

**76TH OREGON LEGISLATIVE ASSEMBLY 2011 Regular Session
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE**

**MEASURE: SB 754 A
CARRIER: Sen. Hass**

REVENUE: No Revenue Impact

FISCAL: Fiscal Impact Issued

Action: Do Pass with Amendments and Requesting subsequent referral to Rules be Rescinded, and be printed Engrossed

Vote: 4-0-0

Yeas: Hass, Morse, Telfer, Burdick

Nays: 0

Exc.: 0

Prepared By: Paul Warner, Economist

Meeting Dates: 4/6, 4/18, 5/4

WHAT THE BILL DOES: Becomes effective with voter approval of SJR 26. Establishes Higher Education Stability Subaccount within constitutional Emergency Reserve Fund (established by SJR 26). Withdrawals from the subaccount are limited to expenditures on higher education and community colleges. Constitutional triggers must be met for withdrawals from the subaccount. Establishes Higher Education Capital Improvement and Maintenance subaccount within the Higher Education Stability Subaccount. Funds flow into the capital subaccount when funds in overall subaccount reach 15% of General Fund appropriations for higher education and community colleges in the prior biennium. Higher Education Stability Subaccount receives all revenue derived from 2 surplus corporate kicker calculation specified in SJR 26. Subaccount retains interest earnings associated with balances in subaccount.

ISSUES DISCUSSED:

- Impact of property tax initiatives on higher education spending.
- Links between corporate income tax revenue and quality work force.
- Comparisons with Education Stability Fund

EFFECT OF COMMITTEE AMENDMENTS: Replaces bill.

BACKGROUND: In 2002 voters established the Education Stability Fund. Withdrawals from the fund can be used for general education purposes but historically the fund has been used for K-12.