



PRESS RELEASE

OREGON HOUSE DEMOCRATS

For Immediate Release
June 27, 2017

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House Approves \$8.2 Billion State School Fund Budget

Without revenue reform, SB 5517 maintains status quo

SALEM –The Oregon House of Representatives approved an \$8.2 billion budget for K-12 schools today, maintaining status quo funding for most districts. The vote came after months of work by Democrats to pass a package of proposals to boost and stabilize school funding by reducing government spending, lowering PERS costs, and overhauling the state's outdated business tax system. Republicans ultimately refused to support a plan that would have dedicated 100 percent of new revenue to Oregon schools, leading to today's vote on [Senate Bill 5517](#).

The K-12 budget for 2017-19 is an increase from the current budget, but it is \$1.7 billion short of funding Oregon's Quality Education Model. Rep. Barbara Smith Warner (D-Portland), chair of the Joint Ways and Means Subcommittee on Education, said she was hopeful that game-changing investments in Oregon's public schools would be enough to get House Republicans to negotiate.

"Last week, I made the motion to delay voting on this budget with the hope that our Hail Mary pass would work – that we could find a path to pass both cost containment and long-term revenue reform this session," Rep. Smith Warner said. "We had all the pieces of the puzzle in hand, we just needed to put them together. But, we couldn't do it alone, and now here we are."

Democratic leaders introduced a series of bills this session to contain government spending, set up cost-sharing to reduce PERS expenses going forward, and replace the outdated corporate income tax with a Commercial Activities Tax. Because revenue measures require a three-fifths majority vote, Democrats were hopeful that Republicans would join the compromise. Last week, it became clear that wasn't going to happen.

After starting the session with a \$1.8 billion budget deficit, budget writers worked diligently to prioritize education and ensure that top priorities like full-day kindergarten continue to be funded. While SB 5517 protects most critical programs, it doesn't make the significant investments Oregon schools need to rise above inadequate funding and subpar outcomes.

"We had our chance this session, a chance for real tax reform partnered with cost containment and serious investments, 100 percent invested in education from cradle to career," said Rep. Janeen Sollman (D-Hillsboro), a former Hillsboro School Board member. "We could not come together to make it happen this session and that is very disappointing."

The Oregon Legislative Assembly is constitutionally required to pass a balanced budget before July 10.

Rep. Smith Warner said she hoped the work done this session would be a starting place for discussions so that future generations of Oregon children have the schools that they deserve.

“I believe we need to keep fighting for reforms that transform our education budget for decades to come,” Rep. Smith Warner added. “My hope is that today is the wakeup call we need to build for the future, and that we’ll spend the next two years working on structural reforms that will finally stabilize our K-12 budgets.”

The budget now goes to Governor Kate Brown.

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