



Ballot Measures 66 and 67: How Would They Affect School Funding?

Two tax measures that would provide funding for the Eugene School District and other Oregon public schools are on the election ballot. On January 26, 2010, Oregon voters will decide whether to approve a personal income tax increase (Measure 66) and a corporate tax increase (Measure 67). The tax increases were passed by the Oregon Legislature to provide funding for Oregon schools, healthcare, public safety and other services. The measures were then referred to voters through Oregon's referendum process. Ballots will be mailed beginning January 8.

What's the impact on schools?

About 40% of the state's general fund and lottery budget goes to K–12 education.¹ The 2009 Legislature made reductions to many state services, including schools, and passed the tax increases to help balance the budget.²

If the tax measures are approved:

- The expected revenue from Measures 66 and 67 is included in the state funding allocated to schools for the 2009–10 and 2010–11 school years.

If the tax measures are defeated:

- The Legislature would need to decide how to balance the state budget without this revenue. If reductions are spread evenly across-the-board, school funding would be reduced by about \$285 million (about \$430 per student) for 2009–11.³
- The Eugene School District's proportionate share of the reductions would be about \$8.5 million for the 2009–11 biennium.³ That's the equivalent of 94.4 teachers or 19 school days.

Ballot Measure 66 would:

Increase tax rates on the amount of taxable income over \$250,000 for households (\$125,000 for single filers) by 1.8 to 2 percentage points.

Eliminate income taxes on the first \$2,400 of unemployment benefits received in 2009.

Provide approximately \$472 million in funds currently budgeted for education, health care, public safety and other services.⁴

Estimated impact on 4J: Measure 66 would provide about \$5.5 million in 2009–11, which is 4J's proportionate share of state school funding.³

Ballot Measure 67 would:

Raise the \$10 corporate minimum tax:

- Most businesses would pay a minimum tax of \$150.
- Corporations with over \$500,000 in Oregon revenues would pay minimum tax of about 0.1% of Oregon revenues.
- Sole proprietors would not be impacted.

Raise the tax rate for C corporations by 1.3% on profits over \$250,000.

Increase certain business filing fees.

Provide approximately \$255 million in funds currently budgeted for education, health care, public safety and other services.⁴

Estimated impact on 4J: Measure 67 would provide about \$3 million in 2009–11, which is 4J's proportionate share of state school funding.³

Sources: ¹ Legislative Fiscal Office, "Highlights of the 2009–11 Legislatively Adopted Budget"

² Legislative Revenue Office, "Measures 66 & 67: Research Report #6-09 Revised"

³ Oregon School Boards Association, "Impact Calculator for Tax Fairness Package"

⁴ Measure 66 and 67 ballot titles and explanatory statements. For complete text of the ballot measures, see the state voter pamphlet or www.sos.state.or.us/elections.