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Senate Republicans disappointed in lack of job-creating investment, but applaud Co-Chairs budget proposal

Salem, OR – Senate Republicans were generally positive about the new direction and tone set by the state budget proposal released Tuesday morning, but cautioned that any budget passed by the legislature should include solutions to end the blight of unemployment afflicting Oregon families. A reduction in the capital gains tax rate or tax relief for working families would put thousands of Oregonians back to work.

“I am pleased by the paradigm shift represented in this budget proposal,” said Senate Republican Leader Ted Ferrioli (R-John Day). “For the first time in a long time, the legislature is proposing a budget based on available revenue, rather than a spending wish list. However, this budget ignores the one thing that needs the most attention in Oregon: putting the jobless back on the job.”

The budget proposal, released by the Co-Chairs of the Ways and Means Committee, uses the March revenue forecast of \$14.65 billion as a hard ceiling for total spending over the next two years. The budget sets aside a prudent \$460 million in reserves to protect important services and guard against a potentially increased or prolonged recession. The budget funds K-12 education at \$5.7 billion, preserving the funding levels of the last two years. There is also the opportunity to fund K-12 in the next few weeks, giving Oregon schools stability and certainty as they plan for the next two years.

While this budget prudently brings spending back under control and represents a return of fiscal responsibility, it is silent on job creating proposals.

“For the last two years every politician in Salem has trumpeted the need for legislative action that will put Oregonians back to work,” said Ferrioli. “This budget is a chance to put our money where our mouth is. We have ideas that will create an economic greenhouse for Oregon businesses and entrepreneurs so that they can thrive, grow and put people back to work. This budget should include some of those ideas.”

Senate Republicans have been championing several proposals to create an environment where businesses and families can succeed. Among them are reducing Oregon’s highest-in-the-nation capital gains tax as a way to spur investment and doubling Oregon’s income tax brackets to put more money in the pockets of working Oregonians.

“Ultimately, the key to funding important state services is a thriving economy where Oregonians can find a job,” said Ferrioli. “The more successful Oregon’s families and businesses are, the more resources the state will have to fund key priorities.”

Numerous concepts have been proposed to pay for these job-creating ideas. Eliminating unnecessary management layers as proposed by the Service Employees International Union could save \$71

million. Asking state employees to start contributing to their monthly health care premiums could save hundreds of millions of dollars. Eliminating positions in state government that have been vacant for an extended period of time would also produce savings.

“The point is that we can afford to make these investments in the economic future of Oregon’s families,” said Ferrioli. “While this budget makes tremendous positive steps, adding significant investment in job creation is a much needed improvement.”

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