



## February Revenue Forecast

According to the Office of Economic Analysis, Oregon's projected revenue for the 2011-13 general fund will be down \$28.6 million (-0.2%) from the December forecast and lottery resources will be down \$6.5 million (-0.6%). Senate President Peter Courtney issued a press release about the forecast, noting that "[R]evenue is down a little, but it will fit within the co-chairs' budget proposal. That means we can move forward with a budget rebalance that will keep our schools open and criminals behind bars. It means we will take care of our seniors and provide services for people with disabilities and our children."

While addressing a joint meeting of the House and Senate Revenue Committees, the Office of Economic Analysis pointed out that Oregon's economy is expanding but the job creation pace remains "glacial." The most encouraging sign is that the unemployment rate continues to decline. Since the end of the recession, Oregon's unemployment rate has decreased 2.7%, from 11.6% in June 2009 to 8.9% in December 2011. Oregon businesses are again profitable and the Office of Economic Analysis believes this will lead to "modest" job growth. Although all signs point to Oregon's economic expansion becoming a more self-sustaining one, the recovery is fragile, with the risk of a return to recession remaining uncomfortably high. The two major threats to economic recovery are European economic instability and the reduction of federal aid to states. Oregon will lose \$120 million in federal grant-in-aid income this biennium. In addition, federal support for timber payments and Medicaid continues to be debated in Congress.

Lottery income is essentially flat (down \$6.5 million from the last projection) and revenues are "crawling up very slowly, with revenues projected to increase 0% to a slightly positive 1% in this biennium."

Overall, it was a cautiously optimistic revenue forecast, with the caveat that it will be a slow recovery that could be easily derailed. However, the threat of a double-dip recession has certainly declined and there is strong potential for greater growth as the flow of positive news continues to gain momentum.

## NEWSLETTER February 13, 2012

### National Education News

[ACCT](#) reports that later today, President Obama will release the details of his FY 2013 budget request. The President will announce the budget during a town hall event at Northern Virginia Community College. In addition to an overview of his spending plan, the President may also provide further details regarding his State of the Union proposal to provide additional funds for job training partnerships between business and community colleges. Watch the speech [here](#).

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### OEIB Meeting

Graham Slater, an administrator with the Workforce and Economic Research Division of the Oregon Employment Department, gave a PowerPoint presentation at the most recent Oregon Presidents Council meeting addressing Oregon's key workforce challenges. He discussed the top eight workforce issues and provided a wealth of data on each one. View his presentation [here](#).

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### Scheduled Hearings This Week

**February 14, 3 PM, Hearing Room  
E Higher Education Committee**

[HB 4057](#) Requires State Board of Education and State Board of Higher Education to establish baselines and conduct annual reviews of each public institution of higher education with respect to employee numbers in

## Legislative Bill Updates

### **HB 4016 – Mandatory Child Abuse Reporting**

The House Education Committee failed to garner sufficient votes to pass HB 4016 out of committee on Thursday. Concerns raised about the expansion of the mandatory reporting requirement to volunteers in private organizations could not be overcome. OCCA was on record with other education advocates in support of the bill.

### **HB 4028 - Community College Capital Construction Package**

The House Committee on Transportation and Economic Development unanimously passed a lottery bonding package this week that includes \$9.64 in community college [capital construction projects](#). HB 4028 includes about \$30 million in transportation and other areas of capital projects intended to spur economic growth and create jobs. The community college projects include all seventeen community colleges and are aimed at expansion and upgrading of career and technical programs or science, engineering, technology and math (STEM) programs. The projects are focused on addressing a local workforce need.

The legislation will now go to the Ways and Means Subcommittee on Capital Construction.

### **HB 4058 – Textbooks Task Force**

The House Committee on Higher Education passed HB 4058 this week which creates a task force aimed at finding strategies to better address the rising cost of textbooks. Specifically, the bill directs the Higher Education Coordinating Commission (HECC) to convene a work group and submit a report on strategies for reducing higher education textbook costs. It also directs the work group to analyze the effectiveness of current state and federal law relative to textbook cost containment.

The bill was referred to the Ways and Means Committee.

### **SB 1550 - Firearms on Campus**

The Senate Judiciary Committee held a public hearing on SB 1550 on Wednesday. This bill would have removed the exemption for concealed handgun licensees from carrying handguns on school grounds and in public buildings. The committee heard testimony but intends to take no further action on the bill.

different employee groups, and ratio of employees in group to students enrolled.

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## UPCOMING EVENTS

ACCT Legislative Summit  
February 12-15, 2012  
Washington, DC

Oregon Presidents Council  
February 23-24, 2012  
Salem, Oregon

State Board of Education  
March 8-9, 2012  
Salem, Oregon

Oregon Presidents Council  
March 22-23, 2012  
Coos Bay, Oregon

OCCA Board  
March 23, 2012  
Coos Bay, Oregon

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