



April 1, 2015

Senator Mark Hass, Chair
Senate Finance and Revenue Committee
900 Court St. NE
Salem, Oregon 97301

Re: SB 129

Dear Senator Hass;

We are pleased to support the -1 amendments to SB 129 which revise the current Strategic Investment Program/Gainshare revenue transfer arrangement to provide critical funding to support the Statewide Public Service Programs at Oregon State University. These programs provide needed economic, environmental and community benefits in counties across Oregon. The current SIP/Gainshare program enables the transfer of income tax revenues from the state to local governments to compensate for foregone local property tax revenues that create demonstrated business investments and increased employment.

For counties that exceed a specified threshold in generating state income tax revenues, SB 129 would designate 15% of the income tax revenues attributed to local property tax incentives to the Statewide Public Service Programs at Oregon State University. These programs include the Extension Service, Agricultural Experiment Station and Forest Research Laboratory. The proposal will help to reverse over 15 years of stagnant state funding for these programs which without question provide significant local and statewide benefits across the entire state.

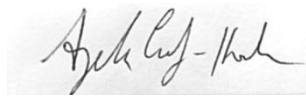
Over the last 18 months, a unique coalition of environmental, conservation, natural resource, forestry, agricultural, and business entities have been working on a collaborative effort to increase state funding for these programs which leverage over \$200 million in federal, local, and industry funding each biennium. It is worthy to note that one of the first actions taken by the newly-created OSU Board of Trustees was the adoption of a funding request seeking a \$16 million increase in state investments to redress a decade of flat funding for the Statewides.

We appreciate the foresight of those who saw Gainshare as a potential way of fostering the economic development and environmental sustainability for rural and urban Oregon. We have attached a letter from the broad and diverse coalition supporting increased state investments in the OSU Statewides. In addition, we have provided a description of the programs. OSU can provide explicit information regarding the over 40 positions across Oregon that would be supported by the original \$16 million request.

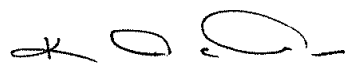
In supporting SB 129 we wish to affirm that the revenue transfers enabled by the bill are fully intended to supplement, not supplant, the current \$101 million base level of general fund investments that support the OSU Statewides. While we understand that one legislature cannot commit future legislators to future spending levels, we are hopeful that the Legislative Assembly will not reduce or retain future general fund support for the OSU Statewides as a result of the commitment of this unique funding source. (Unfortunately the past provides a number of examples where newly designated funding sources rationalized a withdrawal of state investments in much needed programs.) We also wish to note that fully funding all of the programs identified in the OSU Statewides funding request will require an additional \$1.75 million in general fund resources.

We deeply appreciate the consideration and importance that SB 129 emplaces on the OSU Statewide Public Service Programs. We look forward to working with the Finance and Revenue Committee and the Joint Ways & Means Committee to secure these much needed funds in a fashion that will sustain the long term operations of the Extension Service, Agricultural Experiment Station and Forest Research Laboratory.

Sincerely,



Angela Crowley-Koch
Oregon Environmental Council



Kristina McNitt
Oregon Forest Industry Council



Katie Fast
Oregon Farm Bureau



Ivan Maluski
Friends of Family Farmers

Attachments:

Letter of Support
OSU Statewide Programmatic Increase

cc: Senator Herman Baertschiger
Senator Brian Boquist
Senator Chris Edwards
Senator Mark Hass
Senator Chuck Riley
Paul Warner