



## Portland schools: When the handbasket arrives in hell

For Portland Public Schools, this is the year that the handbasket will finally arrive in hell.

All the stopgap funding measures that kept Portland's schools from going under have or will soon run out. As a result, a district which cut almost 10 percent of its teaching positions last year now faces a budget hell-hole large enough to consume 30 percent of the teachers who will still be on its payroll next September.

And school parents will be invited to help the district choose between shortening an already short school year or packing more kids into already overcrowded classrooms.

It was a long, bumpy ride, this descent to the netherworld where Oregon's largest city can no longer maintain a fully functional school system for its children. But it's not as if we didn't see this coming.

We talked about our schools going to hell in a hand basket when Measure 5 appeared on the ballot in 1990. But Measure 5's supporters offered a Faustian bargain that a majority of Oregon voters couldn't refuse. We can cut our property taxes, they argued, and let the state take care of financing our schools.

There were real devils in the details of that bargain. Trusting the state was one. Even in years when our economy was booming, the Legislature never managed to replace the funding that Portland and other high-tax districts lost to Measure 5. To be fair, state lawmakers had to address other demands. But they also focused more on equalizing school funding statewide than on helping the districts that were hurt most by Measure 5.

Even more devilish details emerged when it came to paying for the state's increased school support. Portland taxpayers saw more of their state income taxes go to other school

districts, because of the emphasis on equalization.

And working families statewide paid more for schools, while businesses paid less. Measure 5 cut local property taxes, which were the largest source of business tax support for schools, and forced the state to replace those lost property taxes with state income taxes, which are paid largely by working families.

This shift of school funding from businesses to working families was the most diabolical effect of Measure 5. I have quantified this shift of responsibility for financing our schools at different times over the past few years. The numbers vary, depending on what extra taxes have been approved by voters at the local level. But the bottom line looks like this: Prior to the passage of Measure 5 in 1990, businesses paid about 40 percent to 45 percent of the operating costs of our K-12 schools; now they pay only 25 percent to 30 percent.

Part of that 10 percent to 20 percent of school costs that are no longer paid by Oregon businesses has been taken out of school budgets. The rest is now paid by Oregon's working families. Measure 5 not only short-changed our schools, it overcharged our working families to make up for the windfall tax reductions it gave to Oregon businesses.

If voters in Portland, whose schools have suffered more than most from Measure 5, now tell pollsters that they're tired of paying more for schools and never solving the school funding problem, they're not being selfish. They're being real. But their reality has been largely ignored by the political establishment. Portland's political leaders aren't asking these voters if they want to restore business tax support for schools; they're asking them if they want to pay more

from their own pockets. And that has become a losing proposition.

Maybe the prospect of an infernal future for Portland's schools will convince our elected leaders to take another look at businesses' responsibility for financing our educational system in Oregon.

One way to do that would be to enact a property tax surcharge on commercial and industrial property, whose owners benefited most from Measure 5. The last time that was proposed, in 1992, Oregon's business community fought it, and the voters rejected it. But that was before our largest school district had to face the consequences of Measure 5's Faustian bargain.

To their credit, many business leaders played a positive role in the campaigns for the "local option" property taxes and the temporary county income tax that kept Portland and other school districts from going to hell in a hand basket until now.

But those solutions were not sustainable because they never overcame the underlying unfairness and instability of Measure 5's school funding scheme. Now that working families are rebelling at the prospect of paying more temporary taxes to support schools that appear to be in a permanent state of crisis, we have to find a way to make our school financing system a little more fair and a lot more stable. That means that business leaders are going to have to do more than lead the charge for school funding. Their businesses are going to have to pay their fair share for supporting our schools as well.



*Tim Nesbitt is a former president of the Oregon AFL-CIO.*

# Local Motion

January 2006

Union election activity in Oregon and SW Washington, according to the National Labor Relations Board and the Oregon Employment Relations Board

## Elections held

Company	Date	Union	Location	Results:		
				Union	No Union	
<b>Mercy Medical Center</b>						
1/11 Oregon Nurses Association		Roseburg	178	97		
<b>Corvallis Regional Communications Center</b>						
1/11 CRCCA vs AFSCME		Corvallis	11	1	0	
<b>Lincoln City Rehabilitation Center</b>						
12/22 SEIU Local 503		Lincoln City	15	13		

## Elections requested

Company	Location
Union	# of employees
<b>Sidwell Airfreight</b> (decertification)	White City
Teamsters Local 962	22
<b>Southern Oregon University</b> (Honors Dept.)	Ashland
SOU University Seminar Association	17
<b>American Medical Response</b>	Ore. & SW Wash.
NEMSA vs. ATU Local 757	532
<b>Umpqua Community College</b> (full-time faculty)	Roseburg
Oregon Education Association	61
<b>City of Port Orford</b>	Port Orford
Teamsters Local 206	10



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