June 22, 2017

Government Relations

Lois Davis, Vice President for Public Affairs and Chief of Staff

Federal Update

Budget Congress recently passed a budget for FY 17 that ends September 30, 2017. This includes some good news for higher education. The budget will continue to fund programs that assist our most needy students such as funding for federal work study and the reinstatement of year round Pell Grants. This budget also maintains funding for key federal research agencies and increases funding for NIH. Additionally, the President released his detailed FY 18 Proposed Budget that serves as a political document and a statement of the administration’s values. Unlike the budget that Congress passed for FY 17, proposed cuts target education and other non-defense discretionary programs in order to increase defense spending. For example, the proposed FY 18 budget eliminates the Federal Supplemental Educational Opportunity Grant, reduces funding to Federal Work Study, cuts an additional $3.9 Billion from the Pell Grant Surplus, and changes the loan repayment plan. Federal subsidized student loans, Perkins Loans and the Public Service Loan Forgiveness program for new borrowers were also eliminated in the President’s budget. We continue to work with our federal delegation to provide information about how this proposed budget would affect the diverse student body at PSU.

Federal Delegation at PSU

In recognition of his many years of service to Oregon and PSU, Congressman Earl Blumenauer will receive the Doctor of Humane Letters, Honoris Causa, during the 2017 Commencement Ceremony for the College of Liberal Arts and Sciences.

State Update

Legislature

The Oregon Legislature continues to meet in a slow and tense session. There is significant strain between the two parties about how to balance cost controls and the need for additional revenue. In response to the upcoming deadline for the 2017 session the seven public university presidents sent a letter urging the Governor and legislature to “carefully consider and agree upon a path forward for the future, making the difficult, but necessary choices to raise revenue to invest in higher education while curbing unsustainable costs at the same time”.

Revenue Forecast

On May 16, the state released the most recent quarterly revenue forecast. This forecast indicated that while still growing, Oregon’s economy is slowing down. The forecast also showed that the 2015-17 biennium revenues are likely to exceed the 2% kicker threshold by approximately $69 million. This will result in approximately $400 million in revenues received that will need to be refunded to Oregon taxpayers. Given the forecast for the current biennium, legislators will need to set aside some $400 million for the kicker, while developing a state budget that still faces a $1.4 billion shortfall.
Local Update

Regional Transportation

PSU will be a key partner and voice in the conversation taking shape to advise the Central City Multimodal Project. The City and Metro will make an $8 million investment in active transportation infrastructure. PSU has been collaborating with the Portland Bureau of Transportation to discuss the vision for this project. PSU is the single largest source of trips to and from the Central City and the proposed new bicycle, pedestrian, and transit improvements will have a profound impact on our campus.