

Dear House Committee on Revenue,

Thank you for the opportunity to submit written testimony in support of **HB 4125** Revenue. Forecast. Modernization. Act. My name is Tracy Gluckman. I am a constituent of Representative Mark Gamba and Senator Kathleen Taylor living in SE Portland. My child attends Duniway Elementary School in the Portland Public School district. I also serve as the co-chair of the Duniway Elementary School PTA Advocacy Committee.

Our public schools were finally starting to make progress in educational outcomes with the funding allocated to the State School Fund last spring. Despite the infusion of those dollars, PPS was still facing significant budgetary cuts as the new year started. This was quickly followed by an atypical mid-year budget shortfall due to the impact of H.R.1 on our state budget. With cuts already in play, public education continues to be told to cut, cut and then cut some more. Our schools are at the point of being asked to make cuts that impact direct learning in the classrooms. Cutting access to educating our children is not acceptable and it is inconceivable that our schools are being asked to do so when there are other solutions to stabilize the budget that must be considered. While Oregon is faced with budgets strained to the breaking point on one hand and the Governor is asking state agencies to prepare for 2.5 - 5% cuts to their upcoming budgets, taxpayers are receiving kicker rebates (in 14 of the last 22 biennium). The paradox is perplexing and concerning. While it cannot be understated that money in one's pocket is essential to many Oregonians, individually, the kicker rebates cannot correct for these losses to essential services for individual families. However, the retained revenue, outlined in HB 4125, can collectively aid in paying down specific budgetary needs, leaving more dollars in the General Fund for schools, healthcare and infrastructure.

Oregon's kicker is based solely on revenue forecasting, not on state budgetary needs. Despite a dire budget forecast and historically not being able to fund services Oregonians require, we continue to return large sums of already collected tax dollars to constituents. With the curtailment of federal dollars impacting us right now and more significantly in the next few years, modernizing the economic criteria that triggers a kicker event, that retains much needed tax revenue to support our state, is essential. The **Revenue Forecast Modernization Act (HB 4125)** is a commonsense reform measure to stabilize state revenue. This is one revenue reform bill that points us in the right direction for building a sustainable budget for Oregon.

The underlying economic forecasting premise of the kicker is fundamentally a challenge. In the span of 6 years, we have seen how unpredictable our world is. We have lived through the socioeconomic chaos of a pandemic that broke the global economy and now we are seeing seismic impacts of federal decisions on our state. These are unpredictable, so why are we

continuing to support a tax rebate program built only on the premise of forecasting our state's economy two years forward? **How much better off would our budget be if we had kept even a portion of the \$5.6 billion from the 2022 kicker?**

Passage of the **Revenue Forecast Modernization Act** is one step forward in helping to stabilize our budget and remove the severity of economic unpredictability on Oregon's budget. When revenue to support services is stabilized, Oregon can better lay future plans with efficiency and certainty. With more dollars in the General Fund, our schools may not have to face such regular and extreme budget cuts that take adults out of the classrooms, burden our already overwhelmed teachers, cut holistic education like music, art, school libraries and physical education and have the resources to give an appropriate education to all children.

As an Oregonian, I am **urging** you and your colleagues to support this fiscally responsible bill. The time clock is ticking before more of the devastating Big Beautiful Bill legislation hits our state. We cannot wait for more unsustainable impacts to the budget before we act. The time is now to support HB 4125, a commonsense bill that helps Oregon care of Oregonians.

Thank you for your service, time and consideration,

Tracy Gluckman