

Submitter:

Rich Peppers

On Behalf Of:

Committee:

House Committee On Revenue

Measure, Appointment or Topic:

HB4125

Urging Support for HB 4125 - Revenue Forecast Modernization

My name is Rich Peppers. I encourage your support of HB 4125 which would make forecasting state revenue and triggering the Kicker more realistic. I'll leave explaining the mechanics of this bill to others and emphasize that the bill doesn't change the Constitution's requirements of the Kicker but allows revenue forecasters to use a range of possible outcomes for revenue projections 2 years down the road - a low and a high projection.

Having the Kicker triggered when the optimistic revenue forecast is exceeded by 2% allows for the normal higher costs to the state that are often associated with higher revenue (e.g. from the impact of greater-than-expected population growth, more intensive economic activity than predicted, or unexpected revenue from successful law suits) to be anticipated, accounted for and covered, at least partially. The Kicker is still triggered if revenue exceeds this forecast by 2% or more. And by dedicating the revenue that comes in above the lower revenue forecast in the range to only one-time spending, as opposed to ongoing programs, HB 4125 relieves budgetary pressures from one-time crises like damage from climate change related flooding or the loss of federal dollars that were expected, while not expanding long-term program growth.

Please pass HB 4125 and its common-sense revenue forecasting reform.