



The League of Women Voters of Oregon is a 101-year-old grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

February 8, 2021

To: Senate Committee on Finance and Revenue
Senator Ginny Burdick, Chair
Senator Brian Boquist, Vice--Chair
Senator Lynn Findley, Member
Senator Chuck Riley, Member
Senator Rob Wagner, Senate Majority Leader

Email: <https://olis.oregonlegislature.gov/liz/2021R1/Committees/SFR/Overview>

Re: SB 299 Children's Service Districts - **Support**

The League of Women Voters of Oregon prioritized several issues for the 2021 session, one of them being to “generate adequate revenue for essential services while promoting equitable and progressive tax policy and addressing revenue needs due to COVID-19.” The League supports a tax system that is based on the ability to pay, but that applies a benefits-received principle wherever reasonable and that recognizes the role of social expediency justice and equity. We support SB 299 because it addresses social needs and a provides for a tax method to support them. **SB 299** would establish a children's special district just as we have for water, parks, utilities, and even irrigation and weather modification. This allows a local jurisdiction, county or a portion of a county to propose a ballot measure to the voters with the possibility of imposing a local levy on property taxes that would be used specifically for the purposes of serving children with before and after school programs and/or with summer programs for kids within that jurisdiction. Voters can then vote the levy in or out.

This bill does not ask for any funds from the General Fund. It simply provides the legal grounds for those communities who want these kids' services to ask for a local levy. Portland has established a special levy just for kids' programs. It was not only adopted, but after trial, voters overwhelmingly approved its continuation with 83% of the vote and it has been re-approved four times.

What are the arguments in favor?

1. The data is in on the **EFFECTIVENESS** of preschool, Head Start and afterschool programs in terms of student success in school, continued education, and even financial success later in life as a result. Many accomplished people have given credit to their later success due to such programs.
2. They provide **OPPORTUNITY** to kids from low-income families to advance, and lowers the inequalities in access to education, because these programs start by focusing on the neediest areas, paid for by a wide tax base from local citizens who see the value of such programs.
3. Not only children benefit from the establishment of a children's district. Their parents and caretakers do as well. **CHILDCARE IS AN ABSOLUTE NECESSITY FOR WORKING PARENTS**, especially if you're poor, and especially in rural areas. If you're a single parent, and don't have a grandparent, friend or neighbor to help you out, the possibility of working or continuing to work is at stake. Parents also need childcare to be able to get to work to pursue further education for themselves. The revenue from a levy would allow childcare and educational

programs in these areas and for low- and middle-income families. If you are concerned about the growing disparities between the rich and poor, this bill helps to narrow the gap. Rural or poor urban areas are likely to support a children's service district when costs can be spread out over a broad base.

4. **SUMMER PROGRAMS** for kids under 18 are valuable in so many ways. As money for schools has declined in Oregon over the past decade, so too have afterschool programs and summer programs. Studies have shown that those who participate in summer school, do better in school. With our high school dropout rate, we need to address the problem where we can be most effective. These programs are known to work. Children who can't afford summer camp or summer school now lose out on these educational benefits.

Opponents will argue that adding a new special district will compete with other special district funding that is already barely funded due to compression caused by Measures 5 and 50 property tax. These measures put constraints on property tax increases by imposing caps of \$5 and \$10 per thousand dollars of assessments. We would argue that this is true in areas of high compression, but not in areas of low compression. Portland has voted in a number of levies and has several overlapping districts.

According to data from the Department of Revenue, of the 102 plan areas that received division of tax revenue in 2011-12, 22 suffered no compression loss and another 31 had compression losses of under \$100. For the special levies, out of a state-wide total of 22, 10 had no loss and 5 had losses of under \$100. According to [Tom Linhares, Executive Director of the Multnomah County Tax Supervising Commission](#), The City of Portland has 92% of all of the compression losses statewide.

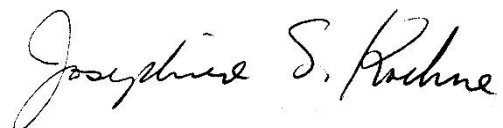
But the benefit of being able to create a special district and levy for a program in a poor and/or rural area where there is little compression could offer a great benefit and offer a choice where none now exists. As I have heard in several town halls recently, there are teachers and many others who cannot work because there is no affordable day care or afterschool programs available nearby that would allow them to work. A properly licensed day care facility in a rural area is unaffordable for many rural families. However, if those families were to organize support for a local tax levy so that cost burden could be shared among the wider community for a licensed childcare facility, approved by the voters in that community, then those mothers and fathers would be able to work and bring in income for their families, which would have the extra benefit of increasing the tax base in those communities. SB 299 provides the opportunity for communities to decide these benefits for themselves. Low- and middle-income families, just as with the public school system, would not otherwise have the option to access to these vital programs for their children without the financial support of the wider community.

Certainly, a statewide, state-funded program would be ideal, but with all the other competing needs for Oregon's limited funds, especially in light of COVID 19 and the wildfires, there is no way for daycare to be funded even partially. This model of locally-decided, locally funded programs for kids could be a pilot to test out the viability of shared support statewide for out of school programs for kids.

If we don't want a generation of kids who fail, we need to take important measures to take up the slack. Passing **SB 299** is a creative, no-risk investment in our kids' futures. It does not compete for dollars from the General Fund or K-12 education. It would help to decrease disparity and is merely an option for the communities who wish to vote in a children's service district to pay for these programs. Surely, if we have service districts for cemetery maintenance, we can have one for the kids when they are not in school. Most people will elect to invest in the future of our kids. We ask you to support **SB 299**.



Rebecca Gladstone
LWVOR President



Josie Koehne
LWVOR Revenue Coordinator