

Submitter: John Mullin
On Behalf Of:
Committee: House Committee On Revenue
Measure: SB1562

For the record, my name is John Mullin, and I am a longstanding advocate for health, human services, and housing. I am neutral on the SB 1562 A Engrossed bill. While the -1 amendment, moving from 2% to 1% transfer, is an improvement, I simply want to note that in my 48 years of advocacy, there have been many biennia when Oregon faced reductions due to downturns and less than expected revenue. For that reason, I supported the creation of the Rainy Day Fund (RDF). It is important to have adequate reserves, something we lacked in the 1980s and 1990s. We are now close to \$2 billion saved in the combined Rainy Day and the Education Stability Funds. That said, I want to point out that the legislature can cut the budget with a simple majority, while it takes a 3/5 vote to access the Rainy Day Fund. This threshold may prove difficult to attain the votes required during a future downturn. As a cautionary note, it would be a great disservice to Oregonians if our reserves go up and our investment in services go down. With the lifting of the cap as a percentage, we will save even more. That's OK for now, but I am concerned that we can become fixated on savings, and then have great reluctance to use those savings when needed. Thank you for the opportunity to submit testimony.