



Senator Bruce Starr

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Starr offers rainy day fund alternative to Governor proposal

Instead of stealing the kicker, Starr requires dedicated saving every budget cycle

Salem, OR – This February, Senator Bruce Starr (R-Hillsboro) is offering an alternative to Governor Ted Kulongoski's rainy day fund proposal. Starr will again introduce a bill that would put 3% of state revenue into a savings account at the beginning of every budget cycle. Governor Ted Kulongoski (D) has proposed changing the state constitution to allow use of Oregon's kicker money for a rainy day fund.

"This plan is simple: on payday, the state sets aside 3% of its paycheck for a rainy day," said Starr. "This follows the same type of common sense principles any financial planner would give an Oregon family. Put money away before you start spending it."

The Governor's plan would threaten the state's kicker law, which returns revenue to taxpayers that is collected over projections. In addition, the Governor's plan would only save money when tax collections over-shot a projection, meaning that some years no money would be saved at all.

Starr's proposal, in addition to putting 3% of state revenues into a savings account for tough times, also limits the amount of money the legislature can take from the savings account at one time.

"The kicker is an asset to Oregon families and the economy," said Starr. "It is also a way to stem the tide of government spending. Taking the kicker is a poor solution to a problem that really requires careful savings and prioritized spending."

Starr noted that a strong savings account was desperately needed following unsustainable spending and the resulting bitter tax fight. By making savings the first expenditure in a budget cycle, Starr's savings account would force legislators to make choices about what spending is most important and to protect against future shortfalls.

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