



OREGON HOUSE REPUBLICAN OFFICE

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House Republicans stand firm against K-12 budget that shortchanges Oregon students

Absent structural spending reforms, record budget will do little to improve classroom outcomes

Salem, Ore. - House Republicans stood up for students, parents and teachers today by voting no on a K-12 education budget that shortchanges Oregon schools. House Republicans argued that absent a serious effort to address runaway cost drivers like PERS and government employee healthcare costs, even an 11% increase in funding is inadequate to fully fund our state's education system. School districts around the state have already suggested the underfunded budget approved by Democratic leaders is likely to result in larger classes and fewer school days.

"As a school board member and committed advocate for our students, I know that this K-12 budget is simply not enough to prevent painful cuts around the state," said Rep. Mark Johnson (R-Hood River), who serves on the Hood River County School Board. "While my school district is going to be able to squeak by this year by dipping into reserve accounts, others will not be so lucky. Our cost drivers, including PERS and healthcare costs, are decimating our budgets. Our schools will never be fully funded as long as the cost of funding education continues to exceed the growth of revenue."

According to [estimates by Milliman](#), the state's actuary, school districts will see their PERS costs jump by \$335 million over the next two years, an amount that could otherwise be used to hire new teachers and invest in classrooms. Lawmakers have introduced a number of bills meant to provide schools with relief from PERS, though none have received an opportunity to advance.

Republicans also cited escalating government employee health benefit costs as a reason why the K-12 budget approved by Democratic leaders is inadequate. A recent [analysis by The Register-Guard](#) showed that Oregon has among the highest government employee health benefit costs on the West Coast. At an average of \$12,204 a year per employee, Oregon taxpayers foot the bill for health plans that are nearly \$3,000 more expensive than those in California and Washington. Much like PERS-reform bills, efforts to rein the cost of employee benefits have been largely ignored.

"Republicans have introduced a number of bills that would address runaway costs as they relate to PERS and healthcare compensation," said Representative Jodi Hack (R-Salem). "Few of these have received serious consideration from the majority party, and not one has received a vote. I am absolutely disheartened that this budget is apparently the best that we could do. At the end of the day, if we would have acted on our conversations about cost containment early on, we could have done better for our kids. I have always said that if you sit around a table and you put kids first, you will not fail. I'm sad to say we did not put our students first in this process."

Republicans pointed to the [latest statistics](#) released by the nonpartisan National Education Association for further evidence that the state is not doing enough to ensure that taxpayer dollars are spent in ways that benefit students in the classroom. According to the NEA, Oregon is projected to fund education on a per-student basis that is well above the national average in 2017. At \$12,161, Oregon ranks 18th among the states, and higher than any of our West Coast neighbors. The per-student funding ranking stands in stark

contrast to the state's high school graduation rate, which consistently ranks as one of the lowest in the nation.

"The simple fact is even a record K-12 budget is not enough to keep up with rapidly rising cost drivers," said House Republican Leader Mike McLane (R-Powell Butte). "Democratic leadership has failed our children by refusing to prioritize and pass meaningful reforms to the cost of PERS and runaway benefits. Until we get serious about addressing these unsustainable costs, we will never be able to make the kind of targeted investments that will produce positive outcomes for our kids."

The K-12 education budget passed the House on a 31-28 vote, with four Democrats joining all Republicans in opposing the bill. House Republicans remain hopeful that Democratic leaders will allow serious cost containment bills to move forward before the end of the legislative session so that additional resources may be redirected to support schools.

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