



HB 2582 Requests \$20 M from General Fund to establish University Research Fighting Fund
Testimony for House Higher Education and Workforce Development

Edith Rusch for Tax Fairness Oregon 3.14.2017

HB 2582 is similar to many requests legislators are facing during this session: a seemingly good idea that promises revenue-producing results. Every fiber of my academic being wants to be supportive of this bill. I know from personal/professional experience that academic research is a proven engine for state efforts to grow the economy, solve social problems, and to improve the educational experience. But considering the \$1.67 billion shortfall, Tax Fairness Oregon has no idea where this spare \$20 million dollars is hiding. We ask you to consider the following:

- HB 2582 states that qualifying grants under this bill would “contribute to the economic development and commercialization of products or ideas”, language that mimics that of the **University Venture Development Fund** that “transform[s] research and development concepts into commercially viable products and services”. Although 2582 is targeted at grant acquisition, we suggest that the Venture Development Fund is the mechanism that should be used for “providing additional moneys from private industry, state, or other sources”. Currently the money earned from Venture Development goes to the General Fund; we suggest those monies be recycled to support grant acquisition.

- The Oregonian reported that higher education officials want \$100 million more than Governor Brown’s budget in order to minimize tuition increases. So do they actually want \$120 million more or should the \$20 million be subtracted from Brown’s \$767.3 million appropriation? Can we assume that the cost of this measure would also mean tuition increases? Frankly, Tax Fairness Oregon does not understand how this request fits into Oregon’s \$1.67B, budget shortfall

Oregon’s higher education system deserves more support. Bills like HB 2582 are another reminder of Measure 5’s effects on the funding of Oregon’s fundamental needs. Tax Fairness Oregon believes that until Oregon has a fundamentally fair and adequate revenue stream that can support the basic needs of its citizens (quality K-20 education; health and social services that supports a basic quality of life; adequate transportation; affordable & future oriented job/skill training) measures like HB 2582 should remain on a wish list.

We read the bills and follow the money.