

Party-line vote dooms Oregon Rainy Day Fund

by Bend_Weekly_News_Sources

All House Republicans vote against saving for Oregon's future, Democrats vow to press ahead on ballot measure referral

SALEM—House Republicans failed today to commit to a real and sustainable Oregon Rainy Day Fund championed by House Democrats and supported by all of the state's major business associations. House Bill 2707 would have established the state's first Rainy Day Fund and directed the 2007-2009 Corporate Kicker and one percent of the state's general fund balance into the reserve, providing stability in education, public safety, health care and other essential services even in a future economic downturn. The bill required 40 votes to pass, but failed on a party-line vote.

“For sixteen years House Republicans have failed to lead or deliver on the promise of a Rainy Day Fund for Oregon,” said House Majority Leader Dave Hunt (D-Clackamas County). “Today’s vote is just one more in a long line of road blocks and political ploys used by House Republican leadership to keep a Rainy Day fund from becoming a reality.”

House Democrats have been fighting for nearly two decades under Republican leadership for a real Rainy Day Fund that would ensure funding for schools, health care, public safety and natural disaster recovery but previous proposals have been consistently blocked by Republican leadership. In 2005 alone, House Democrats put forward three specific proposals for a Rainy Day Fund. All were killed by House Republican leadership.

“Without a rainy day fund, the cyclical boom and bust pattern will persist, making Oregon one grand casino and our fellow citizens unwilling gamblers,” said State Representative David Edwards (D-Hillsboro). “Because of Republican’s failure today, the fate of our economic stability rests largely on speculation and chance. And worst of all, in periods of recession, the system will continue to be rigged against our most vulnerable citizens’ children, the elderly and infirm, the working poor—anyone who relies on essential public services when times are tough.”

In lieu of approving the Democrats plan, House Republicans proposed a minority report that would have saved a half billion dollars less than the Democrats proposal and created a corporate loophole allowing companies earning millionsâ€”even billionsâ€”to retain their kicker. Republicans claimed the proposal would have supported small Oregon businesses.

But the bill championed by House Democrats had the backing of the state's leading business associations including the Oregon Council of the American Electronics Association, Associated Oregon Industries, Oregon Business Association, Oregon Business Council, Portland Business Alliance and the Smart Growth Coalition.

â€œOregon businesses backed this plan because Oregon businesses canâ€™t grow without investments in public services and a strong state bond rating,â€• said State Representative Phil Barnhart, Revenue Committee Chair. â€œBut instead of supporting the plan, House Republicans turned their back on the business community and on Oregonians.â€•

House Democratic leadership had worked to negotiate with House Republican leadership to craft a bipartisan compromise prior to todayâ€™s vote, but House Republican leadership refused to budgeâ€”taking an all-or-nothing approach to the negotiation process and only producing an alternative proposal after the bill had moved from committee and the negotiation period had ended.

â€œThe bottom line is that while House Democrats have fought for decades to establish a real and responsible rainy day fund, House Republicans demonstrated once again that the only thing they are committed to is perpetuating the practice of spending every dime,â€• said Hunt. House and Senate Democrats will now rely on a Senate proposal that would refer the rainy day fund plan to voters for approval in May of 2007. The Oregon House is expected to approve that proposal, which requires only a simple majority, in the next few weeks.

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