

CITY OF PORTLAND

PROGRAM Portland Children's Levy

FUNDING MECHANISM Property Tax Levy

OPPORTUNITY

Portland, Oregon is located in Multnomah County, which has a population of 150,822 children birth to 17 years of age. Children from birth to five years of age are particularly vulnerable to the effects of poverty, hunger, child abuse and neglect and foster care placement. While 23 percent of all local children live in poverty, children of color experience poverty at a significantly higher rate of 33 percent. Children of color face a notable achievement gap and graduate from high school at substantially lower rates than white children. In order to prepare children for school, support children's success inside and outside of school and reduce racial and ethnic disparities in children's well-being and school success, the Portland Children's Levy was created. Through grant-based funding, proven programs are supported that help prepare young children for school, prevent child abuse and neglect, provide safe and constructive before-and-after school programs and mentoring relationships for children. Foster care and hunger relief were added to the funded program areas when the levy was renewed in 2008 and 2013, respectively.

SUMMARY

In November of 2002, Portland voters approved a five-year property tax levy of \$0.4026 per \$1,000 assessed valuation to fund the Portland Children's Levy (PCL). The PCL is committed to capping the administrative costs at five percent of cumulative revenue so that 95 cents of every tax dollar directly funds proven programs. The increase was estimated to provide about \$9.5 million per year for five years. In practice, property owners with a home assessed at \$150,000 pay an additional \$60 per year.

CHALLENGES

Voter Age Gap // The initial polling results showed a large gap in support from voters over the age of 50. Because of this, the levy was placed on the November ballot when younger voters are more likely to turnout. The PCL campaign also targeted their message to the older voters by emphasizing the cap on administrative costs and investment in proven programs that would save money in the long run.

Governance // As a city ballot measure, the levy administration was housed within city government. The ballot language required the creation of an oversight committee, but it did not specify the composition of that committee. Working with county government and the Portland Business Alliance, the City agreed to a Memorandum of Understanding with Multnomah County to create a five-person allocation

committee consisting of a City-elected official, a County-elected official, a member of the Portland Business Alliance, and two citizen members appointed by the City Council and County Commission respectively. The committee's funding decisions must be approved by the City Council. Initially the County was also required to approve the funding decisions, but this requirement ceased after the first levy ended.

Economic Downturn // In 2012, the PCL was not able to generate adequate revenue from property taxes and had to trim \$3.7 million in funding from their grants mid-year. Grant reductions ranged from three to 40 percent, and some grants were discontinued entirely. However, PCL's revenue has since returned with the economic upturn, generating \$17.8 in funding in 2017 alone.

GETTING TO ACTION

The PCL was spearheaded by Portland Commissioner Dan Saltzman. With the help of hundreds of volunteers conducting phone banks and door-to-door campaigning, as well as endorsements from local business groups, advocacy groups, and religious leaders, the campaign raised nearly \$500,000. These funds were used to pay for advertising on television and city bus stop benches. The campaign message focused on promoting the five percent cap on administrative costs in order to prevent wasteful spending and investments in proven programs that would save public dollars down the line.

Feb 2002	The Portland City Council passes Ordinance 176251 referring a five-year levy for Children's Investment Fund to be decided by voters at the November municipal election.
Nov 2002	Voters narrowly approve Measure 26-33 with 53 percent of the vote to create the Children's Investment Fund. Investments are earmarked for early childhood, after school programs and mentoring, and child abuse prevention and intervention.
Nov 2008	Measure 26-94 to renew the Children's Investment Fund levy for another five years is approved with 72 percent of the vote. A new investment area is added: helping children in foster care succeed.
Jun - Sept. 2013	The Levy Allocation Committee adopts a Community Input Plan to inform the levy's funding priorities for the next five years. Levy staff engaged the community through brief surveys and meetings with stakeholders and the public.
May 2018	Levy is renewed by 83% of voters for another five years, reaching thousands of children and families through 74 programs supported with \$17.8 million annually.

RESULT

For 15 years PCL has been funding proven programs that prepare vulnerable children for success in school and in life. PCL also continues working towards reducing racial and ethnic disparities in educational outcomes. During the 2015-2016 fiscal year, PCL served 13,802 children in the hunger relief program area in addition to the 10,571 children served across the other five program areas. The majority of the children served were from homes with family incomes at or below 185% of the federal poverty level.

Additionally, 70.1 percent of children served identified as children of color, and 31.8 percent were from homes in which the primary language spoken was not English. Grantee reports suggest that programs met most outcome goals and that children and families specifically reached goals related to preparing them for success in and out of school. For example during fiscal year 2015-2016:

- 82.1% of children met age appropriate developmental milestones
- 91.2% of children were up to date on immunizations
- 95.8% of parents/caregivers demonstrated or improved positive parenting skills

KEYS TO SUCCESS

- ▶ *Endorsements from local businesses, advocacy groups, and religious leaders*
- ▶ *Targeted campaign message to address concerns of skeptical voters*
- ▶ *Time-limited levy: must be renewed by voters every five years*
- ▶ *The measure is paid for and the revenue source is broad-based (all property owners are taxed)*
- ▶ *City and county government collaboration*
- ▶ *Extensive public input process and local data collection used to inform funding goals*
- ▶ *Transparent grant process: volunteers from the community review and score grant applications to help the allocation committee make their funding recommendations*
- ▶ *Established accountability metrics are in place to monitor progress by grantees and the PCL as a whole*



HOW DOES PROPERTY TAX WORK IN NORTH CAROLINA?

Local governments in North Carolina have the authority to raise property taxes for specific purposes designated by the North Carolina General Assembly. Within the area of “community development programs and activities” child care, health and education are listed explicitly. However, in consulting with several NC local government experts, it remains unclear if a broader set of early childhood programs or initiatives could qualify as a specified purpose.

Alternatively, local governments can adopt a resolution that affirms a desire to provide early childhood services with a portion of the property tax.