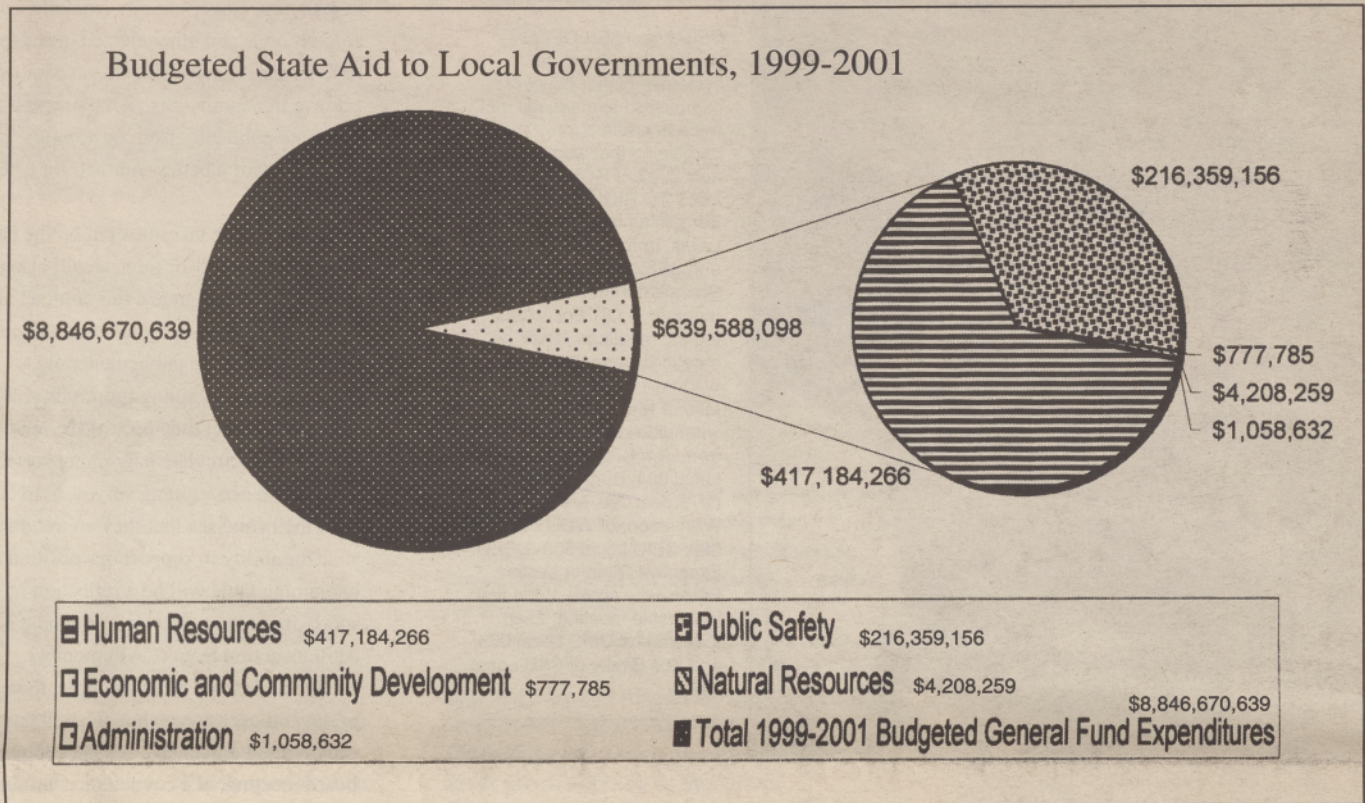


Legislative Decisions Impact Local Government Budgets



Budget crises come and go, but one thing that is increasingly true is that local governments and nonprofit agencies are affected by what legislators in Salem decide. Why? That's where an important portion of the money comes from.

"We are fortunate to be part of a Union that has a strong presence at the Capitol," SEIU Local 503, OPEU Executive Director **Leslie Frane** recently told a group of county workers at their candidates' forum. In 1990, Ballot Measure 5 limited local governments' ability to generate revenue locally. So cities and counties across the state have become increasingly dependent on what happens in Salem.

Just how dependent is clear from the charts on this page. A large portion of the state's budget (almost 7%) goes to local government — and that doesn't count the huge portion of the budget that goes to

schools and community colleges. But, once that money reaches local governments, it accounts for a quarter of their budgets. As the charts also show, state funds have the greatest impact on counties' ability to provide human services and to protect public safety.

Our ability to do our jobs effectively, as well as our pay and benefits, depends on the adequacy of the tax revenue that funds the services we deliver.

The impact of Measure 5 on both state and local government budgets has grown steadily since it passed 12 years ago. Oregon's tax structure, our reliance on the income tax, and the downturn in the national economy explain much of the teeth-gnashing at the state Capitol these days. Under the present system,

increases to one part of the budget must be paid for with cuts to another part of the budget, because Measure 5 and other recent laws make votes for tax increases very difficult. There's also an absence of political will. Some lawmakers refuse to consider tax increases or even to postpone tax cuts.

As SEIU Local 503, OPEU members, we have worked hard to educate ourselves about taxes and public budgets and to tell the voters what we know about them. Whether we are DAS, Higher Ed, local government, homecare or nonprofit employees, we have a tremendous stake in the operation of our state and local governments. Our ability to do our jobs effectively, as well as our pay and benefits, depends on the adequacy of the tax revenue that funds the services we deliver. Often, members and leaders of SEIU Local 503, OPEU are the strongest voices publicly supporting the quality services Oregonians need and deserve. Fortunately, we are prepared to continue speaking up.