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To:	CAS Unit Leaders; osu_supporters@lists.oregonstate.edu; CAS DeanStaff; Salem Update Listserv
Subject:	[OSU Supporters] State stimulus package and more
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Ways and Means Committee Passes State Stimulus Package

The legislature was busy last week considering a state stimulus package. When passed, the $175 million bill is expected to provide some $13 million for "shovel ready" projects at OSU. Projects reach across the state including elements at many of the Agriculture Experiment Station branches and the Hatfield Marine Science Center. The final list of projects funded by the bill can be obtained by the OSU budget office.

Consideration of the package has been covered in the press:
http://www.oregonlive.com/business/oregonian/index.ssf?/base/business/1232769320301670.xml&coll=7
http://www.oregonlive.com/opinion/index.ssf/2009/01/oregon_legislature_must_borrow.html

Here are links to some of the press releases coming out of the legislature:
http://www.leg.state.or.us/press_releases/courtney_012109.html
http://www.leg.state.or.us/press_releases/hanna_012209.html
http://www.leg.state.or.us/press_releases/sro_012309.pdf

In short, the Ways and Means Committee on Friday approved two bills that will fund short term projects intended to create jobs over a number of concerns regarding the level of debt the state is entering into to create an unknown number of jobs, and the fact that many of the projects funded by the bills are “shovel ready” because they have never been a priority, and so have not been funded when there was money, or that the projects will not last as long as the debt payments needed to pay for them. (The two bills are SB 338 which outlines the funding involved, and SB 5562 which authorizes the bonded debt needed to pay for them.)

At the full Ways and Means Committee, four Republican legislators objected to both bills -- Senators Girod (Stayton) and Whitsett (Klamath Falls), and Representatives Richardson (Central Point) and Gilman (Rural Medford). The bills are now headed first to the Senate and then to the House where both chambers are expected to pass them.

The budget note accompanying SB 338 contains language emphasizing that entities should use local suppliers, employees, and services when expending funds allocated for each project. Specifically, state agencies, including OUS, are expected to use emerging and small businesses and those that are owned and operated by women and minorities. Legislators were quite clear that they did not expect agencies, including OUS, to use these funds to back-fill their budgets. In short, the work is NOT to be done by somebody already on the pay roll.

In May, the legislature will review information from all of the entities to whom funds have been allocated. Specifically, we will be expected to report on the number of employees hired, the Oregon firms employed, and the energy savings associated with the projects funded. The legislative oversight on these projects will not only be intense, but if agencies fail to meet expectations outlined in the bill, legislators will likely apply consequences on an agency's 2009-11 operating and capital budgets.

House Democratic Leaders Meet with Education Sectors

Last week, House Democratic leaders met with representatives from all of the education sectors -- pre-K, K-12, community colleges, students, and OUS. The frank conversation between legislators and advocates was polite but to the point.

Legislators asked those who have been most vocal in complaining about budget reductions to remember who their friends are. All parties at the table were reminded that given the economic climate, all would be taking budget reductions, for both the current and the next biennia and if the Democrats were not in charge the reductions would be worse.

The legislators urged the participants to engage on the revenue side of the equation and help pass the taxes that are needed to pay for vital services. Some in the room indicated that the grass roots won't support the taxes unless and until they realize how deep the cuts will be and that's why they are being so vocal.

Educators also urged legislators not to buy into the dichotomy that is being drawn by many that a decision to fund education is a decision not to fund vital human service programs. "Students who have no homes, no health care, and who are hungry, cannot learn."

In response to a question about whether the legislature would balance the budget for the current biennium on the basis of across-the-board reductions or targeted cuts: In so many words, leadership indicated that a mixture of both approaches were likely. They did not indicate what criteria would be used to target reductions.

In response to some who urged the legislators to release funds from the Rainy Day and Education Stability Funds to balance the current biennial budget:
Releasing the funds may ease the landing, but since they don't know when we will hit bottom, releasing the funds too early will not help the recovery and could harm the state's efforts to recover over the long term – just like waiting too long may also may a recovery more difficult.

While there were no specific "next steps" coming out of the meeting, it was an opportunity for all education sectors to hear each other's points – and to hang a lot of hope on the forthcoming Federal stimulus package. What happens next will largely be driven by the February 20th revenue forecast.

Questions, etc. don't hesitate to contact me.

Jock

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