



**REPRESENTATIVE GENE WHISNANT
OREGON HOUSE OF REPRESENTATIVES
HOUSE DISTRICT 53**

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**REPUBLICAN RAINY DAY FUND PLAN REQUIRES STATE
TO SAVE BEFORE IT SPENDS**

Plan Also Creates a Reserve Fund for K-12 School Construction

SALEM— Rep. Gene Whisnant (R-Sunriver) joined House Republicans yesterday seeking a House vote on a Rainy Day Fund plan that sets aside money for future emergencies, but doesn't rely on a permanent tax increase that will threaten jobs. HB 2900 would set aside one percent of General Fund revenue for the Rainy Day Fund every biennium, and in certain cases would direct excess dollars to a new reserve fund for K-12 capital construction projects.

HB 2900 didn't receive a hearing this session and, on a partisan vote, Democrats rejected bringing the bill to the House Floor for an open debate and vote.

“With our State tax structure, an adequate ‘rainy day fund’ is essential to our ability to provide stable funding for education, public safety and seniors’ needs,” Rep. Whisnant stated. “The current rainy day fund only grows with a positive ending balance. However, this plan is simple; the state would save money before it spends it all.”

Rep. Matt Wingard (R-Wilsonville), the bill's chief sponsor commented, “Rather than raising taxes to fill the state's reserve funds, our plan requires the Legislature to spend only after it has already set aside money for future economic recessions and fiscal emergencies.”

In addition, HB 2900 creates a new Education Capital Construction Account for Oregon schools. If money saved in the Rainy Day Fund and Education Stability Fund equals 10 percent of General Fund revenues projected for a biennium, the excess money would be directed to the capital construction account.

“State tax revenue is expected to grow 17 percent and 20 percent in the two biennia following 2009-11,” said Rep. Jim Weidner (R-Yamhill), a co-sponsor. “Now is the time to pass this Rainy Day Fund plan to protect our state in the future, and to give our schools more certainty as they work to accommodate future generations of Oregon kids.”

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