

Submitter: Bill Knight
On Behalf Of:
Committee: House Committee On Revenue
Measure, Appointment or Topic: SB1507

Co-Chairs and members of the committee,

My name is Bill Knight. I am an Associate Professor of English and the President of the PSU-AAUP. I represent the faculty and academic professionals at Portland State University. I am testifying because my university is dismantling itself. Portland State University is currently preparing to lay off over 200 faculty and staff and eliminate dozens of academic programs. The Administration justifies these cuts by pointing to a 'General Fund Squeeze' created by federal instability. They argue that because Washington D.C. may erode the tax base or cut social services, Oregon must preemptively starve its own public institutions. This logic accepts federal chaos as a local mandate. You have the power to reject that premise. Decoupling is a Matter of State Sovereignty. Oregon's tax code currently connects to federal definitions of income. When the federal government enacts tax cuts for corporations—specifically the provisions in H.R. 1—Oregon automatically imports those losses. This mechanism allows federal policymakers to dictate the solvency of Oregon's schools and services. We must decouple the state budget from the federal agenda. SB 1507 provides the necessary shield. Disconnection from federal 'Bonus Depreciation' rules is a specific, material choice between funding machinery and funding people. Currently, the state allows corporations to immediately write off the cost of new equipment, following federal schedules. This tax expenditure costs the state approximately \$267 million. That sum alone exceeds the deficit driving the cuts at Portland State University.

By passing SB 1507, you prioritize the stability of the state's workforce over tax incentives for capital assets. The university that trains Oregon's social workers, engineers, and teachers requires that revenue to function. I also urge you to advance HB 4014 to close loopholes regarding Opportunity Zones. These provisions reward investors for moving capital rather than building community wealth. They extract value from the state's tax base without providing a commensurate return to the public. The legislature has the authority to secure the state's revenue against federal interference. The 'General Fund Squeeze' is a policy outcome, not an economic inevitability. The money to sustain our public institutions exists. It is currently allocated to tax breaks for depreciation and passive investment. We ask that you redirect those resources to the institutions that build this state. On behalf of the faculty of Portland State, I urge you to pass SB 1507 and HB 4014. Thank you.