



Legislative Bulletin



AROUND THE CAPITOL:

Tuesday, April 10
Portland State
University Day

Tuesday, April 17.
Oregon State
University Day

GOVERNOR KULONGOSKI ANNOUNCES WORKFORCE GRANTS

This week, Governor Ted Kulongoski announced five new workforce grants to create new jobs and expand and train local workforce in renewable energy, film and video and manufacturing projects in communities throughout Oregon. The Governor's Strategic Training Fund grants – totaling \$281,545 – are supported through federal Workforce Investment Act resources. The fund is targeted to assist companies with expansions and workforce training. The grants are awarded by the Governor to regional Workforce Response Teams through Regional and Local Workforce Investment Boards. The five workforce grants the Governor announced today include:

\$100,000 to the Rogue Valley's "Power-Up Oregon" initiative, a group of small businesses in Southern Oregon working to solve the labor shortage in Jackson and Josephine Counties. The project will market high-demand jobs to 19-34 year olds, and hire and train them using an abbreviated on-the-job training model. It is projected that 1000-1500 high wage positions will be filled with the help of this program in the next 12-24 months.

\$49,350 to NW Oregon Works (NOW) in Columbia, Clatsop, and Tillamook Counties to collaborate with local workforce and economic development agencies. The funding will help NOW enhance business and workforce retention strategies – through the help of small businesses clusters – to diversify rural economies.

\$59,850 for the Wind Turbine Technician Training program at Columbia Gorge Community College. The funds will be used for additional lab curriculum and the creation of an on-line and distance learning program for the Wind Turbine Technician Training class. It's estimated that 300-430 employees will be trained through this program.

\$48,825 to the Business Alliance for Sustainable Energy (BASE) consortium in Linn, Benton, Lincoln Counties. BASE will coordinate with the AFL-CIO to connect the efforts of sustainable energy workforce projects and groups across the state, share practices and expand awareness of workforce and labor opportunities.

\$23,520 to Worksystems Inc. in the Portland Metro area. The funding will help the Film and Video Office and various film companies develop a multi-employer workforce consortium for the film and video industry. This will allow Oregon to expand its growing film industry and provide family wage jobs.

To see the Governor's Workforce Strategic Plan, visit:
<http://www.worksourceoregon.org/>



**CORRECTION TO
LAST WEEK'S
LEGISLATIVE
BULLETIN**

Last week, we reported on the Economic and Revenue Forecast. We wish to make a correction in the highlights reported.

The highlights of the forecast are:

- A \$34.0 million increase in General Fund revenues from the December forecast;
- For the 2007-09 biennium, General Fund revenues will total approximately \$12.7 billion.
- \$1.4 million beginning balance carried forward from 2005-07.
- Total available resources will equal \$14 billion.
- A \$34.1 million increase from the prior forecast.
- General Fund revenues will total \$15.7 billion in 2009-11, a 23.8 percent increase from 2007-09.



***UO, OSU AND PSU PRESIDENTS TO PRESENT AT HOUSE
HIGHER EDUCATION SUBCOMMITTEE***

On Monday, March 12, President Dave Frohnmayer, University of Oregon and President Ed Ray, Oregon State University will provide an overview of their respective universities before the House Higher Education Subcommittee. President Frohnmayer will discuss the University's profile, mission, goals and strategies. President Ray's presentation will describe OSU's land grant heritage and will focus on the University's goals to provide outstanding academic programs, provide an excellent teaching and learning environment, and to substantially increase revenues from private fundraising, partnerships, research grants, and technology transfers.

The hearing will take place at 1:00 p.m. in Hearing Room D, State Capitol.

Due to a conflict in his schedule, President Dan Bernstine, Portland State University will make a similar presentation on Wednesday, March 21, 1:00 p.m., also in Hearing Room D.

FOREST HARVEST TAX HEARD BY HOUSE REVENUE COMMITTEE

On Wednesday, the House Revenue Committee held a public hearing on HB 2115 which extends the forest products harvest tax for forest research and Oregon Forest Practices Act administration to the 2008 and 2009 calendar years. Revenue received from the forest products harvest tax is a significant portion of OSU's Forest Research Laboratory's budget. Although the tax rate has yet to be determined, HB 2115 is scheduled for another public hearing on Tuesday, March 13, 1:00 p.m., House Revenue Committee, Hearing Room A.

BILLS OF INTEREST:

SB 767: Authorizes Department of Human Services to establish medical marijuana dispensary program pilot project. Creates oversight committee. Authorizes department to adopt rules to implement and operate pilot project. Sunsets project December 31, 2016.

HJR 54: Proposes amendment to Oregon Constitution requiring Legislative Assembly to appropriate biennially minimum sum for state system of public education. Specifies bases for amounts required for kindergarten through grade 12 system, community college system and higher education system. Provides a phase-in of constitutional requirement. Authorizes Legislative Assembly to appropriate amount that is less than amount constitutionally required if approved by three-fifths of members in each house. Refers proposed amendment to people for their approval or rejection at next regular general election.

HB 2007: Establishes requirements and procedures for entering into civil union contract between individuals of same sex. Provides that any privilege, immunity, right of benefit granted by law to individual who is or was married is granted to individual who is or was in civil union. Provides that any responsibility imposed by law on individual who is or was married is imposed on individual who is or was in civil union. Provides that any privilege, immunity, right, benefit or responsibility granted or imposed by law to or on spouse with respect to child of either spouse is granted to or imposed on partner with respect to child of either partner.

HB 3024: Establishes Portland State University as public corporation under control of Portland Metropolitan Universities Board of Directors. Removes Portland State University from Oregon University System. Declares legislative intent regarding Portland State University budget and funding. Changes name of Oregon Health and Science University Board to Portland Metropolitan Universities Board of Directors.

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SENATE VOTES TO PUT MORE MONEY INTO THE CLASSROOM

Senate Bill 426 will establish the Oregon Educators Benefits Board and allow for the pooling of purchasing power of school districts from around the state when those districts are negotiating health care benefits for employees. This increased purchasing power will create savings that can be sent to the classroom to benefit students.

“The result of this bill will be lower class sizes, updated textbooks and restored programs,” said Senator Vicki Walker (D-Eugene). “Pooling of resources to get a better deal makes sense for our classrooms.”

“The pooling approach to buying health care benefits is the industry standard in the private sector,” added Deckert. “The State of Oregon should follow this smart financial policy.”

Creating insurance pooling power for education is part of the Senate Democrats’ commitment to build strong schools for Oregon’s children. The passage of Senate Bill 426 is part of the plan to ensure accountability in education and find savings before spending.

OREGON UNIVERSITY SYSTEM PRIORITY BILLS SLATED FOR WORK SESSION

On Monday, March 12 at 1:00 p.m. the House Revenue Committee is scheduled to hold a work session on two of OUS’ critical 2007 Legislation. It is the intent of the Chair, Rep. Phil Barnhart (D-Eugene), to approve the bills and move them to Ways and Means for further consideration.

House Bill 2198 authorizes the system to retain the interest earned on all funds taken in by the universities as revenues, such as tuition, to further support students. The second bill, **House Bill 2199**, expands debt financing options for Oregon’s public universities in order to reduce borrowing

SECURE RURAL SCHOOLS AND COMMUNITY SELF-DETERMINATION ACT REAUTHORIZED

Congressman Peter DeFazio (D-Ore.) announced today that a one-year reauthorization of the Secure Rural Schools and Community Self-Determination Act has been included in the Emergency Supplemental funding bill. This program has specific and critical impacts to programs such as the Extension Service and Agricultural Experiment Station at OSU.

Last year, the county payments program provided nearly \$280 million to 33 Oregon counties for services like schools, roads and law enforcement. Counties receiving funding under the program have a high proportion of federally owned lands. Prior to the enactment of the county payments program, they had received a percentage of receipts from timber harvests, which fluctuated from year to year. However, harvest levels decreased precipitously in the late 1990s due to changes in federal forest policy. In 2000, Congress passed the Secure Rural Schools and Community Self-Determination Act to help stabilize these payments and ensure proper funding for vital county services.

DeFazio and Rep. Greg Walden have also introduced a bill that would reauthorize the county payments program for an additional seven years, HR 17.

The bill includes \$400 million, which will be paid out for the counties’ 2007 fiscal year, which begins in July. The last payments to the counties were made in December for fiscal year 2006.

Public Hearings held

HB 2726 & HB 2831

On Friday, March 9, a public hearing was held on HB 2726 in the House Workforce and Economic Development Committee. HB 2726 establishes state policy relating to state-funded research that benefits private enterprise. The bill requires certain state agencies that make research grants to ensure that one purpose of the research is to keep or create jobs in Oregon. Testifying on behalf of OUS was Lisa Zavala, Senior Associate Director of Government Relations and Bruce Schafer, Director, Industry Affairs.

Ms. Zavala testified that while OUS understands the intention of the bill, OUS fear is that the bill may create a number of negative unintended consequences for Oregon and the students OUS serves. She noted that of particular concern was the bill's potential impact on the overall research mission of the OUS, namely to educate our students and expand our knowledge. Historically, campuses have relied on federal agencies as their primary source of funding for research. Nevertheless, OUS seeks to increase their collaboration with industry for two reasons: to increase and diversify sources of funding and to tie university research to Oregon's economy more directly. While some of this research will directly enhance jobs in Oregon other research may not create or keep jobs in Oregon but will have other desirable benefits such as reducing environmental impact, or improving public safety, as well as educating our students.

Ms. Zavala also offered the Committee copies of written testimony from Gary Chaffins, Director, Office of Research Services and Administration at the UO.

Following Ms. Zavala, Mr. Schafer described his work with industries in Oregon. Mr. Schafer said that there are at least three types of grants OUS makes using state dollars:

- Sub-grants from grants from other state agencies;
- Grants for research on how we might better fulfill our educational mission; and
- Collaborative grants with industry.

Mr. Schafer said that as he examined this bill, he was left with two puzzles, how to administer these grants consistent with the intent of the bill and how to reconcile the goals of the bills with other desirable goals such as reducing environmental impact or increasing public safety. Mr. Schafer stated that he feared that if OUS does not do this correctly, it may have a chilling effect on the amount and variety of research, leading to decreasing opportunities for students to participate in research and fewer innovations available to help drive Oregon's economic growth.

Committee Chair, Rep. Brad Witt (D-Clatskanie) asked that OUS representatives work with the bill's sponsors Rep. Chip Shields (D-Portland) and Rep. Peter Buckley (D-Ashland) on amendments to the bill.

The Committee then held a public hearing on HB 2831. HB 2831 makes legislative findings on the effects of international outsourcing of jobs. It prohibits a public body from awarding a contract or development assistance to a person that performs work outside of the United States. It creates a civil action and provides remedies.

Ms. Zavala also testified on this bill, joined by Stephen Fowler, Systems Manager for Technology Support Services at OSU, and Paul Primak, Director, OUS International Programs. Ms. Zavala explained that, like HB 2726, OUS fears HB 2831 may create unintended negative consequences.

Mr. Fowler then explained to the committee that he feared that the bill would have a major negative impact on the support services necessary to maintain the technology infrastructure of Oregon's public universities. As an example, Mr. Fowler noted that OSU has support contracts or purchases warranty services with a variety of companies, all of whom have support services around the globe. Support service literally follows the sun. He noted that depending upon the time of day in Oregon support might come from Texas, Australia, India, Ireland or any number of locations throughout the world.

Mr. Fowler went on to explain that if even if they could identify a third party provider for these services located within the US, there is often proprietary information which is not given to them. If they had a problem which needed input from the original vendor, that would make the vendor a subcontractor, thus violating the requirements of the bill.

Mr. Primak then spoke to the Committee about international programs and internships. He noted that OUS, as well as AHA International, an academic program of the UO, and numerous other international programs offered through Oregon's public universities provide substantial academic and professional opportunities for students to gain linguistic, cultural and professional training that helps to build Oregon's economic capacity. These programs depend upon contractual and financial relationships with partners, vendors and agencies overseas.

OUS international programs rely upon the ability to hire personnel to provide support for both academic and internship program participants. In some instances OUS institutions pay for language courses, housing costs, supervisory activities and logistics through program fees. This bill would limit OUS's ability to do that.

Mr. Primak pointed out that there are no employment opportunities lost due to the contracts awarded or funds paid to employees. These are activities and duties that cannot be performed in Oregon by Oregon citizens *in situ*.

Mr. Primak went on to explain that many Oregon faculty members conduct research internationally and that this legislation would have the unintended effect of curtailing or prohibiting these research activities.

Legislative Tid Bits:

Effective Date of Legislation

In 1999, the Legislative Assembly adopted ORS 171.022, which reads, "Except as otherwise provided in the Act, an Act of the Legislative Assembly takes effect on January 1 of the year after passage of the Act."

Some bills contain a clause which specify a particular effective date. Still others may have [emergency](#), [sunset](#), or [referendum clauses](#) attached.

Emergency Clause: A statement added to the end of a measure which causes the act to become effective before the accustomed date. An emergency clause either sets a specific date or is effective immediately, which means that the measure will take effect on the date of its signature into law. NOTE: *emergency clauses may not be attached to bills which would raise revenue.*

Sunset Clause: A statement added to the end of a measure which causes the act to "sunset," or become ineffective, after a certain date.

Referendum Clause: A clause added to the end of a measure which causes the act to be referred to the people for their approval or rejection before it takes effect. The act then goes on the ballot for a vote at the next general election, unless the Legislative Assembly calls a special election for it.

PUBLIC INVITED TO TESTIFY ON THE OREGON STUDENT ASSISTANCE COMMISSION BUDGET

On Monday, March 12, the Joint Ways and Means Education Subcommittee invites public testimony on House Bill 5044, the budget for the Oregon Student Assistance Commission. The hearing will be held at 3:00 p.m., in Hearing Room F at the State Capitol.

Of key interest to the higher education community is Governor Kulongoski's proposed restructuring of Oregon's state-funded need based financial aid grant program, the Oregon Opportunity Grant. His 2007-09 budget begins to phase in full funding of the *Shared Responsibility Model* over the next two budget periods, increasing the current investment of \$78 million (2005-07) to \$152 million to serve 43,000 low and middle income students. The *Shared Responsibility Model* is proposed under SB 334 which is currently in the Senate Education and General Government Committee, chaired by Sen. Vicki Walker (D-Eugene). SB 334 is scheduled for a work session on Thursday, March 15, 8:15 a.m. It is anticipated that the bill will be approved by the Senate committee and sent to Ways and Means for further consideration.

The Governor's budget for the Oregon Student Assistance Commission also includes \$1.6 million to increase college attendance in rural areas of the state, \$1.4 million for the Access to Student Assistance Programs to Reach Everyone (ASPIRE) to help more students access a post-secondary education.

The mission of the Oregon Student Assistance Commission is to assist Oregon students and their families in attaining a post-secondary education and to enhance the value, integrity, and diversity of Oregon's college programs.

Oregon House Approves Rainy Day Fund

On Thursday, March 8, 2007, the Oregon House of Representatives approved the creation of the Oregon Rainy Day Fund by a 48-9 vote. House Bill 2707 would establish a Rainy Day Fund and direct the 2007-2009 Corporate Kicker and one - percent of the state's general fund balance into the reserve, providing stability in education, public safety, health care and other essential services even in a future economic downturn.

The Rainy Day Fund savings plan is backed by the state's leading business associations including the Oregon Council of the American Electronics Association, Associated Oregon Industries, Oregon Business Association, Oregon Business Council, Portland Business Alliance and the Smart Growth Coalition. In addition to creating Oregon's first general reserve rainy day fund, the House also approved, as part of the package a nearly \$25 million tax break for small Oregon businesses.

Thursday's vote on the Oregon Rainy Day Fund came after two days of negotiations between House Democrats and House Republicans to hold together a bipartisan agreement that included the creation of a Rainy Day Fund and a one-time diversion of the corporate kicker.

The Rainy Day Fund proposal now moves to the Oregon Senate for approval.





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OUS LEGISLATIVE NEWSLETTER

The Government Relations office of the Chancellor's Office will be sending you this electronic newsletter about important events of the past week in Salem and things to come in the days ahead. The newsletter will be published every Friday at 4:00 p.m. throughout session. If you wish to suggest items for inclusion or comments on coverage of issues affecting OUS interests at the Legislature, please feel free to e-mail or phone the Salem Government Relations office.
(mary_robinson@ous.edu, 503-373-7490).

BILLWATCH AVAILABLE FOR TRACKING

A comprehensive OUS bill tracking system called BillWatch, has been developed to record information about bills affecting the OUS, and to track their progress through the legislative process. BillWatch is designed to be used by members of the Oregon State Board of Higher Education, Chancellor's Office staff, campus leadership and OUS advocates. BillWatch is a secure system and users must obtain a user name and password from the Office of Government Relations to use this service.

Subscribing to BillWatch allows users to subscribe and designate particular bills of interest or to provide a broader search of all legislation. A second benefit of subscribing is notification: upon subscribing to a particular bill, users will receive automatic email notification when action is taken on the bill, e.g., hearings scheduled, amendments engrossed, etc. To request access, go to <http://billwatch.ous.edu/>. From there, choose *Request an Account*. Your request should be processed within 24 hours. An electronic users guide is available by clicking on HELP at the BillWatch main login menu.

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