

**April 18, 2023**

Chair Nathanson, Vice-Chair Reschke, and Members of the House Revenue Committee,

My name is Tawna Sanchez and I am the State Representative for House District 43, North and Northeast Portland. I am writing today in favor of HB 3221, which would increase statutory limits on local option property taxes that fund school districts.

Local option levies present an option for raising additional funds from property taxes for school districts, with the approval of local voters. By taxing the gap between the real market value and assessed value of a property, these levies can take advantage of a strong economy and raise much-needed revenue for schools when inflation is high. Existing law caps increases at 3% annually—a limit that fails to accurately reflect economic conditions and address the needs of our underfunded schools. Early projections show that Portland Public Schools general fund expenditures will grow by approximately 20% over the next five years, while current funding limitations would limit revenue increases to 15% over the same period.

HB 3221 would update the per weighted average daily membership (ADMw) limit from \$2,000 to \$3,500, with annual growth of either 5% or CPI, whichever is higher. This small, technical change would allow PPS to better address revenue shortages, supplementing an overburdened general fund and modernizing school funding structures. I cannot overstate the impact of these dollars on PPS students, staff, and our community. The local option levy has paid for hundreds of teachers over the past 24 years, while also funding the day-to-day operations of our school districts. Without these locally approved dollars, staffing shortages will worsen and educational outcomes will continue to decline.

HB 3221 does not raise property taxes. It simply gives the PPS Board of Education the flexibility to raise additional revenue and fund services, positions, and programs that are not funded by the state of Oregon. This bill will empower voters to support their school districts as they see fit. It's time for us to trust these voters and allow them to adequately invest in their communities.

Portland Public Schools desperately need additional funding. We must give school districts the tools to support teachers and ensure high-quality education for all students.

Thank you for your time and consideration.

Sincerely,

Rep. Tawna Sanchez