

2005

# State revenue forecast gains \$218 million

Growth could mean  
more for schools, less  
push to raise taxes

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Oregon lawmakers can put more money into public schools and avoid tax increases, thanks to a surge of income taxes flowing into state coffers.

A quarterly revenue forecast released Friday showed that the Legislature will have \$218 million more to spend during the upcoming two-year budget cycle. That could provide enough money for lawmakers to cover their \$12.4 billion spending agreement for 2005-07 without resorting to tax increases. It also could undercut Republicans' contention that the Legislature can't afford the \$5.325 billion school budget passed Friday by the Democrat-controlled Senate.

"There's no reason we should not be at that number," said Sen. Kurt Schrader, D-Canby, the Senate budget chief.

Lawmakers now have enough money to finance Democrats' schools budget and meet Repub-

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Economic growth is expected to continue in Oregon, **Page 1B.**

Senate Democrats unveil a \$5.325 billion statewide school budget, **Page 1C.**



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Schrader

licans' demand to salt away more in reserves, Schrader said. "We're good to go."

House Republicans, who are preparing a competing school budget offering \$125 million less than Democrats, sought to shift the debate after the revenue forecast came out. They expressed fears that Democrats

would try to break legislative leaders' self-imposed \$12.4 billion spending cap.

"There will be a cacophony of wailing and moaning and gnashing of teeth that government must spend our new-found revenue," said State Rep.