From: salem_update-bounces@lists.oregonstate.edu on behalf of Mills, Jock
To: CAS DeanStaff; CAS Unit Leaders; Salem Update Listserv
Subject: [Salem Update] Resend: the legislature continues the march to aJune 29th sine die.
Date: Friday, June 15, 2007 4:53:48 PM
Attachments: ATT4244677.txt

With apologies -- Outlook "gunked up" my fonts. Here is a cleaner version:

In this issue . . .
As the legislative session nears its self-imposed June 29th end date, there are three sure signs the session is really going to be over soon:

1. The substantive committees close and the session staff who were hired to administer them are laid off. The remaining work is then accomplished by five remaining committees: The Joint Ways and Means Committee which gets to spend the money, or not; Revenue committees in each chamber charged to raise the money; and Rules committees in each chamber that determine the fate of the remaining substantive bills.

2. The legislative staff throws a “sine die” party in which staff members present satiric skits mocking various members and bills. (The party was Wednesday, and I’m sorry to report that I missed it – and I didn’t contribute any material.)

3. Lobbyists compile their “go home” lists and spend the remaining days of the session advocating their items with legislators. (It’s called a “go home” list because you can’t go home until they take care of your list.) The OSU “go home” list includes one extremely big ticket item, two vexing operating budget items, and a number of additional add-ons and loose ends.

“Go home” lists can also include ensuring that certain bills DO NOT pass. In the case of Higher Ed, there do not appear to be any killer bills still in play – but as the Rules Committees “gut and stuff” bills, nothing is ever really dead until the last gavel falls. (*"Gut and Stuff": A slang term which refers to removing the text of a measure and inserting entirely new language which, while it may change the nature of the bill completely, still falls under the measure’s "relating-to" clause.*)

A. The big ticket item – the capital budget: SB 5516
Months ago the Senate Revenue Committee approved much of the Governor's capital budget before referring the OUS capital bill to the Joint Ways & Means Committee for consideration. For the last month we have been told that leadership will form a special tightly led Ways & Means capital subcommittee to consider all state capital investments. The list of projects is massive – ranging from hundreds of millions for the expansion of light rail into Clackamas County, to funding a new state hospital, to re-vamping the Capitol’s office wings. (Sadly, if the last project is approved, the 1970’s vintage orange carpet in the Senate wing is gone. Of course the green carpet in the other chamber will also be replaced.)

As for capital projects of interest to OSU . . . Committee leadership has assured us

that the LPI/Chemistry building will be included in the budget ($31.25 million in Article XI-G bonds). Much of the attention continues to be on recovering the co-chairs' reductions. The Governor had sought a capital budget of $330 million for OUS; the co-chairs' budget was $200 million; and the current target appears to be in the $260 million range. Items in play include how much money will be devoted to preventing further decline in the university buildings across the board vs. how much money will targeted to specific projects that have declined to the degree that they need massive work. Legislators tend to prefer specific projects because they become identifiable trophies.

B. The Vexing issues: SRM and Tuition Interest

1. The Shared Responsibility Model (SRM). The Ways and Means Committee has approved a total amount to be spent over the next biennium as the Oregon Student Assistance Commission moves from the current "opportunity grant" that provides student aid, to the "SRM" which provides graduated levels of student aid based not only on family income, but also on the amount a student works and contributes to the cost of his or her education. Over the last week, members of the Education Subcommittee have waded into a host of unresolved issues regarding the degree to which students will participate in the re-vamped program, how scholarships affect the amount of aid, and a concern that the SRM may be under-funded by some $20 million.

On Monday, the committee will consider a number of amendments to the SRM authorizing bill that seek to address the degree of discretion OSAC will have in administering the SRM and the degree to which the legislature will be involved and informed of the decisions made as the new model is implemented.

2. Tuition Interest. Passage of the OUS operating budget was enabled by an agreement to give the Education Subcommittee an opportunity to consider HB 2198 which would give OUS access to interest generated by tuition deposits. While the bill is not likely to pass, the hearing will enable the Subcommittee to determine if giving OUS the opportunity to more actively manage its short term and long term holdings will result in increased revenues. A hearing date has not been scheduled.

The legislative fiscal office has indicated that Ways and Means Subcommittees have until the end of next week to complete their business. Passage of HB 2198 could add some $19 million to the OUS budget, but this increase would likely be balanced by a reduction in General Fund allocations.

C. Remaining Appropriations Issues

We continue to address a number of very specific spending items that have not been resolved. These include comparatively minute amounts, such as $50K to true up the roll-up costs for the Institute for Natural Resources housed at OSU. Also on this list is funding for a Climate Center called for in HB 3543.

The budgets for ETIC (Engineering Technology Industry Council) and the Statewide Public Service Programs are still down by $2 million and $500K respectively from what the Governor proposed, but it is unlikely that either shortfall will be addressed in the final reconciliation (Christmas tree) bill. We continue to look into some commodity

based changes for the Statewides.

One of the most significant items remaining to be addressed before the end of the session is funding for the various Signature Research Centers recommended by the Oregon Innovation Council (Oregon INC) and included in the Governor's recommended budget. The co-chairs reduced the Oregon INC budget from $38 million to $19 million. The wide range of industry and corporate leaders involved with the Council countered with a $28 million proposal, and the primary outstanding issue is $5.2 million contained in the counter proposal for the Oregon Translational Research and Drug Discovery Institute (OTRADI), a partnership between OHSU, OSU, UO and PSU.

The Ways and Means Subcommittees have meetings scheduled on Saturday, but no House or Senate floor sessions are expected over the weekend.

Questions, concerns, and opinions always are appreciated.
Jock

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