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New chapter for Oregon's students begins Sunday

HB 3427: Makes historic investment in Oregon's schools

SALEM – Oregon's education system will begin its new chapter of historic state investment this Sunday when the Student Success Act – [House Bill 3427](#) – officially becomes law.

The landmark legislation is designed to counter years of disinvestment in public education dating back to passage of Ballot Measure 5 and Ballot Measure 50 in the 1990s. Sen. Arnie Roblan (D-Coos Bay) and Sen. Mark Hass (D-Beaverton) played commanding roles in developing the education policy and funding package, respectively.

"This is the culmination of 16 months of work, beginning with traveling across the state to hear what students, teachers, administrators, business leaders and community members have identified as educational priorities," said Roblan, a co-chair of the Joint Student Success Committee that authored the bill. "We listened to people and, based on those conversations, we developed a plan of action. This is a targeted investment in our schools and our kids that this state has never seen before. Every dollar that we collect will go into the classroom, and we have written that into the legislation. I joined the Legislature because I wanted to see our state put more resources into education. Passing and implementing this bill is the most important thing I've been able to accomplish in my legislative career."

The bill includes a transformational plan to provide students and schools with the resources they need to be successful, as well as training to help teachers better serve students. It also includes a dedicated funding package to pay for those elements.

“This is the most significant and historic education bill I have been involved in,” Hass said. “It will set Oregon on a new path of longer school years and smaller class sizes and will help students to reach their highest potential. This is a game-changer for our teachers and our students and it will provide a brighter future for all of Oregon.”

Elements of the bill include fulfilling needs that have been identified universally across the state. These include career and technical education, school counseling, longer school years and days, mental health services and making certain that all student populations have access to the resources they need. It also includes opportunities for individual school districts to develop programming that is tailored to their communities’ unique needs. An accountability component in the bill requires regular legislative reports and audits to ensure the money is being invested effectively and state taxpayers are realizing a return on that investment.

Funding will come from a Corporate Activities Tax that will affect only Oregon’s largest businesses. Businesses with less than \$1 million in annual taxable commercial activity will not pay a single penny. For businesses that would be affected, House Bill 3427 sets a \$250 flat tax on the first million in taxable commercial activity and 0.57 percent on taxable commercial activity over \$1 million. Only about 8.6 percent of Oregon’s businesses – 40,000 out of 460,000 operating in the state – will pay anything at all under this structure. The legislation creates a dedicated, stable and adequate funding source for schools without disrupting small businesses and individual Oregonians. Taxpayers will see a reduction in their personal income tax rates and sales on groceries and fuel will not be taxed. While portions of the bill go into effect Sunday, the tax portions will take effect in 2020 and many investments will begin in the 2020-21 school year.

“Once these investments take effect, we will be able to implement a groundswell of improvements in our system to make sure our students don’t fall through the cracks,” said Sen. Rob Wagner (D-Lake Oswego), who chairs the Lake Oswego School Board as well as the Senate Education Committee. “These reforms and resources will make all the difference for graduation rates by providing the support Oregon’s students need to be successful.”

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