



rate amount used in the Governor's budget was calculated using 10 year average returns earned by the Oregon Short Term Fund (OSTF), which is 3.8% -3.9%. The Department of Higher Education is concerned that in the current financial environment the OSTF may not achieve these average returns. Using a two-year projection of expected OSTF returns of 1.86% provided by the State Treasurer, the Department estimates that the General Fund revenue reduction would be closer to \$7 million for 2009-11, with a corresponding increase in Other Funds revenue to the DHED of \$7 million.