

76TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE

MEASURE: SB 115-2
CARRIER:

REVENUE: NO
FISCAL: May have.

PRELIMINARY

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Mazen Malik, Economist

Meeting Dates: Feb-16, April-4

WHAT THE BILL DOES: Modifies statutory basis for Oregon University System to cause issuance of higher education revenue bonds. Establishes Higher Education Revenue Bond Project Fund, Higher Education Revenue Bond Fund and Higher Education Revenue Bond Administration Fund. Continuously appropriates moneys in funds to Oregon University System to finance projects, to refund bonds issued for projects and to pay bond-related costs.

ISSUES DISCUSSED:

- Ballot Measures and referendum.
- Need for risk assessment and first lean requirements.
- Language to fix these requirements.
- University system and the treasure working to find suitable solutions.
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EFFECT OF COMMITTEE AMENDMENTS: confirms the higher precedence of the XI-F and XI-G for the education revenues, and realigns the structure of the accounts.

BACKGROUND:

OUS is requesting the authorization of a revenue bond program as an important new tool for their debt management with slight flexibility from the state's debt obligations. An OUS revenue bond program would provide added financing flexibility in the event the State's General Obligation Bond capacity or authorization is limited. Revenue bonds would not impact the State's General Obligation Bond capacity and would provide low cost and accessible funding for OUS. Revenue bonds may provide more financing flexibility than the General Obligation Bonds available to OUS, which are subject to stricter Constitutional uses. This may be most helpful as OUS explores opportunities in complex projects with multiple partners and/or multiple uses for the facilities.