



OEA SUPPORTS SB 5514 AND ASKS FOR YOUR SUPPORT TO FULLY FUND OUR SCHOOLS

Our 41,000 members are thankful for the increase in the State School Fund over the original proposed level of \$9.1 billion. We believe that our students – 40% of whom are BIPOC and nearly 50% of whom are at or near the poverty level – benefit from a well-rounded education system that is able to meet their needs. This could not be truer than after the last year of pandemic and its many implications.

While we absolutely do appreciate both the increase to \$9.3 billion and the need to balance other priorities in these times – both inside and outside of education – we also know that nothing is more important to our students than a fully funded school year, without the likelihood of cuts to programs, days, or teachers. That is why we ask you to both support this budget and also to help us find a way to improve it before *sine die*. Despite what the official calculations may be, for most districts in this state, our business officials (who know the real numbers best of all) understand that there will still be cuts at the \$9.3 billion level. Given the most recent **Quarterly Economic and Revenue Forecast**, we are confident that the resources exist – some explicitly with K-12 dedication – to improve this budget in a second vehicle.

Not only should this budget be elevated to the no-cuts level for the sake of our students in what we all hope is a safe, full, in-person school year next fall, but also, we would remind you of one completely different reason for fully funding the K-12 budget: you have the power to use **your most effective economic stimulus tool** to generate a more prosperous Oregon, building out of the economic nightmare COVID has brought us. Our public school system is that tool.

Our system of 197 school districts and 19 ESDs comprise an entity that is the single largest employer in Oregon, and it has workers in every community of this state. When you invest in that entity, you invest in those communities. One study we commissioned showed that for every 10 education jobs you fund, nine more jobs are created on Main Street. We have 160,000+ Oregonians still out of work because of the pandemic, and as you think about ways to add to our economic rebound, consider this budget line-item one of your most important and potent methods to achieve renewed prosperity, which in turn will deliver long-term revenue sufficiency.

We asked our national organization to conduct an economic analysis of the difference between \$9.1 billion and \$9.6 billion for K-12 in the coming biennium. They ran the gap through the REMI analytic tool, which simulates the effects of economic and budgetary policy on the economy*. Here is what they found:

Adding \$500 million more to the co-chairs' \$9.1 billion proposed SSF will produce in 2022 and 2023:

- **10,000 jobs (both public and private sector, 3925 of which will be in public education and health care)**
- **\$700 million growth in Oregonians' personal income**
- **\$800 million more in Gross Domestic Product.**

By contrast, cutting the public education budget from the advocates' true-CSL level will leave these gains behind. Furthermore, it may result in the loss of more than 2600 teachers, counselors, librarians, school nurses, and other education professionals over the biennium. At \$9.3 billion, the impact is less, but it does not disappear.

The findings of this analysis are consistent with leading economic research on the value of prudent investments by state governments to instigate a more robust economic response than will be realized without them. The facts are clear: cutting budgets depresses economic recovery and prolongs recessions, while fiscal stimulus generates economic growth.

We would ask you to think like an economist, to employ the tools at your disposal that really work. Your colleagues in the Revenue committees do this all the time when they contemplate tax policy.

And of course, investing in our students also plants seeds of potential – both economic and human – for the long term. Increased funding translates to higher graduation rates, higher wages, better health, and reduced likelihood of poverty – all of which is good for the overall wellbeing of Oregon.

Please look beyond the resource and cost columns of your spreadsheets and think about what we are offering: part of the solution to Oregon's economic strife. Invest adequately in our schools, and **you will erase Oregon's structural deficit in the next biennium.**

***A copy of this report is available upon request.**