

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	8 - 0 - 1
Yeas:	Gallegos, Gorsek, Greenlick, Harker, Huffman, Johnson, Whisnant, Dembrow
Nays:	0
Exc.:	Gilliam
Prepared By:	Victoria Cox, Administrator
Meeting Dates:	2/6

WHAT THE MEASURE DOES: Eliminates loan of university funds by Department of State Lands.

ISSUES DISCUSSED:

- Interest currently generated by funds
- Statutory limitations on use of interest distributed to universities
- Support of universities affected

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Under current statutes, the Department of State Lands is required to loan moneys in accounts established by federal law for Oregon State University and the University of Oregon and to pay interest generated by such loans to the State Board of Higher Education. Since the accounts are not adequate to support a loan program, loans have not been made for decades.

House Bill 2033 repeals the statutory requirement for loans to be made from these funds. Interest produced through investment of the funds will continue to be distributed to the universities.