



NEWS

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House Democrats Say Revenue Forecast Shows an Improving State Economy

Oregon House Democrats said today's quarterly revenue forecast showed an improving Oregon economy with a 2011-2013 revenue forecast that is down only due to extension of a federal tax break costing the state some \$110 million next biennium.

The good news, according to House Democratic Leader Dave Hunt, is the \$3.3 million increase this biennium (2009-2011), allowing legislative budget writers to conclude this two-year budget cycle without having to borrow money and with meeting the obligation to schools agreed to last fall.

"Unlike 2003, when the Legislature unwisely borrowed money to get us to the end of the budget cycle, our fiscally conservative approach has both protected us from borrowing and allowed us to continue providing critical services like education, health care and aid to struggling families. That responsible approach has gotten us through two of the most difficult budget years in the history of Oregon," said Hunt (D-Clackamas County). "Now our challenge is to balance a significantly reduced 2011-2013 budget."

Revenue Co-Chair Phil Barnhart (D-Central Lane and Linn Counties) agreed that the forecast shows slow but steady growth for the 2011-2013 biennium: "Corporate profits in Oregon continue to be strong and Oregonians are getting back to work. We need to continue the efforts to help create jobs and continue making wise investments in our future that both create short term growth and improve the long term health of Oregon.

Barnhart pointed to the 2009 passage of the Jobs and Transportation Act and the Healthy Kids initiative as two programs that provided short and long term growth opportunities for Oregon.

Revenue Committee Member Sara Gelsler (D-Corvallis, Philomath) said the balance necessary to protect schools and vulnerable Oregonians through the 2011-2013 budget is going to be difficult at a time when corporate profits are strong but schools are squeezed.

"We've got over 100 tax expenditure bills already introduced this session. Every dollar in tax credits means a dollar we don't have for schools, health care and vulnerable Oregonians,"

said Gelsner, co-chair of the House Education Committee. “We’ve got to pay as we go, and that means setting strong budget priorities.”

Rep. Jules Bailey said the federal tax change that allows businesses to speed up depreciation of capital equipment disguise the growing strength of Oregon’s economy.

“We’ve got tremendous challenges ahead of us, but our economy is finally starting to grow, people are getting back to work and we’re going to make it through the 09-11 biennium without having to borrow,” said Bailey (D-Portland). “We’ve weathered the worst of this global recession and we’ve got to continue on a steady course that protects vulnerable Oregonians and continues to spur economic recovery.”

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