

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

Bill Number:	HB 2208-A
Area:	Interest Income
Economist:	Mazen Malik
Date:	2/12/2009

Measure Description:

Consolidates most funds and accounts of Department of Higher Education into a newly created Oregon University System Fund and Oregon University System Appropriation Fund. Allows Oregon University System to retain accrued interest, which currently goes into the general fund.

Revenue Impact:

The estimates for the account balances in the higher-education fund are based on the historical average of several accounts. The expected interest amounts are an estimate of earnings on average balances. However, the amount of net revenue to the state will likely be zero (as of this time). This is a result of an offset to a general fund loss (it will not be receiving interest income) with an equivalent gain to the other (university system) funds amount. Moreover, the total fund shift will be further estimated as the ways and means process develops more detail and looks deeper into the different funding sources and the rest of the fund shifts.

Impact Explanation:

Interest income of many of the accounts that are considered general fund, accrues back to the general fund. This measure changes the accrual process and suggests that it is kept in the respective University System account.