



**LEAGUE OF WOMEN VOTERS®
OF OREGON**

February 10, 2012

To: Senate Committee on Finance and Revenue
Senator Ginny Burdick, Chair

Re: SJR 202 - Emergency Reserve Fund SUPPORT

The League of Women Voters is a grassroots, non-partisan political organization that encourages informed citizen participation in government. For many years the League has supported Oregon establishing stable, adequately financed reserves to address economic emergencies. We have also supported the use of excess revenues to fund such reserves. Given the periodic cycles of recession and slow recovery which Oregon experiences, along with the agonizing cuts in critical services that accompany them, it is way past time to remedy the situation. SJR 202 provides a unique remedy.

Over the decades since the passage of the law that dictates the return to taxpayers of any excess revenues over two percent of the biennial projection, the state has paid out hundreds of millions of dollars, only to enter an economic crisis with little ability to cope except by slashing services and disrupting lives. SJR 202 offers a new approach to the problem, without removing the ability to return excess revenues to taxpayers when the Reserve fund reaches 12 percent of the General Fund revenues of the prior biennium. The following are important aspects of the proposal.

- The process is taken out of the revenue forecasting cycle.
- The results are tied to personal income growth.
- The Reserve Fund is capped and has specific regulations for legislative action.
- There is a narrow range for calculations and an average over three biennia.
- Payment to taxpayers is by tax credit

As Oregon emerges from the recent deep recession, it is time to put a safe guard in place for the future. The League recognizes the challenge in asking Oregonians to approve SJR 202, and we would be there for voter education and encouragement. SJR 202 is too important to ignore. Thank you.

A handwritten signature in cursive script that reads "Robin Wisdom".

Robin Wisdom
President

A handwritten signature in cursive script that reads "Kappy Eaton".

Kappy Eaton
Governance Coordinator