



Chair Nathanson, Vice-Chairs Reschke and Walters, and members of the committee,

Sightline Institute is an independent, nonpartisan think tank for the Pacific Northwest. I'm writing to express our support for HB 4125, rationalizing the state's process for budget forecasts.

Many of you probably know the game of shuffleboard. You can play it in a bar or a gym or a cruise ship. Oregon's budget is a little bit like shuffleboard. Our economists are assigned to push the puck exactly to the edge of the board without going over the back.

But there are two big problems: First, unlike in the actual game of shuffleboard, there's no triangle painted on the board to reflect a range of scoring options—just a narrow goal zone right at the back. Second, the nature of forecasting the modern economy is that every two-year economic forecast is like playing shuffleboard on the deck of a ship in a storm. As we've seen for the last decade, no amount of technical skill will reliably hit our narrow target.

HB 4125 works within Oregon's constitutional framework and also, I would argue, within the basic intent of Measure 86's voters to create not just a target but a range. It paints a full triangle on the shuffleboard court. It defines a conservative, pessimistic end of the forecast range, within which the state must keep its ongoing day-to-day operations, and also an optimistic end of the forecast range, based on recent actual numbers. If it's a real boom time for Oregon, the best year in a decade, then taxpayers would get the additional surplus, just as we do today. If it's a terrible year, then our pessimistic budget will have kept our operations lean enough that hopefully we don't have to cut into the bone of the state's functions. If we're in the middle of that range, then we have money for one-time expenses, like the good causes you're hearing about today from other panelists.

I happened to do my own family's taxes yesterday. This is actually a lot like the way we try to manage our own budget. HB 4125 is both a creative and thoughtful way to bring the same common sense to our state budget.

Michael Andersen
director, cities + towns