



Oregon

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Department of State Lands

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**TESTIMONY
OF
CYNTHIA WICKHAM
ASSISTANT DIRECTOR
DEPARTMENT OF STATE LANDS
On House Bill 2033
Before the Senate Education and Workforce
Development Committee
March 14, 2013**

State Land Board

John A. Kitzhaber, MD

Governor

Kate Brown

Secretary of State

Ted Wheeler

State Treasurer

Thank you for the opportunity to testify today in support of House Bill 2033 that proposes to eliminate loans of university funds by the Department of State Lands.

There are two funds consisting of proceeds from the sale of lands for public universities that were donated or granted to the state by Acts of Congress. Only the interest earnings of the funds may be expended and then only for specific uses.

Currently the law requires the Department of State Lands to loan the funds and pay the interest on the loans to the State Board of Higher Education. The fund balance for the University of Oregon is \$109,877 and the balance of Oregon State University's fund is \$326,542. Neither fund is large enough to support a loan program, consequently the Department has not loaned money from either fund for years. The funds are presently in accounts held at Treasury and the interest is transferred directly to the University System.

House Bill 2033 repeals only the sections of ORS Chapter 352 that require the Department to loan the moneys and pay the interest received on the loans to Higher Education. It does not change the accounts or the designated use of the earnings.

Thank you again.

