

REVENUE: No revenue impact**FISCAL: Minimal fiscal impact, no statement issued****Action:** Do Pass as Amended and Be Printed Engrossed**Vote:** 5 - 0 - 0**Yeas:** Bonamici, Boquist, George, Monroe, Shields**Nays:** 0**Exc.:** 0**Prepared By:** Patrick Brennan, Administrator**Meeting Dates:** 2/14

WHAT THE MEASURE DOES: Allows State Treasurer to assign a designee to serve on the Oregon 529 College Savings Board in the Treasurer’s stead. Specifies that the State Treasurer is to designate a chairperson for the Board to serve at the pleasure of the State Treasurer. Changes requirement for biennial report from Oregon 529 College Savings Board to Governor and Legislative Assembly to annual report, which may be included as part of Treasurer’s report.

ISSUES DISCUSSED:

- Provides Treasurer flexibility to attend or not attend meetings, based on schedule
- Streamlining of reporting requirements

EFFECT OF COMMITTEE AMENDMENT: Changes biennial report to Governor and Legislative Assembly to annual report; specifies that report may be included in annual report to Governor and Legislative Assembly from State Treasurer.

BACKGROUND: A “529 Plan” is a state-sponsored, tax-advantaged investment vehicle designed to help and encourage families to save for the future higher education expenses of designated beneficiaries. The plans are so named because they are governed by Section 529 of the Internal Revenue Code. Beneficiaries of the plans can attend any eligible educational institution in the United States or abroad. There is no contribution limit, except that no beneficiary’s total accounts may exceed \$310,000. Investment earnings and withdrawals from beneficiary accounts are both state and federally tax-free.

The program is governed by a five-person Oregon 529 College Savings Board, consisting of the following: the State Treasurer, who serves as the Board’s chair; a member of the State Board of Higher Education (selected by that Board); a representative of accredited private colleges and universities located in Oregon (appointed by the State Treasurer); and two public members, both appointed by the State Treasurer.

Senate Bill 16-A authorizes the State Treasurer to attend meetings themselves or to designate an individual to attend meetings of the Oregon 529 College Savings Board in his or her stead. In addition, because current law requires the State Treasurer to serve as the Board’s chairperson, Senate Bill 16-A directs the State Treasurer to designate a chairperson for the Board from among its members; that chair would serve at the pleasure of the State Treasurer. The measure also replaces the required biennial report to the Governor and Legislative Assembly with a required annual report, which may be made as part of the Treasurer’s annual report to the Governor and Legislative Assembly.