

House Republican Leader
Bruce Hanna



Senate Republican Leader
Ted Ferrioli

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**Republican Leaders: Rebalance Plan Cuts Important Services, yet
Protects Nonessential Spending**

Salem, OR – Senate Republican Leader Ted Ferrioli (R-John Day) and House Republican Leader Bruce Hanna (R-Roseburg) today said the 2007-09 rebalance plan cuts school days, State Police and human services programs, yet protects nonessential spending elsewhere in the budget.

“The rebalance plan does not protect our state’s highest priorities,” Rep. Hanna said. “This plan breaks the Legislature’s promise to fund a full school year, it fails to assure round-the-clock State Police protection and it cuts services that many vulnerable Oregonians depend on. Meanwhile, we are not touching the Public Employee Benefits Board’s \$131 million ending fund balance.”

Among the questionable measures, the plan takes \$3.5 million from “deferred maintenance” at the Oregon Department of Fish and Wildlife less than a month after lawmakers pushed through a plan to bond \$1.2 million in deferred maintenance for the department.

Republican leaders also questioned why Oregon counties, already struggling under suffocating unemployment rates, were paying such a high price while some parts of the state government were not asked to take any cuts. The most recent plan cuts drug court services to counties, which in some instances are the only way residents can get treatment, and reduces state support for community corrections programs. These programs help counties cover the cost of supervision of those convicted of crimes.

“This is a question of basic fairness,” Sen. Ferrioli said. “We are asking counties to take large hits while other parts of state government are held harmless.”

Sen. Ferrioli points out that the Office of the Oregon State Treasurer is not looking at any cuts to its \$30 million budget. Schools on the other hand are being asked to take multi-million dollar hits that could shorten school years or eliminate opportunities for students to participate in sports programs.

“Republicans continue to ask budget writers to help give students a full school year,” Sen. Ferrioli said. “Cuts to the school year should be our last resort and today it appears this is the first place we look.”

Republican lawmakers said there are options for keeping classrooms open this school year. They have been pushing a plan to match any savings local districts find with funds from the almost \$400 million in the state Education Stability Fund. Other funding options include tapping the \$131 million expected to be left with the Public Employees Benefit Board at the close of the budget cycle.

“We have options,” Rep. Hanna said. “We can give students the opportunity to complete this school year and then allow districts to plan for cuts over the next two-year budget cycle.”

As lawmakers look toward the 2009-11 budget cycle, Sen. Ferrioli and Rep. Hanna are asking Legislators not to ignore proposals to create jobs. Some of these proposals include:

- Changing the tax withholding tables to make sure Oregon families get to keep more of that they earn each month. This plan will create approximately 2,500 new jobs and the change will not reduce state revenue.
- The “Main Street” incentive program which will help families with home improvement projects and stimulate the Oregon’s sagging construction industry.
- A plan to use about \$8 million in matching funds to leverage more than \$125 million in federal support for projects at airports. Not only will this plan create immediate construction jobs but it will also fuel economic development.

“Putting Oregonians back to work is the only way we will truly help the state budget,” Sen. Ferrioli said. “We cannot tax, borrow and spend the state into prosperity.”

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