



ISABEL JOHNSON, CPA

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Chair Nathanson, Vice Chairs, and Members of the Committee:

My name is Isabel Johnson. I am a Certified Public Accountant (CPA) specializing in small business tax preparation in Portland, Oregon, and am the parent of a Portland Public Schools 7th grader. I am writing in strong support of HB 4125. **This bill does not eliminate the kicker. It modernizes the revenue forecasting process** so that the size of the kicker is driven by economic reality rather than forecasting error.

**Oregon's current revenue forecasting framework creates unnecessary volatility in the General Fund.** The state economist is constitutionally required to forecast revenues two years in advance, yet there is no statutory guidance around methodology, assumptions, or risk tolerance. Because that forecast determines whether billions of dollars are retained or refunded through the Kicker, it is one of the most consequential financial estimates the state makes.

From a financial governance perspective, large Kicker refunds are not evidence that Oregon overtaxed its residents — they are evidence of forecast error. **The Kicker shouldn't be the reward for inaccurate forecasting.** HB 4125 strengthens the forecasting process so that budgets are built on more realistic assumptions and fewer essential services are put at risk.

The bill does this in a measured and responsible way. By requiring the use of consensus-driven models, nationally recognized data sources, and projections toward the lower end of a generally accepted range, **HB 4125 brings revenue forecasting in line with best practices used in both the public and private sectors.** Requiring transparency around assumptions and methodology also improves legislative oversight and public trust.

HB 4125 does not eliminate the kicker. Instead, it reduces the magnitude of forecasting error and smooths the extremes that make long-term planning difficult. **As a CPA, I would describe this as strengthening internal controls around one of the state's most critical financial processes.**

With increasing uncertainty around federal funding and broader economic conditions, **Oregon cannot afford our current revenue forecasting system that amplifies risk.** HB 4125 strengthens the foundation of the state's budgeting process and supports more predictable investment in education, infrastructure, and emergency preparedness — without raising tax rates.

I urge you to support HB 4125 and help move this important bill out of committee. Thank you for your time and consideration.

*Isabel Johnson*

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