

Budget panel rebalances finances

By Peter Wong • Statesman Journal • February 23, 2010

The Oregon Legislature's budget writers completed work on rebalancing the current budget by using fund shifts and small spending cuts to cover a projected shortfall of about \$170 million.

A 22-2 vote of the joint budget committee Monday night sent the measure to the House, which will vote on it first. It's the main bill in a budget-balancing package that lawmakers must pass to close the current session, likely on Wednesday or Thursday.

In addition to shifts and cuts, the measure adds \$30 million for public schools to offset projected losses in lottery proceeds, \$30 million for human services because of record demands, \$14.7 million for college aid, \$12.8 million for employment-related day care, \$1 million for relief nurseries, and other smaller requests.

One of the smallest is \$225,000 to the Department of Agriculture to combat an invasion of fruit flies that, if left unchecked, could damage 25 percent of Oregon's fruit crops.

"We have cut more than we have ever cut in spending," said Rep. Peter Buckley, D-Ashland, co-chairman of the budget committee. "We have added revenue, swept funds; we have done everything we had to do to protect services and done the best job possible."

Much of that money will be allocated by the Legislative Emergency Board, whose 20 members decide budget matters between sessions.

But the rebalanced budget will leave only a small ending balance — \$12.7 million, barely 0.1 percent of the combined tax-supported general fund and lottery proceeds — although there is a projected \$100 million in other reserves.

If the state's economic and revenue forecasts continue to fall, said Rep. Dennis Richardson, R-Central Point, "we will have a further fall off the cliff."