

the same opportunities as kids in Maryland or Washington, we in Oregon have to figure out how to prioritize our education.”

School districts are doing what they can with what they have, says 4J's Levis, who does not take a stance on the initiative. “We innovate and we have teachers doing things that I don't know I'd be able to do — some of our elementary schools have 30 kids in a third grade classroom. We've been saying for years that we'd love to have smaller class sizes, but there's only so much money that we have to work with.”

Levis adds, “I want better for our kids. To me, education is the only way that we can have a successful society.”

IP 28 IS NOT A SALES TAX

Many states rely partly on sales tax to fund public education. Oregon is one of five states without a sales tax, and Oregon has repeatedly voted against implementing one — in 1993, a sales tax measure to fund public schools was defeated three to one.

At City Club of Eugene, Ryan Deckert with the Oregon Business Association called IP 28 a sales tax. “This will be a radical departure from our tradition here in Oregon,” he said, adding that the tax is regressive and would hurt low-income Oregonians if corporations raise their prices as a result of the tax.

That's simply not true, Callaway with A Better Oregon retorts: “A tax on corporations is not a sales tax.”

Sales taxes are paid 100 percent by the consumer. A tax on corporate sales, like the one proposed in IP 28, means the corporations are paying, not the consumer.

But will corporations simply pass the cost of the tax onto their consumers by raising the cost of their products?

Some say yes, like the Oregon Business Association and Jordan Papé, a 4J parent and president and CEO of local construction business Papé Group, which he says wouldn't be subject to the tax. Papé supports reducing class sizes, he says, but IP 28 isn't the way to get there. “If you add a tax on the sale of a product,” he writes in a 4J parent discussion forum, “it will be passed along — we see this today with gas taxes and hotel taxes in Oregon. This will not be free money from far-off corporations.”

Furthermore, Papé says, because the petition is a tax on sales, the cost compounds through the supply chain, which could hurt Oregon families and small businesses by causing higher prices for groceries, electricity and other necessities.

Sheketoff says it's unclear what, if any, portion of the tax would get passed on to consumers. “The best example is a big box retailer like Best Buy. It's not going to have TVs for sale online at a lower price than in its store. Only about 1 percent of the national economy is in Oregon. The fact is that prices in Oregon are not a function of tax system and labor laws.”

In a Feb. 2 op-ed for *The Oregonian*, Sheketoff said that competition will also play a role in keeping prices stable. “Most companies doing business in Oregon won't be subject to IP 28,” he writes. “This competition will help deter the relatively few corporations impacted by the tax from passing it on to consumers.”

In other words, Walmart won't jack up the price of apples when local grocer Capella Market is selling them for \$1.49 a pound.

The Oregon business community has historically



ANNE MARIE LEVIS,
4J SCHOOL BOARD CHAIR

PHOTOGRAPHY BY TODD COOPER

called for a sales tax as a way to boost state funds, says Katherine Driessen, press secretary for A Better Oregon. “If this really were a sales tax, something they could pass on to their consumers, it would be in line with what they support,” Driessen says. To call IP 28 a sales tax while simultaneously opposing it seems paradoxical.

Shannon points out that large companies doing business in Oregon don't have anywhere else to go. “Is McDonalds going to shut down all of its outlets and move someplace?” Shannon asks. “Is Comcast going to decide it's getting out of Oregon? They're getting a bargain right now. They're getting a free pass.”

And in the end, Shannon says, “low-income Oregonians are going to bear the biggest brunt of an inadequate public school system because wealthy individuals can afford to send their kids to exclusive private schools. The rest of us don't have that option.”

VIABLE SOLUTION

Marshall Wilde, a 4J parent and budget chair for the Democratic Party of Lane County, says IP 28 “presents the fairest way of raising money to patch these holes” in public education and other social services. “I'm all for a tax that levels the playing field for smaller businesses.”

Ultimately, he says, IP 28 may be the only viable mechanism available politically — businesses have historically asked for a sales tax, he says, but Oregonians have made it clear that the votes aren't there.

Papé says since the measure offers no guarantee that the money from IP 28 will be allocated as outlined in the petition, he'd rather focus on a different plan, although he did not propose an alternative solution.

Deckert with the Oregon Business Association says he'd be happy to sit down with IP 28 petitioners if they were to withdraw the petition and negotiate for legislative answers. Funding solutions should come legislatively, not from a ballot measure, he says, which can be imprecise with allocating funds. He points out that the most recent corporate tax kicker went toward K-12 education.

Callaway with A Better Oregon says the kicker won't cut it. “We have been at the table many times over the

last 10 years,” Callaway says. “We've spent time testing proposals, but you need something voters will support and something that will raise enough revenue — \$5 billion is a lot because we have a big gap.”

And after 25 years, no drastic solutions have come out of the Oregon Legislature. In the 2015-2017 biennium, K-12 education received \$7.255 billion in funding, just enough to cover the implementation of full-day kindergarten but not enough to see any real gains.

“Where else is a source of \$5 billion, or anywhere near that?” Sheketoff asks, referring to the proposed tax.

STOP THE SPIRAL

Ultimately, the Eugene education community is tired of seeing kids shortchanged.

As a 4J parent, Wilde says he's watched the chronic underfunding of public school services like the Talented and Gifted program.

“We're marching happily down the road to hell,” he says. “Our teachers do a great job, and they'd do even better if we could hire more of them. We're failing to adequately fund our schools.”

The campaign will continue to gather signatures until July 1 — it needs 88,184 valid signatures to get IP 28 on the ballot. After that, A Better Oregon will most likely spar with Grow Oregon, a citizen group that opposes the measure.

The group could spend millions of dollars in the coming months to fight the initiative, and Katherine Driessen with A Better Oregon acknowledges that IP 28's labor-backed campaign won't have that level of financial muscle.

Driessen says the campaign will continue with its grassroots approach and move forward with its core message and volunteer support. And if the ballot measure passes, she says backers will hold the Legislature accountable for spending the money responsibly.

Should IP 28 pass, what could it bring back to Lane County's schools?

Colt Gill of Bethel says that, based on estimates from the Legislative Revenue Office, his district would see an increase of \$10 million in funding, more than 10 percent of Bethel's current budget.

“It could allow districts in Oregon to have class sizes similar to those elsewhere in the nation,” Gill says. “It would allow us to hire more staff and reduce class sizes. With the kind of funding this would deliver, it would put Oregon back on par with what other states are providing to their schools.”

For the Eugene Education Association, IP 28 is the best and only shot at restoring some of what was lost after Measure 5.

And that prospect, Shannon says, is exciting.

“Many of us feel like this is the legacy we can leave behind — finally turning around this death spiral that we find ourselves in and actually making a difference to change it,” he says.

For Gordon, it's a chance to act. “This is the opportunity that we have all been waiting for,” she says. ■

- The state estimates that Oregon schools are underfunded by \$2 billion per biennium.
- Despite years of talk, not much has happened in the Oregon Legislature to find a source of funding for schools.
- Initiative Petition 28 is a campaign to generate \$5 billion each biennium for schools, healthcare and senior services by raising taxes on corporations doing business in Oregon that make \$25 million or more in sales.
- A tax on corporations is not a sales tax.
- IP 28 may be the only politically viable mechanism to generate \$5 billion.
- The Eugene education community is tired of seeing kids shortchanged.