

A NEW SOURCE OF REVENUE FOR PORTLAND:

A FOOD-AND-BEVERAGE TAX

Those of us who worry about Portland's poor education outcomes are encouraged that our new city government is committed to assuming more responsibility than ever in educating our children. We hope that Portland will set high standards and find the necessary funding, not waiting for Salem or Washington to act but shaping our own future. In that spirit let's look at a new source of revenue right under our noses.

As our internationally renowned food scene grows, Portland remains the only one of the top fifty travel destinations in the U.S. that does not tax served food and beverages. More and more tourists enjoy our fine cuisine and leave, paying none of the tax levied by most other American cities and states. Portlanders generally eat out for pleasure or convenience rather than necessity. Our failure to levy a food-and-beverage tax deprives Portland of badly needed revenue. If we do not invest more in education, we will spend more for prisons, public safety, and all the consequences of poverty.

In addition, our tradition of piling school bonds and levies onto the property tax may be in jeopardy. Comprehensive state tax reform will likely include property tax relief. Federal tax reform might include limits to the property tax deduction resulting in public pressure for lower rates. Ideally, the property tax, which increases the cost of housing, should be lowered, not raised.

A city-wide food-and-beverage (F & B) tax has both local and national precedence. Both Ashland and Yachats levy a F&B tax. Many localities nationwide add a F&B tax to the state sales tax. Notably, New Hampshire levies a 9% F&B tax without a general sales tax!

Would a food-and-beverage tax fully fund Portland schools? No, but it should be part of a revenue mix. As you consider this tax, surely the benefits of a first class education for our children will outweigh other concerns. Portland is famous for many things. Now let's become the city that educates.

Respectfully,

Roberta Palmer

503-774-4667

roberta.palmer35@gmail.com

(member, City Club of Portland, League of Women Voters, Multnomah County Democrats)

FACT SHEET

ARE WE REALLY INVESTING IN OREGON'S PUBLIC EDUCATION???

- Oregon has lost almost 16% of our teachers, teaching assistants, and school maintenance and clerical workers over the past three years
- From 2010 to 2012 the state lost 7,300 educator jobs. That represents a drain on Oregon's economy of more than \$500,000,000 (see <http://www.qualityinfo.org/olmisj/CES?action=history&series=90931611&areacode=01000000&adjusted=0> and further analysis by Our Oregon)
- Our high school class sizes have soared by 28.6% (Do you think students get individual attention when physics classes have 45 kids?)
- Elementary class sizes have increased by more than 19%. (Do we really think 30 or more kindergartners in a class meets their needs?)
- In aggregate, our school districts cut 287 school days in the 2011-12 school year. (Try helping struggling kids with 15 fewer learning days!). The aggregate over the past three years amounts to 951 lost days for learning!
- Oregon's per student spending has declined from 15th in the nation in 1997-98 to 37th in 2008-2009.
- Oregon's education funding received a grade of "F" in a new national comparative study by Rutgers University's Education Law Center that examined Oregon's very low level state education funding effort in relations to our State's Gross Domestic Product (GDP) to our total state's Gross Domestic Product (GDP) value
- K-12 schools' share of Oregon's state budget has dropped from 44% in 2003-2005 to 39% in 2011-2013
- Since 2003, Public Education has received less than one-third of the percentage increase that went to public safety. . We spend more on prisons than education.
- According to the legislature's own Quality Education Commission research, the state is currently \$3 billion short of what it takes to provide K-12 quality education.
- The last five years saw a 5% reduction in state spending on K-12 schools. Yet, the state's total tax breaks grew by 12%. These breaks amount to over \$26 billion, while funding for K-12 schools has shrunk to current level of \$5.6 billion.
- The number of Oregon children living in poverty continues to escalate, and these children have special health and learning needs. The states' response? Ignore this reality and push harder on our educators as the sole "solution." This is a travesty that prevents improved achievement across the state. Research indicates that effectively removing poverty's barriers to learning requires 1.4 times average per pupil funding

COMPILED BY TOM OLSON

MEMBER, OREGON SAVE OUR SCHOOLS

Data Sources: State of Oregon Tax Expenditure Reports; Oregon Legislative Fiscal Office; Our Oregon; Oregon Education Association Survey of Cut Days; Economic Policy Institute (Richard Rothstein); COSA/OASBO School Budget Surveys, Sept. 2009, 2010 and 2011; Education Law Center, Rutgers University.

Moore-Love, Karla

From: Roberta Palmer [roberta.palmer35@gmail.com]

Sent: Tuesday, January 08, 2013 2:45 PM

To: Moore-Love, Karla

Subject: Jan. 30 communication

Dear Ms. Moore-Love,

Info for Jan. 30 City Council communication:

Roberta Palmer

5103 SE SE 34 Ave.

Portland, Oregon 97202

503-774-4667

Subject: New Source of Revenue for Portland

Jan. 30, 2013

Thanks, Roberta Palmer

Request of Roberta Palmer to address Council regarding new source of revenue for
Portland (Communication)

JAN 30 2013

PLACED ON FILE

Filed JAN 25 2013

LaVonne Griffin-Valade
Auditor of the City of Portland

By  _____

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
1. Fritz		
2. Fish		
3. Saltzman		
4. Novick		
Hales		