



Public and Government Affairs Update



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STATE RELATIONS

Higher education advocates push for reform in Salem

Members of the University of Oregon Foundation Board of Trustees, UO Alumni Board, student leadership, and business and community leaders joined university president Richard Lariviere in Salem this month to urge support of the university's New Partnership legislation, [SB 559](#) and [SJR 20](#).

University and public higher education supporters from throughout the state met with President Lariviere to discuss the

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STATE RELATIONS

President Lariviere Applauds Governor's education announcement

On Friday, February 11, Governor John Kitzhaber announced an Executive Order designed to align education in Oregon, creating an Oregon Education Investment Team to oversee and coordinate education at all levels.

President Richard Lariviere issued a statement applauding the governor's efforts. "Oregon's education system needs reform. His plan is consistent with our

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FEDERAL RELATIONS

High stakes for higher ed in H.R. 1 passage

Deep cuts to the FY2011 federal budget were approved Saturday by the US House of Representatives on a vote of 235-189. Oregon's delegation split on party lines, with the Democrats opposing final passage and Republican Greg Walden supporting the measure.

Congress was unable to approve a full-year appropriations package for FY11 before the October 1, 2010 start of the fiscal year. As a result, the federal government has largely been funded at FY10 levels through a continuing resolution that expires on March 4. The latest continuing resolution (H.R. 1), as advanced by the US House, would have a negative impact on higher education and research funding.

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For more information about this newsletter, please contact Jared Mason-Gere at (541) 346-5381 or jaredm@uoregon.edu. If you are interested in inviting government officials to a UO event, please contact us first at 346-5020 or gcr@uoregon.edu. We can help!

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STATE RELATIONS

Revenue forecast shows stabilizing economy

State legislative leaders say the worst is behind us. That was the message after the release of the March 2011 state revenue forecast from the state Office of Economic Analysis on Tuesday, February 15. The forecast, released quarterly, predicted flat revenue for Oregon’s General Fund, an increase of \$3.3 million over the December 2010 forecast.

State economists had predicted General Fund revenue in the 2011-13 biennium would increase by nearly 11% over the prior biennium, but now anticipate that receipts will be \$81 million below levels anticipated at the release of the December forecast. 2013-15 revenue will grow by over 17%, then is expected to grow by 10% in the 2015-17 budget cycle.

Corporate income tax receipts are expected to be \$9.7 million above those numbers predicted at the end of the last legislative session. Analysts expect that the corporate income tax kicker will not be triggered because the \$9.7 figure is less than the 2% threshold required to return receipts in excess of the state economist’s estimate back to tax payers.

Unemployment in Oregon has remained essentially unchanged over the last fourteen months. The December rate was 10.6%, down from a statewide high of 11.6% in late spring of 2009. The Oregon unemployment rate remains higher than the US average of 9.4%.

Personal income has grown at 3.1% over the last year, and Oregon exports have grown by over 20% through 2010, gaining back most losses since the recession hit.

Governor Kitzhaber and leaders of both legislative bodies indicated they believe the March forecast is good news for the state, but recognized that there is a long, slow economic recovery ahead.

Legislators this 2011 legislative session will grapple with an approximately \$3.5 billion dollar budget deficit.

FEDERAL RELATIONS

Post office closure means long walk for students, faculty

On January 25, 2011, the United States Postal Service officially closed the University Station located in the Erb Memorial Union and is inviting comment from those affected. The closure was a part of recent review and consolidation of USPS’ service nationally. Based on a USPS review of its 3,600 station and branch facilities in urban and suburban areas that were in “relatively close proximity to one another where consolidation might be feasible,” the University Station office was chosen for consolidation.

The university branch had served the campus since 1950 and provided an important service to more than 26,000 students, faculty and. The consolidated location lies more than two miles away from campus.

The move came despite communication from members of Oregon’s congressional delegation to the Post Office, the UO’s attempt to make the service more economical for the USPS and pleas from the administration and students to keep it open.

The USPS is now accepting comments on the results of their consolidation plan until April 2011 [HERE](#).

FEDERAL RELATIONS**Administration proposal for
FY2012 released**

The FY12 budget that the Obama Administration released on February 14 incorporates the President's commitment to increase federal investments in research and education, even as it calls for freezing domestic discretionary spending for five years. In a statement issued that day, Association of American Universities (AAU) President Robert M. Berdahl said, "We applaud the President's continuing commitment to scientific research and innovation. His budget, while freezing discretionary spending and taking other steps to reduce deficits, invests in research that will help us grow our economy, conquer disease, achieve greater energy independence, and strengthen our national security."

The proposed budget would increase funding over FY10 levels for most of the federal research agencies and programs that AAU follows. These agencies include the National Institutes of Health (+ 3 percent), the National Science Foundation (+ 13 percent), NASA Science (+ 12 percent), the Department of Energy Office of Science (+ 6 percent), the Advanced Research Projects Agency-Energy (\$550 million, compared to no funding in the regular FY10 budget), and Department of Defense basic 6.1 research (+ 15 percent without previous congressional earmarks).

The exception is the National Endowment for the Humanities, whose budget would be cut by \$22 million, or 13 percent, to \$146 million.

The President's FY12 budget would provide \$77.5 billion in discretionary appropriations for the Department of Education, an increase of \$7.5 billion over FY10 fund-

ing. The total includes \$28.6 billion for the Pell Grant program.

Within the FY12 request, the Administration proposes to streamline, consolidate, and reduce costs of some student aid and higher education programs. It also would create new programs to raise college graduation rates; improve teacher education, particularly in the science, technology, engineering, and mathematics (STEM) fields; and expand research on teaching effectiveness and learning. The budget proposes a new Advanced Research Projects Agency-Education, based on the agencies at the Defense and Energy Departments, to promote dramatic breakthroughs in educational technology.

The Administration is seeking to maintain the \$5,550 maximum Pell Grant award but make other changes to reduce costs in the rapidly growing program. The FY12 budget proposes to eliminate the policy of year-round awards as well as the in-school interest subsidy for graduate and professional students. The budget also proposes to simplify student loan repayments and create a new Perkins Loan program that would be extended to up to 2,700 additional colleges and universities. The Department would receive an additional \$200 million to administer student aid programs.

Another proposal would consolidate the Javits Fellowship Program for graduate study in the arts, humanities, and social sciences into the Graduate Assistance in Areas of National Need (GAANN) program.

The FY12 budget includes several tax-related proposals of interest to research universities.

The budget would make permanent the American Opportunity Tax Credit (AOTC)

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STATE RELATIONS

House resolution honors Ducks

Members of the 2010 University of Oregon football team, Nate Costa, Jordan Holmes, DJ Davis, and Max Forer, were in the state Capitol on Wednesday, February 16, as the Oregon House of Representatives honored the team for its historic accomplishments.

The legislation, HCR 10, congratulated the team for the 12-0 PAC-10 record, the historic trip to the BCS National Championship game, and the accomplishments of individual players and Coach Chip Kelly. State Representative Paul Holvey (D-Eugene) carried the bill on the house floor.

A number of legislators, including those with allegiance to Oregon State University, spoke to the quality of the program and the character of the team's student athletes.



UO football team members with legislators and staff, including State Rep. Phil Barnhart (D-Eugene) and State Rep. Vic Gilliam (R-Mollala)

H.R. 1

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During the debate, hundreds of amendments were considered, many aimed directly at protecting or making further cuts to higher education, research and important programs like the National Endowment for the Humanities, Institute of Museum and Library Services, and National Endowment for the Arts.

H.R. 1 contains cuts for agencies that fund research at the University of Oregon including the National Institutes of Health (NIH) and the National Science Foundation (NSF). The bill makes deep cuts to cultural programs like the National Endowment for the Humanities and National Endowment for the Arts.

The bill would also have a significant impact on student aid programs. As passed by the House, it does not include provisions to keep Pell Grant funding at its current levels. This cuts the current maximum grant of \$5,550 by \$845, or 15%. In addition, the bill would eliminate funding for Supplemental Educational Opportunity Grants and the Leveraging Educational Assistance Partnership program as well as cut funding for the TRIO and GEAR UP programs.

Debate on H.R. 1 began just as President Obama rolled out his FY2012 Budget Proposal and has implications for how debate of the FY2012 budget will progress. Last week, President Obama issued a veto threat should H.R. 1 be passed as introduced by the House Republican leadership.

Action now moves to the US Senate where Senate leaders are expected to offer their own bill following the President's Day district recess.



Advocating for reform

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current outlook of the proposal before meeting in small groups with a number of key legislative leaders and the Governor's education advisor. Students shared stories of classmates forced to quit their educational experiences in Oregon because of tuition increases, and urged legislators to act to stabilize funding.

Advocates asked legislators to take steps to streamline governance of Oregon's universities, and add public accountability at the University of Oregon by creating a local governing board that would be responsive to university and community concerns.

Advocates will return to Salem on Friday, April 15, 2011 for the traditional UO Day at the Capitol. Learn more about upcoming events and opportunities to support the UO and higher education on the [New Partnership Facebook page](#) and <http://newpartnership.uoalumni.com>

Education Reform

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ideas to improve higher education, which is critical to Oregon's economic future," the president said. "His plans to eliminate the existing layers of governance will lead to more accountability and savings. I look forward to working with the Governor to make these dramatic reforms a reality. It is time to be bold. Oregon is ready."

President Lariviere will testify March 1 before the Senate Education and Workforce Development in support of the university's efforts to take additional steps toward education reform.

Budget Proposal

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and index for inflation the \$2,000 tuition and expense amounts, as well as the phase-out thresholds. The proposal also would extend through 2012 the deduction for qualified tuition and related expenses. Additionally, the FY12 budget would exclude from gross income amounts forgiven at the end of the repayment period for federal student loans using the income-contingent repayment or the income-based repayment options.

The budget proposes to limit the value of itemized deductions, including the deduction for contributions to charitable organizations such as colleges and universities, to 28 percent for high-income taxpayers. It also proposes to extend the IRA charitable rollover through 2012, make permanent the research and experimentation tax credit, and increase the rate of the alternative simplified research credit from 14 percent to 17 percent.

Source: AAU