

Government Relations Update

April 5, 2010

Issue No. 6



Congressional updates

Policy updates

Health Reform

Congress has now passed, and the President has signed into law, historic health care reform legislation. The health reform package and the adjustments to the package were passed on party line votes with no Republican support and with a handful of House Democrats voting against the bill. Emotions ran high during the debate with Democrats arguing that the reform will provide health insurance to approximately 34 million uninsured Americans and Republicans arguing that modest, incremental changes are preferable.

The health care reform package includes a massive expansion of health benefits including the following:

- **Small business tax credits:** Provides tax credits to small businesses to make employee coverage more affordable. Tax credits of up to 35% of premiums will be immediately available to firms that choose to offer coverage.
- **Closing the Medicare Part D “Donut Hole”:** Provides a \$250 rebate to Medicare beneficiaries who hit the “donut hole” in 2010. The “donut hole” is a point at which the cost of prescription drugs are not covered by the Medicare program.
- **Immediate Access to Insurance:** Provides immediate access to insurance for Americans who are uninsured because of a pre-existing condition (through a temporary high-risk pool).

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- **Ends Discrimination Against Children With Pre-Existing Conditions:** Prohibits health plans from denying coverage to children with pre-existing conditions.
- **Extends Coverage for Young People:** Requires health plans to allow young people up to their 26th birthday to remain on their parents' insurance policy, at the parent's choice.
- **Ends Rescissions:** Bans health plans from dropping people from coverage when they get sick.
- **Bans Lifetime Limits on Coverage:** Prohibits health plans from placing lifetime caps on coverage.

Student Lending

The health reform and reconciliation packages included language making major changes to student lending programs. The legislation ends the Federal Family Education Loan (FFEL) private lending program and moves all lending to the federal Direct Loan (DL) program. The move generates \$61 billion in savings to the federal government and reinvests those funds in the Pell Grant program and other educational priorities. Because OSU is already a Direct Loan participant, the changes will not affect OSU students.

However, OSU students will benefit from the savings, which will be reinvested as follows:

- **Pell Grant:** Nationally, the changes provide a total of \$36 billion for the Pell Grant program to protect against possible cuts in the maximum award in the short run and provide an inflationary increase in the maximum award in future years. Based on the assumption that the appropriated maximum grant will be at the current level of \$4,860 for the foreseeable future, the maximum will increase annually from the current level of \$5,550 to \$5,975 in FY2020.
- **College Access Grants:** Created by the most recent higher education reauthorization bill, the program would receive \$750 million over five years (FY2010 – FY2014) under this legislation. The goal of the program is to bolster college access and completion programs, as well as financial literacy programs.
- **Perkins loan program:** The bill contains no provisions pertaining to the Perkins Loan program.

Budget and Appropriations update

The Budget and Appropriations Committees have held a number of hearings on the President's FY2011 Budget. Upon return from recess, the House will begin to work on the budget resolution. Once a budget is adopted and spending parameters are set, the Appropriations Committee will begin apportioning the budget to subcommittees which will then begin marking up spending bills.

OSU priorities have been delivered to Congress and campus leadership has briefed Congressional staff in both DC and Oregon. For a copy of [OSU's federal agenda](#).

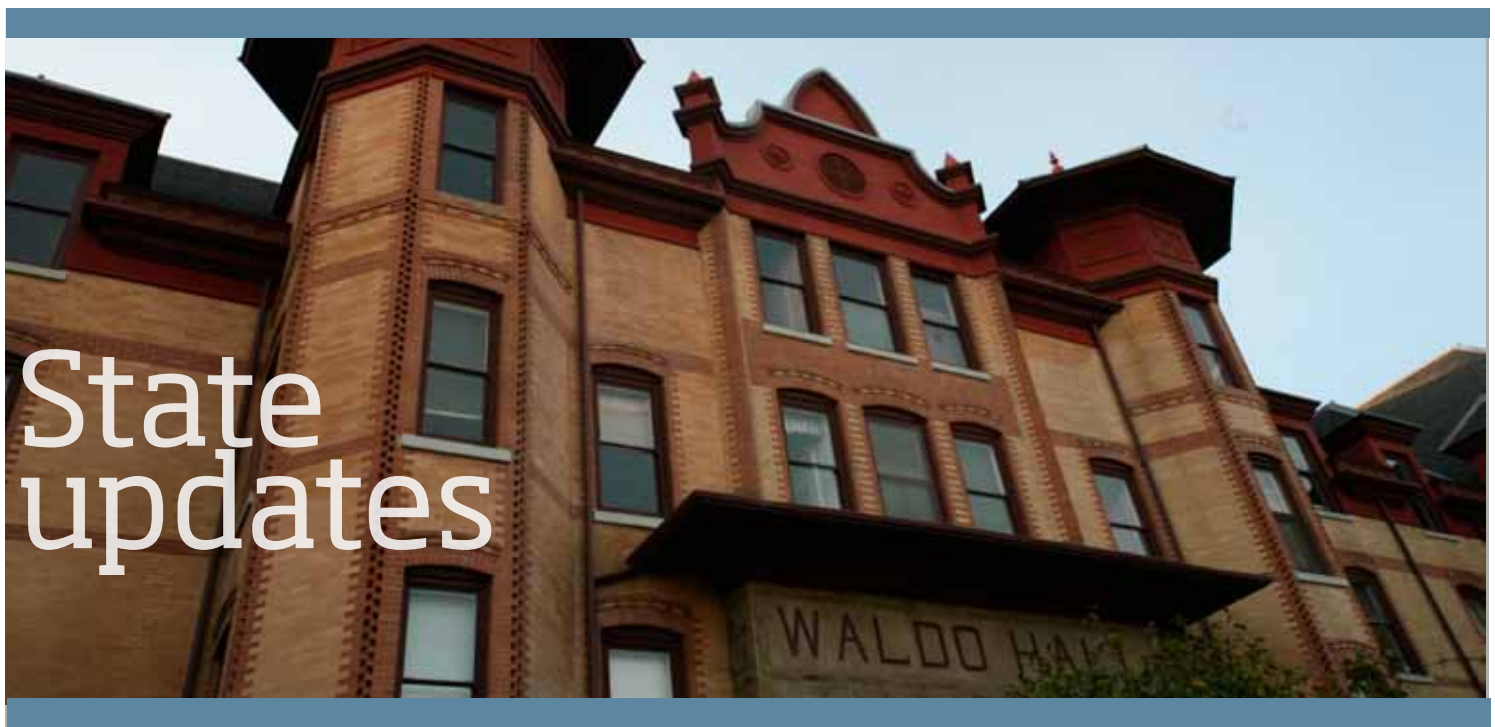
Congressional calendar

The House and Senate remain on their two-week spring recess district work period. They are scheduled to return to Washington for legislative business on April 13.

Most Members of Congress are spending the recess meeting with constituents in Oregon and holding town hall meetings. Last week, OSU hosted Rep. Kurt Schrader and House Agriculture Committee Chairman, Colin Peterson (D-MN) at the North Willamette Research and Extension Center. Schrader and Peterson convened two meetings- one on Farm Bill reauthorization and another on the spotted winged drosophila pest issue. Schrader also participated in a briefing at the Hatfield Marine Science Center on wave energy research and technology. This week, OSU's Rich Holdren participates in a small group discussion with Rep. David Wu about the America COMPETES Reauthorization.



Rep. Kurt Schrader and House Agriculture Committee Chairman, Colin Peterson, lead a roundtable discussion on the Farm Bill reauthorization at OSU's North Willamette Research and Extension Center on March 30. (Photos courtesy of the Oregon Association of Nurseries.)



Governor delivers final state-of-the-state address

On Friday Governor Ted Kulongoski delivered the last of his eight state-of-the-state addresses to an invitation only crowd at Portland State University. Most of the coverage of the Governor's speech centered on his efforts to revise the state's Kicker Law with the establishment of an Emergency Reserve Fund. Under the Oregon Constitution, the kicker currently refunds excess tax revenues to Oregon taxpayers whenever the state's two-year economic forecast under-estimates by more than 2% the state's tax revenues for the following two years.

The Governor also urged consideration of recommendations from the Governor's "reset cabinet" established last year. The cabinet is expected to issue recommendations for structural changes this June. For the [entire speech](#). For the Oregonian's coverage by [Harry Esteve](#).

Former Senator Lenn Hannon dies

Last week former Senator Lenn Hannon, who represented Ashland in the Oregon Senate from 1975 to 2004, died after a long illness. Hannon began his career as a Democrat but switched parties in 1980. He co-chaired the 2001 Ways and Means Committee, which funded the OSU Cascades Branch Campus, expanded the Veterinary Medicine program, and financed the bonds for the Kelley Engineering Center. He was the second longest serving legislator in the state's history.* In 2004, Governor Kulongoski appointed Hannon to the State Parole Board. For the [Statesman Journal's coverage](#).

*The longest serving member was W.H. Strayer, a Democratic Senator from Baker County who served from 1915 to 1947.

Interim committee sessions scheduled for remainder of the biennium

The legislature has combined interim committee hearings into concurrent legislative days over the remainder of the biennium. Legislative committees are slated to meet during three-day sessions May 24-26, September 21-23, and December 14-16. The Joint Emergency Board which is empowered to make allocation and appropriations decisions during the interim is scheduled to meet during each of these three sessions. The Joint Revenue Committees are scheduled to meet in August and November to consider the state's quarterly economic forecast. For the [complete schedule](#).

While we know **when** the various committees will be meeting we won't know what items will be on the May agendas for a number of weeks.