

December 11, 2003

04-081

RESOLUTION SUPPORTING PASSAGE OF BALLOT  
MEASURE 30, THE BALANCED BUDGET PLAN

PREPARED BY:

Bob Palmer, Chair, Board of Directors

REPORT:

The 2003 Oregon Legislative Assembly passed a bi-partisan balanced budget plan (NB2152) that created a temporary income tax increase and made a variety of other changes in the tax system to fund education, human services, and public safety programs. The tax increase has been referred to the voters in the form of Measure 30.

If passed, Measure 30 would enact a personal income tax surcharge for the 2003 and 2004 tax years, extendable for one year. The surcharge would range from one percent to nine percent of Oregon income tax owed, depending upon the taxpayer's federal adjusted gross income. The average household would pay an additional \$2 to \$3 per month. There would be no surcharge in the gross income level were below \$10,000. The Measure would also increase the minimum corporate tax from \$10 to \$250 or more.

If Measure 30 is defeated, the state will face a budget hole of \$792 million. The Legislature has already adopted a plan that will cut funding for education, social services and public safety programs by \$544.6 million. According to the plan, this would mean a cut to Oregon's community colleges of \$6.9 million. This reduction would cut funding to PCC by \$1.7 million.

The loss of \$1.7 million means that more students would be denied access to PCC. Already the college is operating with 14 percent fewer dollars from the state than we received in 2001. Classes have been cut by 11 percent and enrollment has dropped by more than 7 percent. All across the state students are trying to access postsecondary education and finding doors closed, classes filled, and no access available.

Additional cuts at any level will result in further reductions in course offerings, higher tuition, and decreased opportunities for Oregonians.

**RECOMMENDATIONS:** That the PCC Board of Directors strongly support Measure 30 as a method to balance the state's budget for the 2003-2005 biennium, to maintain access for community college students and to position the state for an economic recovery in the future biennia.