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MEMORANDUM

Date: July 19, 2007
To: Chief Bob Lehner
From: Terry Smith
Subject: Two Decades of Public Safety Levy Voting Results

As time has permitted, I have gradually been gathering data to better understand our voting results in Lane Co. for criminal justice operating levies to assist our planning for the future. Here is an analysis of 14 elections going back to 1987 and other research. The bottom line: the total cost of a levy is the most important issue. That is no big surprise but the consistency of the results over 20 years shows something very basic is going on - see the chart below. For this analysis, I converted all the levies into a constant dollar annual tax per capita - see the table. Statistics show that cost alone explains 75 percent of the variation of yes votes on any given measure. For this type of data, that is remarkable. As you can see, nothing over \$40 per capita has ever passed though a couple have come close. The three elections for income taxes are no different from the property tax levies regarding the role of cost. In fact, the regression using tax cost alone almost exactly predicts the election results for the May, 2007 Measure 20-130.

This seems to confirm my often voiced opinion that Oregon's (and Lane County's) economic situation - high housing cost and relatively low incomes - is the real driver of the tax resistance we see. The things people say or write in letters to the editor is statistical noise compared to this basic economic driving force. But the more important question is what does this do for us. \$40 per capita would yield about \$13.6 million annually in 2007. To put this into perspective, the average U.S. sheriff is currently spending about \$100 per capita annually for policing, jail and court security services. So what Lane Co. voters are willing to support is less than half of the operating cost of an average sheriff (and West Coast agencies are much more expensive than the U.S. average) and this does not include the resource needs for any of the other elements of the justice system.

Regarding research on Lane Co. economic circumstances, average incomes, poverty rates and the number of people living with economic stress have all improved some over these 20 years. In addition total taxes as a percent of personal incomes have declined. However, all these improvements have resulted in greater spending and higher debt loads. It looks like total debt as a percent of personal income exceeds the reduction in tax burden. So while voters are measurably better off today than 20 years ago, they may actually have less financial flexibility to pay significantly increased taxes.

However, in addition to increased debt, there has been a significant increase in discretionary spending that might be diverted to taxes (examples include a 1/3rd increase in per capita alcohol consumption and illicit drug use plus one of the larger in the Nation increases in sales at shopping malls and there are more cars

in Lane County than people). Needless to say some of these increases imply a possible value conflict with increased criminal justice spending. Reasonable assumptions show that the number of illicit drug users in Lane County who also vote could easily determine the outcome of a close election.

The role of voter confusion as measured by the amount of the under-vote is another important but smaller factor. Voter turn out by itself has not played much of a role either way but high turn out does present a greater challenge to inform the less frequent voter. Also it does not appear that the competition from other tax measures has had any impact on Lane County measures. For example, even though Springfield voters had approved a series of measures for a city jail and police services, all but two Springfield precincts supported the 2006 income tax measure.

Additional analysis of this data could be done and may be useful in the future. Clearly though, this demonstrates the substantial challenge we face but perhaps it provides some better focus to the kind of conversation we all need to be having with voters. Some specific personal circumstances, behaviors and choices of voters seem to be playing a dominant role in the resources devoted to local criminal justice. There has been virtually no public discussion about this reality and local governments have no experience with this whole very difficult topic. Some voters want to talk about how much government costs but clearly a very real problem is how much voters spend and some of the things they spend on. At best this would be a very challenging conversation if it is possible at all. At the very least, it requires that local governments need to do their homework about labor and other costs. There is no way to remain neutral or silent about labor costs and persuade voters to devote more of their limited resources to taxes.

| Measure | Date | Title | Constant Per Capita Tax Amount | Annual Levy Amount | %Yes Votes |
|---------|------------|--|--------------------------------|--------------------|------------|
| | Mar, 1987 | 3-yr Sheriff Levy | \$17.09 | \$2,864,876 | 59% |
| | Sept, 1987 | 3-yr Public Safety Levy | \$4.86 | \$814,927 | 64% |
| 20-01 | Mar, 1990 | 3 yr law enforcement & jail operating levy | \$18.59 | \$3,679,803 | 59% |
| 20-02 | June, 1992 | 3 yr law enforcement & public health levy | \$50.82 | \$11,000,000 | 41% |
| 20-04 | Mar, 1993 | 3 yr law enforcement & jail operating levy | \$25.86 | \$5,808,815 | 67% |
| 20-56 | Mar, 1996 | 3 yr split rate levy for LCSO | \$114.49 | \$28,000,000 | 27% |
| 20-69 | May, 1996 | 2 yr Lane Co. operating levy A | \$38.76 | \$9,480,000 | 52% |
| 20-70 | May, 1996 | 2 yr Lane Co. operating levy A plus | \$55.04 | \$13,460,000 | 39% |
| 20-84 | May, 1997 | 1 yr public safety levy | \$11.18 | \$2,800,000 | 53% |
| 20-05 | Nov, 1998 | 4 yr community safety & justice levy | \$46.71 | \$12,000,000 | 49% |
| 20-25 | Nov, 1999 | Safer communities surcharge | \$83.61 | \$22,000,000 | 26% |
| 20-38 | Nov, 2000 | 4 yr work camp, jail & services levy | \$36.32 | \$10,000,000 | 41% |
| 20-114 | Nov, 2006 | Public Safety Income Tax | \$69.44 | \$23,100,000 | 49% |
| 20-130 | May, 2007 | Public Safety Income Tax | \$95.18 | \$32,500,000 | 29% |

