



Office of the Speaker

Oregon House of Representatives

Speaker Dave Hunt

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House Leaders Set Stage for Friday's Revenue Forecast

Oregon House leaders today outlined a set of priorities that will guide them through the final stages of balancing the state budget amid the global recession. Standing alongside three Oregonians who are fighting their own battles with the economic crisis, Speaker Dave Hunt, Majority Leader Mary Nolan and Ways and Means Co-Chair Peter Buckley said the House will continue to focus on accountability, job creation and fairness for working Oregonians to provide a balanced approach through the economic storm gripping the nation.

The budget, Hunt said, will be balanced by a combination of budget cuts in excess of \$1 billion, increased taxes paid by corporations and Oregon households making over \$250,000 a year, federal stimulus dollars and the state's savings accounts.

"We're not giving in to this economic crisis and neither are Oregonians," said House Speaker Dave Hunt (D-Clackamas County). "What you will see in the coming weeks as we balance the budget are major steps forward in job creation, transportation improvement and health care for kids. We are going to work our way out of the immediate budget crisis and come out stronger."

While the quarterly revenue forecast will be released tomorrow, House leaders have been planning for several months for a budget shortfall ranging from 20 to 30 percent—or roughly \$4 billion. The national recession and rising unemployment rates have led to a significant drop in revenue necessary for the state to meet its roughly \$16 billion budget for providing vital education, human and public safety services; 94% of the state's general fund budget.

"We are responding to this budget crisis in a thoughtful, accountable and fiscally prudent way that we believe will provide us with short term job benefits and long term benefits that will help us for decades," said Hunt.

State Rep. Peter Buckley, co-chair of the Ways and Means Committee, said the budget prepared by he and Senate colleague Margaret Carter will be released on Monday and will contain roughly \$1.5 billion worth of cuts to critical services.

Buckley said after spending two weeks on the road listening to Oregonians, he came back with a renewed sense of the values that bind Oregonians together.

"Rural or urban, conservative or liberal, Democrat, Republican or independent —Oregonians do not want us to turn our backs on our schoolchildren or our most vulnerable citizens," Buckley said.

While visiting cities across Oregon, Buckley said he heard from Oregonians about their strong desire to protect education, human services and public safety, and the need for more fairness in the tax system.

“We’re not whining or complaining about this budget mess. We are going to fix it. We are going to build for the future. We are going to move Oregon forward in spite of these economic hardships,” said Buckley.

Standing alongside Buckley was Bailey Garfield, an 8th grader from the Jane Goodall Middle School in Salem. “It’s his future, and the future of all our children that we are obligated to protect even in the face of this crisis,” said Buckley.

House Majority Leader Mary Nolan said fairness, accountability and commitment to core Oregon values of education will highlight the House work in coming weeks.

“We will not balance the budget on the backs of the middle-class, who have already sacrificed so much because of the economic downturn,” said Nolan. “If Russ Walker or Bill Sizemore or whoever wants to refer our plan to the ballot, we are confident the people of Oregon will be with us. We will not let those who seek to game the system for personal gain run our state. We were elected to lead and lead we will.”

Nolan said the average Oregonians would see very little in the way of fee or income tax increases, and that large corporations and the richest Oregonians (those families earning over \$250,000 per year) will pay the bulk of any revenue increases.

“Oregonians must come together to turn our state around. We cannot continue to have a tax system that asks those who are struggling to pay their mortgages and send their kids to college to bear the burden of providing core services to the rest of the state. This is a basic question of fairness,” said Nolan.

Nolan was joined by Cindy Ostrander, who recently lost her job and has been hired as part of an expansion of Certified Nursing Assistants approved in the 2007-2009 budget. She will start a CNA training program next week at the Avamere Court at Keizer Nursing Facility.

“When the history of this legislature is written, it will show that Democrats led Oregon through the most difficult economic climate we have faced in over 75 years,” said Nolan. “To work our way out of this economic crisis we must take a balanced approach that involves cutting spending, tapping our reserve funds and asking big corporations and the wealthiest Oregonians to contribute their fair share.”

Hunt said that while many other state are suffering shortfalls in this economic environment, Oregon is one of the few states that is looking to make significant strides forward in key areas like transportation and health care while responding to the budget deficit with cuts that will exceed \$1 billion.

Standing next to Hunt was Dan Frakes, superintendent for a company that received a huge boost from the state’s Go Oregon job stimulus plan which funded nearly 500 projects across the state. Most of that work is underway now and Frakes’ company was able to hire back workers and see the effect of their roofing work at Mt. Hood Community College ripple through the local economy.

“We believe in Oregon. We believe that despite the economic crisis we face, there is no place in the country where we would rather live. This is our Oregon and we will protect it with every breath we take,” said Hunt.