9-17-1971

City Club of Portland Bulletin vol. 52, no. 17 (1971-9-17)

City Club of Portland (Portland, Or.)

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(Printed in this issue for presentation, discussion and action on Friday, September 17, 1971, preceding Mr. Johnson's speech):

Report on School District No. 1, Multnomah County, Oregon, Special Tax Levy Proposal.

THE SPEAKER:

LEE JOHNSON
Attorney General of Oregon

HIS TOPIC:

"CRACKER BARREL JUSTICE IN A SUPERMARKET AGE"

Are there feasible alternatives to some facets of our judicial system and could reforms ease the burden on the courts and achieve more satisfactory results for both society and the individuals involved? These are questions Attorney General Johnson will deal with at this week's luncheon meeting.

Many of his suggested alternatives have come from a review of the State's judicial system, undertaken by his office. Some of the areas where he suggests that changes might result in improvements are those involving traffic violations, personal injury and domestic relations.

Lee Johnson has been a member of City Club since 1962, the year following his return to Portland to enter private law practice. He previously served in Washington, D.C. as an antitrust attorney for the United States Department of Justice, having been selected under the Attorney General's Honor Recruitment Program. He is a native Oregonian and a graduate of Princeton University and Stanford Law School. In 1964 he was first elected to the Oregon House of Representatives and was re-elected in 1966. In 1968 he won the race for State Attorney General, receiving the largest vote of any partisan state candidate.

"To inform its members and the community in public matters and to arouse in them a realization of the obligations of citizenship."
REPORT ON
SCHOOL DISTRICT NO. 1
MULTNOMAH COUNTY, OREGON
SPECIAL TAX LEVY PROPOSAL

"In order to operate the schools for a school year of the same duration as usual and to provide a satisfactory level of education, an additional levy of $5,740,000 for the fiscal year beginning July 1, 1971, will be required. The money required for upkeep of school property and payment of adequate wages and other costs has increased at a faster rate than regular sources of school revenue. If this measure is approved, the operating budget to be financed by local taxes for the tax year 1971-1972 will be $7,087,927 greater than the operating budget financed by local taxes for the preceding year. Because of the necessary allowance for discounts and delinquency tax payments, only $5,137,300 of such budget increase will result from this measure. Accordingly, shall School District No. 1, Multnomah County, Oregon, be authorized to levy a tax outside the limitation imposed by Article XI, Section 11, Oregon Constitution, in the fiscal year beginning July 1, 1971, in the amount of $5,740,000?

"Yes. 0 I vote to authorize the special levy.

"No. 0 I vote against authorizing the special levy."

TO THE BOARD OF GOVERNORS,
THE CITY CLUB OF PORTLAND:

On May 3, 1971, the voters of School District No. 1 turned down a special tax levy proposal of $6,900,000 to operate the District's schools for the 1971-72 school year. Again on June 10, 1971, the identical proposal was before the District's voters and was again defeated. As a result, on June 28 the School Board adopted a reduced $67,014,000 budget for the school year and announced that approximately 20 days would have to be cut from the school year in order to operate with available funds.

However, under pressure from District teachers, the School Board has announced a third special tax levy election, to be held on September 28, 1971, in the amount of $5,740,000 to provide additional funds estimated to be needed to enable the schools to operate for a full school year. This downward revision from the original $6,900,000 levy proposals directly reflects President Nixon's announced 90-day freeze on prices and wages, resulting in savings to the District in personnel salaries and wages. The following summary shows the computation of the revised levy amount:

Expenditure Level—1971/72 Budget adopted 6/28/71 .......... $67,014,000
Add back-salary and fringe cost for lengthened year .......... 5,784,000

$72,798,000
Deduct—Cancellation of raises for 90-day period including
11% fringe benefit costs ........................................... (1,070,000)(1)
—cost reductions, 90-day freeze on materials .......... (60,000)

Expenditure Level—1971/72 Budget — all salaries at full
1971/72 rates reduced by 90-day freeze ......................... $71,668,000
Revenue identified in present adopted budget ........ $67,014,000
Deduct—Increase allowance on tax
delinquencies from 9.5 to 10.5% ............... (515,000)
Revenue Level—revised ............................................. 66,499,000
Deficit to be financed by Levy __________________________ 5,169,000
Gross Levy Needed (after delinquency and discount
allowance of 10.5%) .............................................. $5,740,000 (2)

(1) Assumes all personnel are paid during 90 days at 1970/71 pay schedule rates.
(2) This amounts to a property tax rate increase of $1.45 per $1,000 of the true cash value.
On April 23, 1971, the City Club adopted the report of this Committee entitled “Special May 3, 1971, Election Ballot Measures: Building Bond Proposal and Special Tax Levy Proposal.” The Committee had recommended passage of the $6,900,000 special operational levy measure.

Your Committee has reviewed the revised budget upon which the reduced levy is based. It would be a needless repetition of the Committee’s April 23 report to discuss further the Committee’s position with respect to the revised levy measure. We find no basis for altering our prior conclusions. Basically these conclusions were:

1. Expenses will exceed revenues primarily because of increased fixed costs, negotiated salary increases, and the cost of long postponed property maintenance.
2. There is no obvious extravagance detectable in the proposed 1971-72 expenditures.
3. There are no sources of additional revenue available to meet increased costs other than through an increase in property tax revenues from District taxpayers.
4. Without needed funds the District will have to cut back on needed programs, personnel or maintenance or all three.
5. Cuts in the educational program now offered could signal the start of a progressive deterioration of the Portland School system, which has already been the fate of school systems in other large cities.

Therefore, your Committee reaffirms its original position in favor of providing additional operating funds through a special property tax levy in the requested amount, in order to keep the schools open for a full school year.

RECOMMENDATION

Your Committee recommends that the City Club approve the passage of School District No. 1’s Revised Special Tax Levy and urges a “yes” vote on the measure.

Respectfully submitted,
Ross M. Hall
E. Shelton Hill
Michael C. Kaye
Jim Larpenteur
James S. Leigh
N. Dale O’Bannon and
John L. Frewing, Chairman

Approved by the Research Board September 9, 1971 for transmittal to the Board of Governors.

Approved by the Board of Governors September 10, 1971 and ordered printed and submitted to the membership for consideration and action.
SPOKESMEN INVITED TO PRESENT VIEWS ON ISSUE OF WOMEN IN MEMBERSHIP

Members are reminded that individuals and spokesmen for organized groups on the issue of women in the membership are invited to present their views to the Board of Governors on the evenings of Tuesday, September 21 and Thursday, September 23, or submit written statements.

Those interested are asked to inform the staff if they wish to be placed on either agenda. Proponents will be heard on September 21 and opponents on September 23. Appointments can be made by telephoning 228-7231.

ELECTED TO MEMBERSHIP


STATE BALLOT MEASURE COMMITTEES TO FORM

Following is a list of the Legislative Referrals to be studied during the coming year. Five committees will complete their assignments before the 1972 primary election and six before the 1972 general election. Qualifying initiative measures will also be studied.

Your Research Board encourages members interested in serving on any of these committees to notify the staff as soon as possible.

In accordance with City Club policy, committees will be balanced in professional background and experience and represent a range of viewpoints, as well as being without undue bias.

May, 1972 Primary Election

1. Eliminates Literacy Requirement: Lowers Voting Age (SJR 7)
2. Repeals Requirement for Decennial State Census (HJR 16)
3. Allows Legislators to Call Special Sessions (HJR 15)
5. Irrigation and Water Development Bonds (HJR 14)

November, 1972 General Election

1. Eliminates Location Requirements for State Institutions (SJR 9)
2. Qualifications for Sheriff Set by Legislature (HJR 42)
3. Amends County Purchase and Lease Limitations (SJR 28)
4. Changes State Constitution Provision Regarding Religion (SJR 32)
5. Minimum Jury Size of Six Members (SJR 17)
6. Broadens Eligibility for Veterans' Loans (SJR 23)