

**REVENUE IMPACT OF
PROPOSED LEGISLATION
75th Oregon Legislative Assembly
2009 Regular Session
Legislative Revenue Office**

Bill Number: SB 496A
Revenue Area: State Finance
Economist: Paul Warner
Date: 3-26-09

Measure Description:

Specifies that declared earnings from the Oregon Growth Account are deposited in the Education Stability Fund rather than the Commercialized Research Fund. Both The Oregon Growth Account and the Commercialized Research Fund are sub-accounts within the Education Stability Fund. Reduces dedication of Education Stability Fund revenue to the Oregon Growth Account from 10% to 5%. The reduced diversion begins 7-1-09 and continues through 6-30-13. At that point the 10% diversion to the Oregon Growth Account is restored under the bill.

Revenue Impact (\$Millions):

	Fiscal Year		Biennium		
	2009-10	2010-11	2009-11	2011-2013	2013-2015
Education Stability Fund— General Account + Sub- accounts	\$0	\$0	\$0	\$0	\$0
Education Stability Fund— General Account	+\$22.6	+5.1	+\$27.7	+9.8	\$0
Oregon Growth Account	-\$4.6	-\$5.1	-\$9.7	-\$9.8	\$0
Commercialized Research Fund Sub-Account	-\$18	\$0	-\$18	\$0	\$0

Impact Explanation:

Declared earnings are based on statement issued by State Treasurer on 3-4-09. Under current law these earnings would flow to the Commercialized Research Fund. If SB 496 becomes law, the earnings will flow to the general Education Stability Fund account. If SB 496 becomes law prior to 7-1-09 and the earnings are officially “declared” by the Treasurer the \$18 million would go to the general Education Stability Fund in the 2007-09 biennium.

The projected reductions in the Oregon Growth Account due to the lower diversion rate in the bill are based on the March 2009 forecast. The current forecast is based on the overall education Stability Fund hitting its 5% of General Fund revenue cap during the 2009-11 biennium. At that point, the dedication of Lottery earnings to the overall Education Stability Fund drops from 18% to 15% and revenue above the cap goes into the School Capital Matching Account. If the Legislature withdraws revenue from the Education Stability Fund to prevent the cap from being reached, the reduced Oregon Growth Account diversion would be \$10.2 million (instead of \$9.7 million) in 2009-11 and \$11.2 million (instead of \$9.8 million) in 2011-13. The general Education Stability Fund would be increased by the same amount.

Creates, Extends, or Expands Tax Expenditure: No

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