



Oregon

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Oregon Student Access Commission

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Testimony for Public Hearing on House Bill 2478 Susan Degen, Administrator, State Grants & Government Affairs

Good morning, Chair Doherty, Vice Chairs Barton and Kennemer, and members of the House Business and Labor Committee. For the record, my name is Susan Degen, and I am the Administrator of State Grants and Government Affairs for the Oregon Student Access Commission (OSAC). I am here today to testify on House Bill 2478. Thank you for the opportunity to speak with you.

The purpose of HB 2478 is to extend the sunset date of the tax credit for payments to qualified employee and dependent scholarship programs from January 1, 2014, to January 1, 2020. The tax credit encourages small Oregon businesses with 4 to 250 employees to create and sustain employer-sponsored scholarship programs. We thank the House Interim Committee on Revenue for advancing this bill for the committee's consideration.

The Oregon Student Access Commission administers more than 450 different scholarship programs, awarding nearly \$16 million to Oregon students in 2011-12. Although these scholarships have a wide variety of eligibility criteria, OSAC has simplified the application process by creating a single electronic application for OSAC, the Oregon Community Foundation, and The Ford Family Foundation programs. More than 12,000 applications were submitted to our scholarship programs last year, and more than 3,000 students were awarded scholarships, making a significant impact on a student's decision to attend college.

Under OSAC's current program, the Oregon tax credit is granted only to employers who participate in an Employer-Sponsored Scholarship program certified by OSAC. The tax credit is equal to 50% of the amount of scholarship awards that each eligible employer has provided or intends to provide during the calendar year for which tax credit is being sought, up to the employer's tax liability or \$50,000. An employer's lifetime amount may not exceed \$1 million, and the total for all tax credits administered by OSAC may not exceed \$1 million annually. Unused tax credits may be carried forward for five succeeding tax years. Once the scholarship program has been created and scholarships have been awarded for the year, OSAC works with the employer and the Department of Revenue to certify the tax credit.

Now that Oregon's economic recovery is beginning to take hold, OSAC hopes to devote some of its outreach efforts to qualifying businesses to build awareness of this opportunity. Extending the sunset date would allow the program to continue and hopefully expand its current reach of a limited number of program participants. OSAC has only recently been able to hire a part-time outreach employee dedicated to helping expand our current portfolio of scholarship awards by encouraging the private sector to support and expand scholarship programs. This bill will help OSAC attract businesses as potential investors in our next generation.

Thank you for the opportunity to speak with you today. I look forward to answering your questions.

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