

# Second round of budget talks pay off

Round Two of the Special Session ended late on March 2. The Oregon Legislature completed the monumental task of re-balancing the state budget - again - after Governor Kitzhaber vetoed the first one.

The result is a fair and responsible plan. Oregon's budget deficit is a short-term problem caused by our lagging economy and our high unemployment rate. When businesses are not selling as many products and workers are being laid off, the natural result is less money collected through income taxes. When the economy recovers, which nationally has already begun, income tax collections will increase and the deficit will go away.

This is why we in the Oregon Legislature took the responsible approach to the short-term problem. First, we made K-12 education funding a priority and minimized the impact on it. While the budget as a whole averaged four percent reduction, funding for K-12 education was only reduced by two percent. (This is still a 10-percent increase



from the 1999-2001 budgets.) In addition, Oregon will receive as much as \$100 million in anticipated education money from the federal government and we eliminated a statewide mandate will help soften this reduction.

At the same time, we referred a measure to voters to create Oregon's first "rainy day fund" designed specifically to protect education. Called the Education Stability Fund, the measure would use 15 percent of lottery funds to grow this rainy day fund account to nearly \$600 million in 10 years. With its passage, the next time the Oregon Legislature has to

deal with a budget deficit, they will have this powerful new tool to use. I hope you will join me in supporting this measure which will appear on the May ballot.

Second, we protected important programs for Oregon's most vulnerable citizens. Funding for Oregon Project Independence and support for nursing and assisted living facilities was protected,

which will help our seniors in need to continue to receive the quality care they deserve. House Republicans made seniors and the disabled a priority last session after Governor Kitzhaber cut funding for their programs. We continued that dedication during both special sessions.

Finally, we solved this short-term problem without increasing taxes. It is my firm belief that increasing taxes during a recession, when Oregon families are struggling to make ends meet, is not the proper approach. Gov. Kitzhaber wanted to increase taxes on the sale of homes, repeal the voter-approved Measure 88 and raise other taxes. Before we ask Oregonians for one more dime of their money, I believe it is our obligation to exhaust every possible option.

For more detailed information on budget items you may email me at [taffy@teleport.com](mailto:taffy@teleport.com) or call me at 503-632-2115.

The legislature's plan to balance the budget treated K-12 gently; it treated Human Services compassionately and it treated Oregonians fairly. The task was challenging, but the result was a responsible plan.