



STATE OF OREGON
Legislative Counsel Committee

April 5, 2011

To: Paul Warner, Legislative Revenue Officer
From: Ted Reutlinger, Chief Deputy Legislative Counsel
Subject: Senate Joint Resolution 26—Stability Package

You asked for amendments to Senate Joint Resolution 26 and Senate Bills 754 and 968. Both the Senate bills are contingent on the passage of Senate Joint Resolution 26. Therefore, each Senate bill is drafted to stand on its own and provide all of the necessary statutory implementation if Senate Joint Resolution 26 is approved by the people and becomes law. This means that the Senate bills contain several duplicative provisions.

Please also consider the following:

Senate Joint Resolution 26

1. To accommodate the higher education subaccounts in Senate Bill 754, I added references to subaccounts in the Emergency Reserve Fund in sections 14 (3) and 15 (1) and (3).
2. The one percent ending balance deposit is included in section 15 (5).
3. The 14 percent cap is added in section 15 (6) and (7). Note that I added language to accommodate deposits into the Emergency Reserve Fund that are scheduled under any provision of law. This is intended to accommodate deposits into the Higher Education Stability Subaccount required under Senate Bill 754 and deposits of unappropriated amounts under Senate Bill 968.
4. The amendment to the corporate kicker language in section 14 (3) is intended to allow deposit in the Higher Education Stability Subaccount required under Senate Bill 754.

Senate Bill 968

1. The amendments are intended to do two things: First, the amendments require the savings of General Fund revenues. Section 1 contains the same language from section 1 of printed Senate Bill 968. Second, the amendments make the other statutory changes necessary to implement SJR 26 if it becomes law. For example, the amendments revise the kicker statute (ORS 291.349) to reflect the changes in the Oregon Constitution made by SJR 26 and revise other statutes to reflect the change in the corporate kicker. Finally, the amendments repeal the statutory provisions relating to the Oregon Rainy Day Fund.
2. Note that in section 3 I've added language that will repeal section 2 of the amendments if Senate Bill 754, as amended, becomes law. Section 3 of the Senate Bill 754 amendments specifically directs the corporate kicker revenues to the Higher Education

Stability Subaccount in the Emergency Reserve Fund and should prevail if all three measures become law.

3. Please check the applicability dates in section 8.

Senate Bill 754

1. The amendments are intended to do two things: First, the amendments set up the Higher Education Stability Subaccount in the Emergency Reserve Fund and the Higher Education Capital Improvement and Maintenance Subaccount within the Higher Education Stability Subaccount (a subaccount within a subaccount). Second, the amendments make the other statutory changes necessary to implement SJR 26 if it becomes law. These are the same changes made in the Senate Bill 968 amendments. For example, the amendments revise the kicker statute (ORS 291.349) to reflect the changes in the Oregon Constitution made by SJR 26 and revise other statutes to reflect the change in the corporate kicker. Finally, the amendments repeal the statutory provisions relating to the Oregon Rainy Day Fund.
2. Section 1 establishes the Higher Education Stability Subaccount in the Emergency Reserve Fund. Since the Higher Education Stability Subaccount is a subaccount of the Emergency Reserve Fund, section 1 retains all the triggers for appropriations from the subaccount. I did not include the two-thirds withdrawal limit since that will apply generally to withdrawals from the subaccount (since it is part of the Emergency Reserve Fund).
3. Section 2 establishes the Higher Education Capital Improvement and Maintenance Subaccount within the Higher Education Stability Subaccount. Money flows to this subaccount when the amount in the Higher Education Stability Subaccount equals 15 percent of the amount of General Fund appropriations for the prior biennium. Note that the overall 14 percent cap on the Emergency Reserve Fund established by SJR 26 will apply to moneys in both subaccounts.
4. Section 3 precisely directs the corporate kicker moneys to the Higher Education Stability Subaccount and not just to the Emergency Reserve Fund (as in the Senate Bill 968 amendments).
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