



**Date:** May 6, 2021

**To:** Economic Recovery and Prosperity Committee, Chair Lively and Members

**From:** Laurie Wimmer, OEA Government Relations

**RE:** *The Economic Stimulus Power of the K-2 Investment*

On behalf of OEA's 41,000 members, it is my honor to co-present to you today the results of a study we commissioned to assess the economic stimulus value of the public education investment on Oregon's economy.

Our members care about their students' lives, the conditions that challenge their learning, and the opportunities that may exist to close the income inequality gap confronting so many. With approximately half of our students in economic distress, fully 22,000 of them houseless, and many more navigating family trauma, we know that unless their schools are able to support their educational achievement, the impacts for each will be long-lasting. With that in mind, and considering the challenges wrought by the pandemic, Oregon's racial justice movement, and so many other aspects of life critical to our students' wellbeing, we commissioned a study to determine the interplay of your educational investment with the economic health of communities, viewed as both short- and long-term propositions.

The economic analysis we undertook, working with our national organization, you have in the written record of this hearing. We endeavored to understand whether and how the K-12 investment you all will make this session will have impact. We looked at the Governor's Recommended Budget, which is also the Co-chairs' Framework Budget, for K-12 -- \$9.1 billion -- and compared it to the no-cuts level education advocates are seeking: \$9.6 billion. The findings, as you'll read, are unequivocal. A no-cuts budget produces more jobs, more personal income, and a better Gross Domestic Product.

Because this committee's charge is to consider policies that will aid Oregon's economic recovery, we come to you today with the message that one of the most powerful tools you have at your disposal is the public education budget. Why? Well, taken together, this system is the state's #1, largest employer. Our reach extends to every community in the state. When you invest in public schools, you also invest in each of those communities -- urban, suburban, and rural. As we learned in 2002, when we commissioned an ECONorthwest economic study, for every 10 education jobs you fund, nine more jobs are created on Main Street. With more than 160,000 Oregonians out of work because of the pandemic, we believe that viewing the education budget through an economic lens, not just a budget lens, is vital to Oregon's re-emergence into prosperity.

And of course, investing in our students also plants seeds of potential -- both economic and human -- for the long term. Increased funding translates to higher graduation rates, higher wages, better health, and reduced likelihood of poverty.

We are coming to you today, rather than to the Ways and Means Committee, because we know that the idea of accelerating Oregon's economic recovery is job #1 to you all. We are asking that, when you hear the details of our analysis, you will become partners in our efforts to fund the K-12 education system to the no-cuts level of \$9.6 billion -- not only for our schools and students, but for all of our people. With that, let me turn to Susan Kennedy, my co-presenter, to fully describe the results we are bringing to you.