success Act (HB 3427) because it is a major step forward for our state toward making manifest the idea that no matter where we came from or how much money our parents have, every child in Oregon should have conditions at school in which they are equipped to succeed in school and in life.

Oregon is reaping the consequences of decades of disinvestments in our schools. This disinvestment corresponds with one of the lowest graduation rates nationwide. Based on this, it should surprise no one that Oregon has the highest rate of hunger in the Northwest United States. Oregonians without a high school diploma are 40% more likely to experience food insecurity.

We believe the revenue package in the -1 amendment is a good first step in making long-overdue investments in Oregon's schools. We applaud the committee for exempting groceries in the proposed Commercial Activity Tax. Along with other reductions in personal income tax rates, and the opportunities this will create in schools, the Student Success Act will be good for families who are at risk of food insecurity. We believe it will play a significant role in making the next generation of Oregonians more food secure, as these investments will play a major role in preparing students for the 21st century workforce. That's good for kids, families, and a healthy business environment.

We believe as a companion to these tax changes, the legislature should consider an additional tool with a strong track record of boosting student success: the Earned Income Tax Credit (EITC). The EITC is a refundable tax credit for low-income working families, and it's one of Oregon's most effective public policy tools to address income inequality and give families and students the opportunity to thrive.

Research consistently shows the EITC has long-term positive impacts on kids. The EITC improves birth outcomes, increases educational achievement, addresses racial disparities, and boosts incomes later in life. An increase of \$1,000 in tax credit raises a child's math and reading test scores, and the difference was even bigger for kids from low-income households. A \$3,000 yearly tax benefit results in 17% higher earnings when the child becomes an adult.

The Student Success Act is a good investment for Oregon. We urge you to pass HB 3427.