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SJR 26—Oregon Fiscal Stability

February 21, 2011

Senator Ginny Burdick
Chair of Senate Committee on Finance & Revenue
Salem, Oregon

Madam Chair and Members,

Thank you for the opportunity to testify today on such an important issue for our state. You will note that I am a co-sponsor of SJR 26 as I believe the measure finds the common ground for fiscal stability between those who believe the solution lies in strict mandated savings and those who believe reform of the kicker is the solution.

As I consider the significance of this legislation, I believe it would be helpful for all legislators to thoughtfully reflect on the responsibilities given to us by voters. Certainly one of the most important, if not the most important responsibilities is to provide fiscal stability for our most critical services. When the economy falters, is the need to care for our most vulnerable citizens less? When tax revenues decline and budget holes get deeper and deeper, is there less need to educate our children? When we try to create a business climate that attracts capital and jobs, can we effectively do so when our schools close in order to balance budgets? When we have deep budget holes to fill, does it make sense to raise taxes when businesses are struggling to stay alive? All this is to say that fiscal stability is critically important to the future of our state and we must find solutions.

Bottom line...we have not done a good job of building a fiscal foundation for Oregon. We spend too much when big bulges in revenue come along and then have too little revenues when the economy falters. Voters understand just how important savings for rainy days are, yet we legislators have failed to deliver for them. We say we understand just how important saving is for our state, but we have yet to find a way to sock away money for the bad times, which always come. It's time we did something about it.

SJR 26 is a solution that blends the fiscal ideologies of mandated savings, a thoughtful spending limitation and kicker reform. It is a measure that will not only help stabilize critical services; it will make Oregon an attractive place to do business. When we recruit businesses to locate here, we can assure employers and employees that their children will have a full school year, and will have safe communities to live in.



Madam Chair and members of the committee, I am also hopeful that a thoughtful review of our tax codes will find a way into our deliberations. What we know from economists who study the migration of capital and labor is that a good educational system and a tax code that rewards investment are the two most important considerations in where businesses locate. We can and must build a better fiscal foundation for Oregon.

We have an opportunity in this session to set Oregon on a new course. I look forward to working with you and hope this measure finds its way across to the House.

Thank you.

A handwritten signature in black ink, appearing to read "Andy Olson". The signature is written in a cursive, flowing style.

Andy Olson