

# Government Relations Update

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Issue No. 4



## Congressional Calendar

The House and Senate have returned from their Thanksgiving recess and are scheduled to remain in Washington to work on legislative business for the next three weeks. Both the House and Senate have extended their target adjournment dates to December 18.

This week the Senate is considering health care reform. The House is working on estate tax reform.

## Budget and Appropriations Update

To date, five of the 12 FY10 appropriations bills have been signed into law. They include: Agriculture, Energy & Water, Interior & Environment, Legislative Branch and Homeland Security. The federal government is currently operating under a Continuing Resolution (CR) that funds the remaining government functions at the FY09 levels until December 18. The remaining bills yet to be resolved include: Commerce-Justice-Science, Defense, Financial Services, Labor HHS, Military Construction, State-Foreign Operations and Transportation HUD.

It is highly likely that the health care reform debate will monopolize all Senate floor time which will necessitate an end-of-year omnibus spending measure to fund programs through the remaining nine months of the federal fiscal year.

OSU's earmark requests for FY10 were made within the following bills: Agriculture, Energy & Water, Commerce-Justice-Science, Defense, Interior &

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Environment and Labor HHS. We are waiting on the Defense bill to be resolved at which point we will know ONAMI's final funding level. We have been successful in securing funds for 13 out of our 16 FY10 proposals. In addition, it appears that most of the federal research budgets that are frequently accessed by higher education have seen modest increases in their FY10 budgets.

## Policy Updates

### Tax Extenders: Including Estate Tax Reform

DC insiders speculate that the Defense or the Military Construction-VA appropriations bills could serve as a vehicle for a tax extenders package that will likely be passed shortly before Congress adjourns for the year.

Congress will most definitely enact estate tax legislation before the end of the year. Under current law, the estate tax is scheduled to drop to zero for one year and then jump to pre-2001 rates and rules in 2011. President Obama has proposed a permanent extension of 2009 rates and the House will vote this week on the President's proposal. The Senate will not have time to consider this measure as stand-alone legislation this year. As a result, the outcome will likely be a temporary extension of the 2009 rates for the next year.

### Health Care Reform: Affordable Health Care for America Act (HR 3962)/ Patient Protection and Affordable Care Act (HR 3590)

On Saturday, November 21, the Senate voted to open debate on a version of HR 3590, with the expectation that the debate on health care reform will last for most of December. If the process is successful, a final vote on the bill could be taken

shortly before the Senate adjourns on December 18.

Dozens of amendments will be considered over the next month, as Majority Leader Harry Reid works to hold together all 60 members of the Democratic Conference in order to stave off Republican supported amendments. To view the full bill text, please visit the following [link](#).

The House passed its version of health reform by a vote of 220-215 on November 7. For information on the House bill please visit the following [link](#).

### Student Aid and Fiscal Responsibility Act of 2009 (HR 3221)

The Senate HELP Committee continues to work on drafting its version of student aid legislation. The main focus, as in the House legislation, is moving FFEL lending to Direct Lending and using the savings to supplement Pell grants for needy students. Because the Senate legislation will likely not be introduced until health care reform passes the Senate, it may not be considered until 2010. The House passed HR 3221 on September 17.

### Roosevelt Scholars Act of 2009 (S. 2789)

Senators George Voinovich (R-OH), Kirsten Gillibrand (D-NY) and Ted Kaufman (D-DE) have introduced a Senate version of the "Roosevelt Scholars Act of 2009." Their bill would establish a scholarship program for undergraduate and graduate students in "mission critical" fields to pursue a career in the federal government. The program would support outstanding students who commit to careers in public service for three to five years after graduation. Support of up to \$60,000 a year for up to five years would be available; an authorization of \$10 million for FY2010 would establish a nonprofit foundation to administer the program.

## OSU at the Capitol

OSU's Ed Ray, John Cassady and Sonny Ramaswamy met with Representatives Schrader, Walden and Blumenauer and Senator Jeff Merkley while in Washington, DC on November 17.



Pictured left to right: John Cassady, Sonny Ramaswamy, Senator Jeff Merkley, and Ed Ray.



Pictured left to right: Ed Ray, Rep. Earl Blumenauer, Sonny Ramaswamy, Rep. Greg Walden, Kate Sinner, and John Cassady.

## Recovery Act Website Announcement

House Speaker Nancy Pelosi headlined a Capitol Hill press conference on November 17 at which Association of Public and Land-grant Universities, AAU and The Science Coalition announced the launch of ScienceWorksForUS, a joint initiative to inform the public of the benefits of the Recovery Act research investment. The focus of the project is a website ([www.ScienceWorksForUS.org](http://www.ScienceWorksForUS.org)) that highlights Recovery Act-sponsored research in all 50 states.

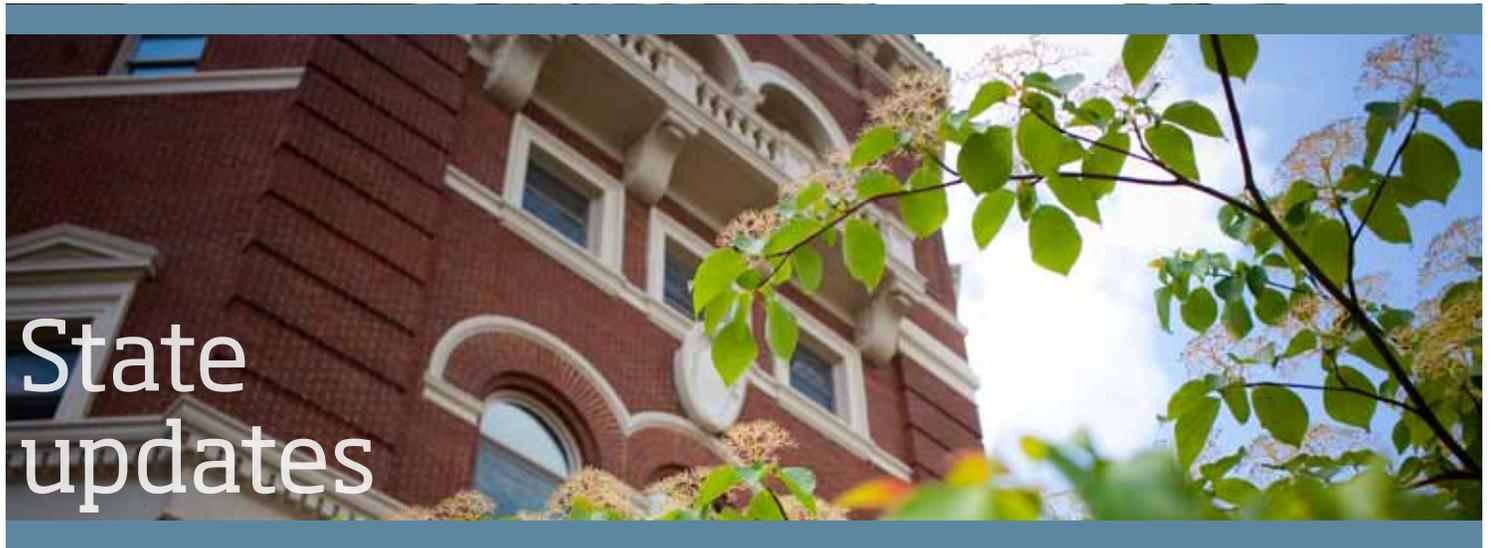
## White House Announces “Educate to Innovate” Initiative

On November 23, the President announced his “Educate to Innovate” initiative focused on improving the participation and

performance of America’s students in science, technology, engineering, and mathematics (STEM). For more information, please visit the following [link](#).

## 2010 OSU Federal Agenda

The OSU Government Relations Office is in the process of determining the OSU Federal Agenda for 2010. Proposals for the federal agenda were submitted from Colleges and Institutes in mid-October. The Federal Review Committee met in mid-November and has made a recommendation to President Ray regarding proposals for inclusion in the OSU Federal Agenda. President Ray will consider the recommendations this week. In the coming weeks, Kate Sinner will follow-up directly with those who submitted proposals for consideration.



## December Revenue Forecast shows slight decline - focus is on bigger issues & slow growth over the longer term

On Thursday, November 19, the State Office of Economic Analysis provided a quarterly forecast of the state’s economy and expected revenues to a joint session of the House and Senate Revenue Committees. In short, due to lower interest earnings, state general fund revenues are down a net of \$15.5 million from the last forecast. The decline is offset by lower borrowing costs -- also due to low interest rates. The decline is 1/10 of 1% of the state’s general fund revenues and is not considered significant.

Lottery revenues continue to decline -- down about \$13.5 million from the last forecast. Some of this decline is being offset by administrative savings. The lottery losses could become significant to higher education as legislators consider taking additional lottery funds away from a share that was statutorily earmarked for higher education when the legislature eliminated the sports action lottery in 2007.

While Oregon and the rest of the nation are technically

“out of the recession,” the state’s economy is characterized as being in a “jobless recovery.” Given the state’s heavy reliance on state personal income taxes, forecasters are predicting that it may take three to five years before Oregon is back at the peak it experienced in late 2007/2008.

For most legislators, the impact of the slight decline predicted in November is a minor sideshow compared to the potential losses in state revenues that would occur in January 2010 if voters reject two measures brought to the ballot by opponents of taxes approved by the legislature last session. If defeated by voters, Oregon would lose \$733 million in projected revenues. In that case distributing the resulting cuts will be the major topic for a special legislative session scheduled for February 2010.

For the entire November 19 forecast and supporting materials please visit the following [link](#).

# Legislators convene in November for three days of committee hearings

After the legislature adjourned in June the leadership changed the hearings process for the remainder of the biennium. Rather than holding hearings sprinkled here and there over the 18 month interim, legislative leaders scheduled all of the committees to meet over two to three consecutive days of hearings on a quarterly basis. For the committee schedules, for the remainder of the interim, here is a [link](#). (Schedules have not been posted beyond the next series of hearings to be held in mid-January.)

During the week of November 16 committees considered a number of issues of interest to higher education, including:

## AFT legislation.

At the urging of the American Federation of Teachers, the Senate Commerce and Workforce Development Committee indicated its interest in resurrecting provisions from HB 2703 which was narrowly defeated on the Senate floor during the 2009 session. The provisions of interest would alter the way unions hold elections on university campuses. Rather than the current practice of a two question ballot in which those who would be covered by a union would vote both on the question of whether they wanted a union and which union they wanted to represent them, the revision would have those affected by the union to vote for only one of various choices: no union, union A or union B -- or however many unions qualify to be listed on the ballot.

Under the current process, prospective members can in essence say, "I don't want a union, but if I'm overruled by my colleagues, this is the union I want to represent me." Under the revision, prospective members could voice their opposition to the union, but could not participate in the decision about which union would ultimately represent them.

Proponents claim the current system is confusing and because it is unique to the university system should be

changed to be uniform with procedures used elsewhere. No one spoke in opposition to the concept. The bill is expected to be considered by the legislature when it convenes for a special session in February 2010.

## Senate Education and General Government Committee.

The committee considered testimony from the Oregon University System and Community Colleges about the implementation of SB 442 which called for studies regarding the conversion to semester systems, consolidation of enrollment management functions across universities, duplication of programs at universities, and the delivery of educational services to rural Oregonians.

In short, on the semester question community colleges continue to be concerned about the decreased access semester conversion would provide to those who are seeking shorter term programs to enhance their employability. Because transfer of credits is an important issue, it would be difficult for students if universities converted and community colleges didn't. A review of other states questions whether the costs of converting would be offset by long term savings.

## Coastal Update.

The House Environment and Water Committee and the Senate Environment and Natural Resources Committee considered testimony from a number of coastal representatives including George Boehlert, director of the Hatfield Marine Science Center in Newport. Boehlert addressed the possible synergies created by the location of the NOAA fleet in Newport and provided updates on a number of coastal initiatives, including a pending grant application to the National Institute for Standards and Technology for a Marine Mammal/Marine Genomics building, and the replacement of the research vessel Wecoma.

## Candidates begin filing for state legislative races

If you're interested in seeing who has filed to run for the Oregon House and Senate in the May 2010 primary, follow the link below. The information on the link is based on filings to date with the Oregon Secretary of State, as well as information gleaned from press reports and party offices. A number of the incumbents listed as candidates have not yet actually filed, so it is possible that further open seats may occur as we approach of the March 9 filing deadline.

Take away points:

- In the Senate, Democrats would lose their super majority if they experience a net loss of one seat. In addition,

Democrats have to defend 12 seats versus four for Republicans. Five of the Democratic seats will involve Democratic candidates who have not previously been elected to the office for which they are running.

- In the House, the Democrats would also lose their super majority if they experience a net loss of one seat. There are few swing districts left in hands of Republicans since Democrats took most of them in 2006 and 2008, possibly leaving the Democrats more vulnerable to losses.

Here is the [link](#) to all of the candidates.

## Gubernatorial Candidates

Perennial initiative petitioner Bill Sizemore has added his name to the list of Republican candidates running for Governor. Sizemore was soundly defeated in the 1998 gubernatorial race by Democrat John Kitzhaber -- who has also mounted a gubernatorial campaign. The list of announced Republican candidates also includes Allen Alley and John Lim. Former Portland Trailblazer Chris Dudley is rumored to be considering a run.

For links to all of the gubernatorial candidates or campaigns so far:

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### Republican

Alley: <http://www.allenalley.com/index.php>  
Dudley: <http://www.chrisdudley.com/>  
Sizemore: <http://www.billsizemore.com/index.php>  
Lim: no current site available

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### Democrat

Bradbury: <http://bradbury2010.com/site/>  
Kitzhaber: <http://www.johnkitzhaber.com/>

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The Oregon primary election is May 18, 2010.



## If it came down to a legislative vote - who would win the Civil War?

If you go by the educational information posted by legislators on their websites, and if legislators voted for their alma maters, the Ducks could count on a solid majority in both House and Senate. In the Senate, seven of the 30 senators -- almost a quarter of the body -- claim UO credentials. There are five OSU alums in the Senate (17%). Over in the House, the Ducks hold more than double the seats held by Beavers -- 11 seats (18%) to five (8%). A number of years ago, in response to a similar report on the number of UO and OSU alums in state legislative offices, we received a retort that the Beavers will always be outnumbered in Salem because our graduates are too smart to go into politics. Not so, the OSU alums currently serving in Oregon's legislature are among the best and the brightest...



Photos courtesy of Michael Broschart, an OSU student in Applied Visual Arts, and osubeavers.com.