



Taking action for basic human needs.

April 8, 2013

Representative Phil Barnhart, Chair
House Revenue Committee

Re: HB 2503 – Balancing Reductions in Direct Budget Allotments with Reductions in State Tax Expenditures

Chair Barnhart and Committee Members,

The Human Services Coalition of Oregon (HSCO) is comprised of organizations and individuals whose purpose is to educate and advocate in the Oregon Legislature for vulnerable Oregonians. HSCO has adopted and previously transmitted to your committee tax and revenue principles and goals including fairness, adequacy, stability and transparency.

As it relates to the proposed bill, the issue for HSCO is primarily one of the adequacy of state revenues to provide essential services; and recognition that tax expenditures are an integral part of the state budget. As our goals for this 2013 session state:

“In balancing the budget, the Governor and Legislature should explicitly consider reductions to tax expenditures as well as direct program expenditures, i.e., they should be considered in conjunction with each other and prioritized giving due weight to [the HSCO] principles outlined above.”

We note that the proposed legislation sets forth a policy concept and does not spell out details as to how current biennium budget reductions would be balanced by tax expenditure reductions which sometimes stretch over more than a two year period. Regardless, we strongly support the bill's policy intent and stand ready to work with other interested parties to develop effective implementation strategies.

We also note that the bill may need to be considered in the context of the Ways and Means Co-Chairs' budget assumption about a broad based reduction in tax expenditures as an integral part of achieving a balanced budget for the 2013-15 biennium.

Thank you for hearing these bills and receiving our testimony.

Sincerely,

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CC: Committee Members

The Human Services Coalition of Oregon (HSCO) is comprised of organizations and individuals from across the state who are committed to protecting and strengthening human services on which vulnerable Oregonians depend.