



Public and Government Affairs Update

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FEDERAL AFFAIRS

The State of the Union

In his first State of the Union address on Wednesday evening, President Obama told the nation that job creation should be the government's #1 priority in 2010.



One of the cornerstones of the president's job creation plan is education. "In the 21st century," the President stated, "The best anti-poverty program around is a world-class education."

To make college education more affordable, Obama proposed giving families a \$10,000 tax credit for four years of college and increase Pell Grants. He also proposed that when students graduate that they be required to pay only ten percent of their income on student loans, and forgiving all of their debt after 20 years – and forgiving all their debt after just 10 years if they choose a career in public service.

The President also took colleges and universities to task on the issue of making higher education more affordable, saying it was time for them to get serious about cutting their own costs. "They, too, have a responsibility to help solve this problem," he said.

STATE RELATIONS

Voters approve Measures 66 and 67

Oregon voters have affirmed the two tax measures that the Oregon Legislature passed in 2009 to help balance the state budget. The two measures are projected to raise \$733 million for the current 2009-11 biennium budget cycle. This revenue represents five percent of the state's general fund spending plan approved by legislators last year – which primarily covers education (including universities and community colleges), health and human services, public safety and the courts.

This is the first time since 1930 that Oregonians have approved a general tax increase – which was the same year that the corporate minimum tax was lowered from \$25 to \$10.

Measure 66—which raises the marginal income tax on those with personal income above \$125,000 for individuals and \$250,000 for couples—passed 54 to 46 percent. Measure 67—which increases the corporate tax to a minimum of \$150 (and up to \$100,000 for companies with in-state sales above \$100 million)—passed 53 to 47 percent.

Despite voter approval of these new tax measures, revenue shortfalls in the state budget are still a

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Award winner

The UO's Oregon Quarterly magazine won a bronze award for general interest periodicals from District VIII of the Council for Advancement and Support of Education. The district covers all the northwestern United States and western Canada. Named in the award was the entire Oregon Quarterly staff: Guy Maynard, editor; Ross West, managing editor; Susan Thelen, advertising director; Tim Jordan, art director; and Shelly Cooper, office manager.

Congratulations!



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For more information about this newsletter, please contact Eric Stillwell in Government and Community Relations at (541) 346-5381 or email to ees@uoregon.edu.

If you are interested in inviting government officials to a UO event, please contact us first. We can help! Give us a call or send an email to gcr@uoregon.edu.

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Voters approve tax measures

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concern. Economists are forecasting that the 2011-13 biennium will bring more revenue challenges. Economic and job growth are unlikely to have returned to pre-recession levels, and federal stimulus dollars will be gone or greatly diminished as a portion of the general fund budget. Legislators could be looking at another \$1 billion in revenue shortfall when they convene for the next regular session in January 2011.

While passage of these tax measures assures that the state's budget will be adopted as enacted for the current biennium, funding for higher education in Oregon remains uncertain.

Governor proposes "kicker" reform



On Wednesday, Governor Ted Kulongoski called upon the Legislature to reform the state "kicker" tax refund and change the law that returns surplus tax revenues to taxpayers when they exceed projections by more than two

percent. He proposed that some of the money go to an emergency reserve fund he would like to see established as a permanent fixture in the state constitution to cushion the state budget during economic downturns.

The kicker refund has been in effect in Oregon since 1979, first as state law and then added to the state constitution by voters in 2000. Any change to the kicker refund will require a constitutional amendment put to a statewide vote. Legislative leaders were uncertain whether the Governor's proposal could be addressed during the short February session.

STATE RELATIONS

Legislature convenes Monday

The 2010 supplemental session of the Oregon State Legislature begins Monday, February 1st, and will conclude by the end of the month. There are a number of bills and issues that the University of Oregon's Office of Government and Community Relations is following closely, including the University's request for \$75 million in Article XI-F(1) bonds for the construction of the East Campus Residence Hall.

If you have questions or would like more information about the supplemental session please contact the UO's Director of State Relations Courtney White, at 541-346-8051 or email to crwhite@uoregon.edu or Community and Government Relations Associate Eric Stillwell at 541-346-5381 or email to eas@uoregon.edu.

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