



**Testimony on Senate Bill 1528**  
Senate Finance and Revenue Committee  
February 6, 2018

Chair Hass, Vice-Chair Boquist, and members of the Committee. My name is Kyle Thomas and I am the Director of Legislative and Policy Affairs for the Higher Education Coordinating Commission. Thank you for the opportunity to submit testimony on Senate Bill 1528.

Senate Bill 1528 would allow the Higher Education Coordinating Commission, in collaboration with the Department of Revenue, to operate a tax credit auction similar to that which funds the work of the Oregon Film and Video Office, with the goal of generating \$14m annually for the Oregon Opportunity Grant, the state's need-based financial aid program for resident Oregon students.

The Opportunity Grant is the state's need-based financial aid program, dispensing over \$64 million dollars in grant aid in the form of grants of up to \$2,250 to individual students who demonstrate financial need. The addition of approximately \$14m dollars to the Opportunity Grant fund will allow the Commission to award thousands more students, and because of the way state grant programs are structured, will also increase the number of students that can receive the Oregon Promise Grant. Alternatively, the Commission may utilize a portion of the new funding to increase the cap on the per-student grant amount.

Because tax auction proceeds are a variable revenue stream, and because the Opportunity Grant is currently funded in part by interest from the earnings from the Education Stability Fund, also a variable revenue stream, the Commission would be conservative in awarding students initially, withholding some dollars to ensure funding would be available in the following year to serve current award recipients and new award recipients in the event that revenue does not materialize in a subsequent year. The nature of the Fund established in the bill, which is continually appropriated to HECC, allows for this initially conservative approach.

The Commission has recommended a few minor amendments to the legislation and hope the committee would consider them. Specifically, HECC recommended amendments that would:

- Simplify the agency rulemaking responsibility under the bill
- Allow the first auction to occur this year, so awards to students can begin in fall 2019
- Allowing the Commission to retain the actual cost of its responsibilities related to the tax credit auction

Thank you for your time today.