



Legislative Update

HB 2866 – Transfer of Higher Education Credits

HB 2866, which requires the Joint Boards of Education to adopt comprehensive articulation and transfer system for students of community colleges and state institutions of higher education, was heard on February 24 by the Subcommittee on Higher Education. Rep. Gene Whisnant (R-Bend) sponsored the legislation, arguing the need to move students through community colleges and universities as efficiently as possible without having to retake courses. Connie Green, Vice-President at Tillamook Bay Community College, testified on behalf of OCCA, thanking Rep. Whisnant for bringing attention to the issue and explaining the work the community colleges and universities have engaged in so far to streamline articulation and transfer for students.

SB 338 – Veterans' Dependents Tuition Waivers

SB 338 expands post-secondary institution tuition waivers for children, spouses and unremarried surviving spouses of deceased or disabled veterans to include community college students. The bill was heard by the Veterans' and Military Affairs Committee on February 23. OCCA Legislative Director John Wykoff testified that the colleges had already implemented such a program at all seventeen community colleges and that community colleges opposed this legislation because it would undermine local authority over tuition, but not because the colleges oppose offering the benefits. SB 338 has not yet been scheduled for another hearing.

HB 2963 – Higher Education Textbook Costs

On February 22, HB 2963, which directs the Joint Boards of Education to prepare a report on strategies for reducing higher education textbook costs, was heard by the Subcommittee on Higher Education. OCCA supports the legislation. Rep. Michael Dembrow (D-Portland) sponsored the legislation and testified before the committee that the cost of college textbooks are a significant barrier to access for students and that at some community colleges, textbooks may actually cost more than tuition.

SB 9 – Student Financial Aid Bill

SB 9, which would require public universities and community colleges to provide financial aid to students with an unmet financial need when a university or community college raises tuition more than x percent, was heard in

National Education News

Last Friday, the House of Representatives passed a continuing resolution (CR) to fund the federal government through the remainder of fiscal year 2011 by a vote of 235-189. All Democrats and three Republicans voted against the bill. The CR calls for approximately \$66 billion in cuts to current spending levels and reduces the Pell Grant maximum award for academic year 2011-2012 by \$845 (from the current \$5,550 down to \$4,705). The CR also eliminated the Workforce Investment Act, which services 8 million job seekers, with a cut of \$3.8 billion in funding for job training programs for the Adult, Dislocated Worker, and Youth job training programs, meaning the WIA system would receive no new funding until July 1, 2012.

The Senate will reconvene on February 28, four days before the current CR expires. The Senate is expected to defeat the House-passed CR before proceeding with its own bill, but it is unclear at this time what the introduced Senate bill may look like. If a new funding measure is not in place by March 4, a short-term CR may be considered. OCCA will continue to watch actions at the federal level.

OCCA Legislative Summit

The OCCA Legislative Summit took place on Wednesday and Thursday of this week. The opening lunch session included remarks by the co-chairs of the Higher Education Subcommittee, Rep. Michael Dembrow and Rep. Mark Johnson, and Rep. Bruce Hanna, co-speaker of the House. Afternoon education sessions included lobby training, an overview of the state revenue picture by Paul Warner (Legislative Revenue Office) and a community college budget outlook discussion led by Rep. Betty Komp and Sen. Rod

the Senate Education and Workforce Development Committee on February 22. The bill is sponsored by Senate President Peter Courtney (D-Salem). Thanks to great work and information provided by community college business managers on the financial impact to community colleges, Senator Courtney's office has agreed to remove community colleges from the bill. SB 9 has not yet been scheduled for another hearing or work session.

SB 301A - Tax Code Changes

SB 301A updates Oregon's date of connection to federal tax law from December 31, 2009, to December 31, 2010. The bill is important for those tax filers who tried to file an Oregon tax return for 2010 and were told they could not file yet, and it would alter a number of provisions of Oregon tax law for 2010 returns:

- Tuition expenses - The bill permits Oregon taxpayers to deduct up to \$4,000 for qualified tuition and related expenses for higher education paid by the individual during 2010.
- Health care for young adults - The bill excludes from taxation the value of health care for young adults between the ages of 19 and 26 included on their parent's health insurance. Without this bill, colleges would have to inform all employees that carry children aged 19-26 on their insurance that they would have to pay tax on this benefit.
- K-12 teacher classroom expenses - Oregon teachers are allowed a \$250 deduction in 2010 for unreimbursed expenses incurred for classroom materials.
- Earned income credit - The bill modifies the earned income credit, including the increase of the income range over which this credit may be claimed and a larger credit for taxpayers with at least three children.

The bill will now advance to the House floor for a vote and, if passed, will go to the Governor's office for final action and signature. The bill is on a fast track because legislators are inundated with calls from many Oregon taxpayers who have been told that they should not file their 2010 return until a decision has been made on SB 301A.

HB 2402 – Campus Veterans' Services Officers Program

HB 2402 appropriates \$1.1 million to the Department of Veterans Affairs (DVA) to operate the Campus Veterans' Service Officers (CVSO) Program. The appropriation of these funds would allow DVA to hire more CVSOs. The committee heard testimony from veterans' advocates and campus service officers about the positive impact of the five CVSO positions that were funded in the 2009 session. All community colleges are served by one of these CVSOs.

Representatives from Linn Benton Community College testified on the relationship with

Monroe, co-chairs of the Ways and Means Subcommittee on Education.

The legislative reception was very well attended by state legislators and included wine compliments of Chemeketa and Umpqua Community College viticulture program students and hors d'oeuvres provided by an award-winning team of Southwestern Oregon Community College culinary students. On Thursday morning, community college delegations met with legislators to discuss issues important to community colleges and higher education.

You can find a copy of Paul Warner's PowerPoint presentation [here](#).

Legislative Media Coverage

Live and archived video and audio coverage of all legislative proceedings, including committee hearings, Senate and House floor sessions and news conferences, can be found on the Legislature's [Audio/Video](#) website page or on OCCA's [2011 Legislative Session](#) page.

UPCOMING EVENTS

State Board of Education
March 10-11, 2011
Oregon Department of Education, Salem

Oregon Presidents Council
March 31-April 1, 2011
OCCA Office, Salem

OCCA Board
April 1, 2011
Oregon State Library, Salem

All Oregon Academic Team Event (Formerly "Student Scholar")
April 21, 2011
Oregon State Capitol and Salem Conference Center, Salem

OCCA Board
April 22, 2011
Oregon State Library, Salem

Oregon Presidents Council
February 25, 2011
OCCA Office, Salem

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their CVSO and the resulting expanded outreach to veterans on their campus. The bill has not yet been scheduled for a work session and has a subsequent referral to the Joint Ways and Means Committee.

SJR 26 - Kicker Reform

Both House and Senate revenue committees are discussing a number of reforms that might impact state resources. The latest discussion has focused on changing Oregon's constitutionally-protected kicker refund law. The current law refunds corporate and/or personal income back to corporations or individual taxpayers if state revenues rise by more than 2% beyond the May revenue forecast. Unfortunately, the kicker is most likely to engage after the state's economy has gone through a sharp decline, thereby limiting the state's ability to restore or adequately fund many public services.

The first serious effort to examine "kicker reform" began this week in the Senate Finance and Revenue Committee with the introduction of SRJ 26. The bill was introduced by Senator Frank Morse (R-Albany) with backing from Senator Ginny Burdick (D-Portland). Understanding that voters might resist efforts to eliminate the current kicker, this bill is designed to win voter approval by setting a spending limit based on population growth and inflation. Half of the new personal kicker would flow into a constitutionally-protected rainy day fund and half would go back to taxpayers. In years when tax collections surpass the combined rate of inflation and population growth, the extra would flow into the reserve account. Once the rainy day fund hits 12% of the state's general fund (about \$1.8 billion), the kicker law would revert to its current language and that state would be allowed to increase spending beyond the population-inflation index.

In the bill's first hearing, Senate President Peter Courtney (D-Salem) strongly endorsed the effort of Senate Finance and Revenue Committee to address this issue, as did Representative Andy Olson (R-Albany). Ryan Deckert (President, Oregon Business Association), Sandra McDonough (President, Portland Business Alliance), Jay Clemens (President, Associated Oregon Industries), and Duncan Wyse (President, Portland Business Council) testified in favor of examining the current kicker law, stating that SJR 26 is a thoughtful proposal but that the legislature should also address some tax reforms.

SJR 26 will require two-thirds approval by both chambers, approval by the governor and then approval by a statewide vote. *The Oregonian* has called SRJ 26 "intriguing and exciting," but points out that it is a complicated proposal and it is too early to know if legislators, the governor, or the public will rally behind the proposal. The good news is that someone is finally initiating a serious conversation about kicker reform.

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Find a link to committee hearings for OCCA-tracked bills, updated weekly, on our [home page](#) under **Hot Issues**.

