

**REVENUE:** No revenue impact

**FISCAL:** May have fiscal impact, statement not yet issued

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**Action:** Do Pass as Amended and Be Printed Engrossed and Be Referred to the Joint Committee on Ways and Means by prior reference

**Vote:** 7 - 1 - 1

**Yeas:** Clem, Dallum, Komp, Krummel, Lim, Roblan, Whisnant

**Nays:** Buckley

**Exc.:** Greenlick

**Prepared By:** Derrick Olsen, Administrator

**Meeting Dates:** 3/07 (Subcommittee on Higher Education), 4/30

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**WHAT THE MEASURE DOES:** Defines an eligible child, an Oregon resident, and a qualified parent or guardian. Creates the Oregon 529 College Savings Incentive Program to be administered by the Oregon Student Assistance Commission (OSAC). Upon application by qualified parent/guardian, requires OSAC to transfer \$200 incentive grant to Oregon 529 College Savings Network's individual account for an eligible child if OSAC determines that the qualified parent/guardian has established an Oregon 529 College Savings account on behalf of an eligible child within 12 months of child's birth or adoption. Applies to eligible children born or adopted after January 1, 2008. Appropriates an undetermined amount to OSAC for carrying out the provisions of the program. Declares an emergency; takes effect July 1, 2007.

**ISSUES DISCUSSED:**

- History of Oregon 529 College Savings Network and purpose of college savings program
- Requirement for account to be opened first by parent/guardian of eligible child
- Number of potential eligible children and potential fiscal impact
- Need to create awareness of program to parents of eligible child
- Privacy requirements limiting Oppenheimer Funds, but not Oregon 529 College Savings Network office, from contacting new parents using Vital Records information on registered births/adoptions
- Shared Responsibility Model of financial aid and role of 529 Plan as part of that model
- Importance of fostering savings ethic and whether or not bill will accomplish what it intends to

**EFFECT OF COMMITTEE AMENDMENT:** The amendment replaces the entire text of HB 2790.

**BACKGROUND:** According to the Oregon College Savings Plan "A 529 higher education savings plan provides a flexible, tax-efficient way to save for higher education." An Oregon 529 College Savings Plan account can be established with a minimum deposit of \$250. The money can be used "to pay for education costs at any eligible college, university, technical or graduate school in the U.S., as well as some foreign institutions. The Oregon College Savings Plan, with investments managed by OppenheimerFunds, Inc. . . . offers Oregon residents an easy, affordable way to design and stick with a plan to save for higher education. Oregon residents can deduct up to \$2,000 per year from their Oregon taxable income (\$1,000 if married and filing separately)."