

November 20, 2024

OCCA responds to statewide revenue forecast

State economists presented their quarterly economic and revenue forecast to legislators this morning, showing state revenues up \$950 million from the previous forecast and also triggering Oregon's unique kicker law. State economists predict Oregon will send roughly \$1.8 billion back to Oregon taxpayers based on the state's kicker law. The kicker goes into effect when state revenues are over 2 percent above what state economists predicted at the close of the budget-setting long legislative sessions. When revenues grow over 2 percent of that forecast, all the additional revenues go back to taxpayers.

The new state economist, Carl Riccadonna, told legislators that the forecasting model used by the state was overly pessimistic, leading to historically large kicker refunds with over \$5.6 billion being sent back to taxpayers this year.

Forecasters now expect \$28.1 billion in General Fund revenue during Oregon's current budget cycle. That's nearly \$3 billion more than the state's original forecast in 2023, and almost \$1 billion more than the most recent forecast update in August.

Riccadonna also told legislators that Oregon's employment outlook was a "little bit disturbing" because most of the job growth was in three sectors – the service industry, health care and private education.

"Oregon is fortunate to have a positive economic outlook, but with the warning signs on the horizon, we urge state lawmakers to prioritize investments that help get Oregonians skilled-up and back into the workforce," said Oregon Community College Executive Director Abby Lee. "Community colleges are uniquely positioned to help address these issues."