



SB 1562 Increasing the contribution to the rainy-day fund

Senate Committee on Finance and Revenue – John Calhoun – 2.15.2024

My name is John Calhoun and I am representing Tax Fairness Oregon, a network of volunteers who advocate for a rational and equitable tax code.

When I arrived today, I was prepared to endorse the increase in the cap on the rainy-day fund wholeheartedly and question the rush to increase the general fund contribution into the fund from 1% to 2%.

The -1 makes the second part of my original statement mostly moot. However, if there is interest in increasing the contribution percentage in the future, I think it would be worthwhile to have more public discussion than was the case today.

From our perspective there is no magic number on the amount of the biennial contribution. A 1% increase will reduce the general fund by \$2-300 million per biennium. It is always going to be a judgement call and a wild guess as to what is necessary. Senator Steiner made a good case for the value of an increase and the public should hear that argument in a debate about the short-term vs long-term payoff. If we increase the amount of the contribution it reduces the State's ability to provide services that we know are needed for other budget priorities. There has not been a public discussion. It has not been in the press and there has been little talk of what we give up to do this. The public should be able to weigh in on these trade-offs with time to digest the proposal.

However, the debate about an increase in the percentage is now for another day.

We support passage of SB 1562 with the -1 amendment.

We read the bills and follow the money