**LEGISLATIVE CONCEPT**  
Agency No./Concept No. 580/07

Date 4/15/2004

- Attach a Fiscal Impact Estimate.
- Attach draft language.
- Deliver *original and five copies* including draft language and attachments to the Department of Administrative Services, 155 Cottage Street NE, Salem OR 97301-3965 *on or before April 15, 2004.*

Agency *Oregon University System*

Division/Program *State Board of Higher Education*

Concept Subject/Title Retention of interest earned on auxiliary enterprise funds

Contact Person Lisa Zavala  
Phone No. 503-373-7490

- **BRIEF DESCRIPTION OF THIS CONCEPT:**
  "Allows the Oregon University System (OUS) to retain interest earned on auxiliary functions (primarily dormitory/housing) for use in support of these functions."

- **PURPOSE OF THIS CONCEPT (DESCRIBE PROBLEM YOU ARE TRYING TO SOLVE AND SUGGESTED SOLUTION):**

  OUS student housing needs to be updated to meet student needs so that OUS can maintain occupancy rates. Currently much of the student housing on OUS campuses reflects the expectations and needs of students from a generation ago. OUS receives no state appropriation for housing; therefore, housing must support all of its needs from occupancy revenue. Housing must deposit current operating funds in accounts with the State Treasurer. Interest earned on those accounts is retained by the state. Interest earned on current operating funds could help support construction, renovation, or deferred maintenance. Housing funds deposited for other purposes, i.e., reserves and debt service, currently earn interest. See ORS 351.545 and 351.615.

- **POLICY IMPLICATIONS:**

  Would allow revenue generated from occupant payments and held for current expenses to be credited to the benefit of OUS rather than State use for non-higher education expenses.

- **PARTNERS OR OTHER AGENCIES AFFECTED:**

  **Agency:**
  **Person you talked to about concept:**
  **Phone:**

  To be determined.

- **KNOWN SUPPORT**
  OUS INSTITUTIONS

- **KNOWN OPPOSITION:**
  UNKNOWN AT THIS TIME.
THIS CONCEPT: (Do not skip answers. Enter none or N/A as needed.)

Revises or repeals ORS to be determined

Adds new sections to ORS Chapter to be determined

Check one: X Major program change    □ Minor program change    □ Technical correction/housekeeping only

Was previously proposed in: Year n/a as Bill No.n/a

Why are you proposing it again (what changed)?

Is a PLACEHOLDER? No □ Yes X  Expected date of completion: 7/1/2004

Reason not completed: work progressing through OUS Board

Is due to legal decision: Case cite: n/a or AGO No./date n/a (attach copy)

Raises fees or assessments? No X Yes □ (attach Fiscal Impact Estimate)

Imposes or adds to unfunded mandate on local governments? No X Yes □ (attach Fiscal Impact Estimate)

Has other fiscal or position impacts? No □ Yes X (attach Fiscal Impact Estimate)

APPROVED FOR DRAFTING

Department of Administrative Services  Date  Governor’s Office Date