

REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly
2007 Regular Session
Legislative Revenue Office

Bill Number:	SB 5516 B
Revenue Area:	Bonding & Debt
Economist:	Mazen Malik
Date:	06/24/2007

Measure Description:

Appropriates moneys from General Fund to Department of Higher Education for capital construction. Limits for six-year period beginning July 1, 2007, payment of expenses from bond proceeds and other revenues, including federal funds, collected or received by Department of Higher Education for capital construction within Department of Higher Education and by Department of Community Colleges and Workforce Development for capital construction at community colleges. Establishes accounts related to issuance of general obligation bonds under Article XI-G of Oregon Constitution.

Revenue Impact:

The impact of bonding will be a revenue increase from bond proceeds, and a negative related to debt service payments. Total bonds for this capital construction bill are \$573 million. For these bonds, slightly more than \$90 million in total debt service occurs in a fully phased biennium. Payments will continue over 10 biennia.

Impact Explanation:

The bonds for the higher education capital construction is specified by the project type coat and location. However, the bonds are allowed for 6 years, which allows for much flexibility on timing and management. When the Ways and Means Committee changed the make up of the bonds, it reduced the general fund and lottery fund bonds to \$219 million with debt service payments of about \$35 million a biennium. The total capital construction authority for the 07-09 are as follows:

			2007-09
SB 5516 A	Higher Ed	XI-G Bonds	\$ 117,583,535
		XI-F Bonds	\$ 159,683,401
		Lottery Bonds	\$ 50,000,000
		Energy Loans	\$ 37,605,000
		COP	\$ 11,000,000
		Other revenue	\$ 157,143,042
	Total	\$ 533,014,978	
Community Colleges		XI-G Bonds	\$ 40,040,500
	Grand Total		\$ 573,055,478

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