From: osu_supporters-bounces@lists.oregonstate.edu on behalf of Mills, Jock
To: osu_supporters@lists.oregonstate.edu; CAS DeanStaff; CAS Unit Leaders; Salem Update Listserv
Subject: [OSU Supporters] Stable forecast and a resurrected rainy day
Date: Friday, March 02, 2007 3:37:16 PM
Attachments: ATT5647114.txt

In this issue:

Rainy day fund compromise rises from the ashes
Revenue forecast shows economy still stable

Rainy Day Fund
The day after the House killed a rainy day fund on a party line vote, legislators from both parties and both chambers hammered out an agreement that split the differences between Republican and Democratic plans. Rather than re-hashing what has been fully covered in the press, here are links to the Oregonian's coverage.

http://blog.oregonlive.com/politics/2007/02/legislators_reach_rainy_day_fu.html
http://www.oregonlive.com/oregonian/stories/index.ssf?/base/editorial/1172796903200180.xml&coll=7

In sum, House Republicans prevailed in getting some relief for smaller businesses, a battle they lost on the House floor. But with the revenue forecast showing increases in revenues from the corporate income tax, House Democrats won because the size of the kicker going to the rainy day fund will be about what they sought in their plan. The deal also increases the corporate minimum tax. Although the Governor has called for a portion of the increased tax to be used for increased student aid, the deal struck this week does not specify where revenues from increasing the corporate minimum tax will flow. The deal also increases the threshold for the inheritance tax from $1 million to $2 million, making Oregon's tax consistent with Federal provisions. Legislators continue to discuss increases in the cigarette tax to pay for child health care, but approval of this measure will take time. Unlike the rainy day fund, the tax on car insurance premiums is still dead. Actual votes on the deal struck this week won't occur until next week at the earliest. No voter referral will be needed to enact the agreement.

Revenue Forecast
On Thursday the state economist provided a summary of the most recent revenue forecast to a joint session of the legislative revenue committees. For the inspired here is a link to the whole enchilada:
http://www.oregon.gov/DAS/OEA/economic.shtml#Most_Recent_Forecast

In short, despite concerns raised earlier in the week by activities on Wall Street and international stock markets, revenues appear to be steady. For the current biennium, revenues are up $34 million over the December forecast. That increase will be folded into your kicker check come November. For the -07-09 biennium, revenues are coincidentally also up by some $34 million. That increase is up for grabs, but the increase is decimal dust in the grand scheme of things. Lottery fund projections are

showing some fall off, due to market saturation. The slight increase is decimal dust in the scheme of things.

And many thanks to those wishing Ingrid a happy birthday. (She got a bone and canned dog food for the event.)

OSU Quiz
In anticipation of OSU Day at the Capitol -- **APRIL 17** -- we are bringing back the OSU Quiz for legislators. We will honor the legislator with the highest score at OSU Day. If you have a question you'd like us to consider, please send it in. Good questions are those that inform legislators of key initiatives or characteristics about OSU.

~~~~~~~~~~~~~~~~~~~~~

Jock Mills
Director, Government Relations
Oregon State University
524 Kerr Administration Building
Corvallis, OR 97330
(541) 737-0725
http://oregonstate.edu/
~~~~~~~~~~~~~~~~~~~~~