

**REVENUE:** May have revenue impact, statement not yet issued

**FISCAL:** Minimal fiscal impact, no statement issued

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**Action:** Do Pass as Amended and Be Printed Engrossed and Revenue by Prior Reference

**Vote:** 4 - 0 - 1

**Yeas:** George G., Kruse, Verger, Morrisette

**Nays:** 0

**Exc.:** Monnes Anderson

**Prepared By:** Ilana Weinbaum, Administrator

**Meeting Dates:** 4/4, 4/23

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**WHAT THE MEASURE DOES:** Allows social workers, employed by a public body or nonprofit organization providing public assistance to Oregonians for at least six months of the year, to receive a tax credit for interest paid on student loans borrowed to pay for a bachelor's, master's or doctoral degree in social work at an institution accredited by the Council on Social Work Education. Sets limits on credit based on the population of the area in which the qualified person is working, providing a larger benefit to those working in rural settings. Applies to tax years beginning on or after January 1, 2007. Takes effect on 91<sup>st</sup> day following sine die.

**ISSUES DISCUSSED:**

- Low salaries of social workers compared with other professionals with similar education levels
- Reasons to focus credit on social workers in rural areas
- Suggestion that tax credit be extended to other health care professionals
- Vulnerable populations served by social workers
- National shortage of social workers

**EFFECT OF COMMITTEE AMENDMENT:** Adds reference to ORS which defines "public body." Reduces maximum tax credit allowed for all groups. Clarifies that social worker must be working in qualifying employment for at least six months out of the year to qualify for the credit.

**BACKGROUND:** According to the Bureau of Labor Statistics, the median annual income for social workers is \$39,440, which is significantly lower than many other professionals with similar levels of education and training. A survey of the Oregon Chapter of the National Association of Social Workers found that 78% of members borrow or anticipate borrowing more and \$20,000 to pay for their education.