

My name is Beth Gilstrap and I live in Portland, Oregon.

I am honored to be here today to discuss revenue reform in the state of Oregon.

I am a member of the Beaverton chapter of Stand for Children. But I am here today because of a conversation I had with Nathan Howard a couple weeks ago regarding my support of a sales tax that I've heard Senator Hass and Representative Read speak about.

I am a native Oregonian.

I was born and raised in Eugene and am a Duck. I married a Beaver who grew up in Corvallis. We own a home in NW Portland (unincorporated Washington county) and have had a small family cabin in central Oregon for 41 years. I worked for a Portland advertising agency for four years and then in marketing for AT&T Wireless for 11 years. I have been fortunate enough to get to be an active volunteer in my community for the past 10 years. My husband has worked for Freightliner, InFocus and Tektronix – all good, strong Oregon companies. He is now a minority partner at Vernier Software & Technology in Beaverton. We fit the Oregonian profile – my husband is a home brewer, I am a lifelong recycler, and I am quite happy to not have to pump my own gas. We are committed to this state. I have always been proud to say I'm from here.

I am here today because of my concern about Oregon's ability to provide stable funding to its social services and specifically to public education. I have two daughters in the Beaverton School District. My oldest is a freshman in high school; my youngest is a 7th grader. In the past 10 years, I've supported the schools in many ways including service on Site Council, being elected to the Local School Committee and serving in leadership roles in Parent Teacher Organizations.

I've also been directly involved in three different campaigns to raise money for schools – one bond and two levies. That means that every third year that I've had children in the public school system, I've gone door-to-door and have cold called strangers to ask for more money. I'm not alone in these efforts.

For the past five years, our school district has made cuts to our school budget. That is the majority of time my children have been in school. No year has there been added monies. There has always been less. And less on top of less.

I'm currently serving as the levy captain for Sunset HS. I'm happy to help because our teachers are drowning in their workload. And teachers who feel they can be successful and can create relationships with students make for students who feel successful and supported. And while I am happy to help, something feels wrong about having been involved in three campaigns in 10 years with no permanent fix in sight. And something isn't right about teachers

and children having more and more resources taken away from them. Something needs to be fixed.

I get that difficult economic times require cuts and that regardless of our tax structure, “efficiencies” would be needed when recessions hit. What I hope for for this state is that it is operated in a way that offers more stability to social services when the more difficult financial times occur.

I am supportive of greater efficiencies in Oregon.

I am supportive of continued “corrections” to PERS – even as a friend to teachers and with a mother, mother-in-law, aunt and brother-in-law who are in the program. As I told Nathan when I he and I chatted a couple weeks ago, I’m not in favor of HB822 because it doesn’t “correct” the problems with a retirement benefit that is proving too rich for the state. It just defers it to the next biennium. So I don’t think PERS changes are done for this session.

I am supportive of sustainable corrections to PERS and encourage this legislature to be bold and do more. It seems logical to me that if the plan is not performing as it was intended, it should be fixed. If an 8% money match formula is bankrupting the plan, fix it. If a public employee who has worked for the state for five years is making more in retirement than one who worked for the state longer and earned a higher salary, then fix it. Frankly, in my perfect world, we would pay public employees what they are worth and offer them an opt-in 401K type program that provided returns that matched stock market performance.

But I know solving our economic challenges does not ride solely on PERS shoulders.

I am supportive of a sales tax tied to an income tax reduction. I like it for all the reasons that have been mentioned in the press -- ability to capture revenue from out of state visitors and from residents who don't report income. In my simple mind, it must be tied to income tax so that more money is in people’s pockets. And it will have to all to guarantee that there will be no incremental tax burden to Oregonians.

I am supportive of removing the personal kicker, just like we voted to remove the corporate kicker.

I am leary of greater taxes on small business or "higher income" individuals. We just did that with measures 66 and 67. If there are loopholes in those bills or in our existing corporate tax structure, then those should be fixed. Correct what we have rather than adding new. Don’t make it more difficult on businesses to do business here. I think of my husband who is leading a building expansion for their business and been a recipient of Beaverton’s Enterprise Zone credits. Seeing all of the hoops they’ve had to jump through, and all of the additional

requirements that have been added to this construction project, I think it's unwise to put greater burden on business – large and small. And I think of my 57-year-old brother-in-law who has been without permanent employment for the past five years. His house was foreclosed on and he and his wife have had to move in with my 84-year-old mother-in-law. We need to make Oregon a state that is easy to do business with and that can employ our residents.

I will also let you know that the actions you take here – this biennium and beyond -- are impacting our success with our local levy. I know great volunteers in our district, people I respect very much, who are not supporting the levy because they want to put pressure on you to make solid changes to how education is funded. So I ask you, how bad does it need to get before you will make change?

The 40-40-20 education goal specifies that every Oregonian will have a high school diploma by 2025. If I've done my math right, students who graduate in 2025 are in kindergarten this year. What changes will this state make to support them and how soon can those occur? The clock has started.

I don't envy your task but I appreciate your commitment to making Oregon a better state and making sure all options are considered when finding ways to create more stability in our economy both by fixing what's wrong and by looking for differentiated revenue sources. For the sake of our children, and with the hope that public education can be the only social service they will every need, please be bold. Please make sustainable change. To paraphrase a quote I saw recently at the Texas School Book Depository in Dallas, Texas, home to historical information on the John F. Kennedy assassination, "nothing great was ever achieved easily."

Thank you.