

SENATE AMENDMENTS TO SENATE BILL 5516

By COMMITTEE ON FINANCE AND REVENUE

April 17

1 On page 1 of the printed bill, after line 4, insert:

2 “Whereas an effective long-term capital investment program is critical to the state’s overall
3 economic success; and

4 “Whereas to achieve the optimal level of investment the state must weigh the benefits of a more
5 productive state government and overall labor force resulting from additional capital with the risks
6 of higher debt levels and the impact of debt service payments on the state’s operating budget; and

7 “Whereas the Legislative Assembly recommends that projects that leverage private investment
8 and encourage overall economic development be given higher priority; and

9 “Whereas when setting the state’s overall debt capacity level, the risks to future revenue
10 streams must be properly considered; and

11 “Whereas for debt supported by the General Fund, the Legislative Assembly recommends that
12 debt service payments not exceed five percent of projected General Fund revenue, and in order to
13 account for the historic volatility of Oregon’s General Fund revenue stream, the Legislative As-
14 sembly recommends that, for purposes of calculating the General Fund debt capacity, 90 percent of
15 the most recent General Fund revenue forecast be used, which for the 2007-2009 biennium is a
16 General Fund supported debt capacity level of \$658,206,000; and

17 “Whereas for purposes of determining overall debt supported by the State Lottery, the Legisla-
18 tive Assembly recommends that projected lottery revenue exceed debt service payments by no less
19 than four times the amount of those payments; and

20 “Whereas to account for long-term structural risks to future lottery revenue, the Legislative
21 Assembly recommends that, for purposes of calculating lottery debt capacity, 75 percent of the most
22 recent lottery projection be used, which for the 2007-2009 biennium is a lottery supported debt of
23 no more than \$342,875,000; and

24 “Whereas the state’s capital investment program would be enhanced by the systematic develop-
25 ment of a long-term strategic capital budget plan; now, therefore,”.

26