

Submitter: Michael Countryman
On Behalf Of:
Committee: Senate Committee On Finance and Revenue
Measure, Appointment or Topic: SJR201

I am writing to express my strong opposition to the proposed amendment to the Oregon Constitution that seeks to divert a portion of the personal income tax surplus—commonly known as the "kicker"—to fund education and wildfire prevention. While funding for public schools and fire suppression is undeniably important, altering the constitutional mechanism of the kicker is a fiscally unsound approach that breaks a fundamental promise made to Oregon taxpayers. The kicker was designed as a check on government over-collection; when the state collects significantly more than it forecasted, that surplus belongs to the people, not the state. Redirecting these funds fundamentally changes this agreement, treating over-taxation as a revenue stream rather than a budgeting error that should be corrected.

Furthermore, this proposal introduces dangerous volatility into the funding of our most critical services. Surplus revenue is, by definition, unpredictable and fluctuates wildly with economic cycles. Relying on the erratic nature of the kicker to fund ongoing, essential services like K-12 education and wildfire suppression is poor fiscal policy. Schools and fire districts require stable, predictable budgets to operate effectively. Tying their funding to economic booms creates a "feast or famine" dynamic that effectively guarantees budget shortfalls during economic downturns, right when stable funding is needed most. It forces these agencies to rely on one-time windfalls for long-term operational needs, which is financially unsustainable. Additionally, this legislation erodes the discipline required for accurate state budgeting. The current kicker law incentivizes the state to forecast revenue precisely. If the penalty for under-forecasting is removed or lessened by allowing the state to keep the surplus, we diminish the accountability necessary for responsible governance. It allows the state to avoid making difficult but necessary decisions about how to prioritize existing General Fund resources. Instead of addressing structural inefficiencies or reallocating current funds to meet these priorities, this amendment seeks to solve complex funding issues by effectively reducing the disposable income of Oregon families—many of whom rely on the kicker refund to pay down debt, cover essential expenses, or save for the future.

Finally, we must protect the integrity of the Oregon Constitution. The Constitution is intended to provide the framework of our government, not to serve as a vehicle for specific budget allocations. Locking complex spending mandates and formulas into the Constitution reduces the flexibility of future legislatures to react to changing needs and emergencies. We already have mechanisms, such as the Education Stability Fund and the Rainy Day Fund, designed to handle volatility. We should strengthen and utilize these existing tools rather than dismantling a refund system that Oregonians have come to rely upon. I urge you to reject this amendment and maintain the integrity of the tax surplus refund.