

**76th OREGON LEGISLATIVE ASSEMBLY – 2012 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5202-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Beyer
Carrier – Senate: Sen. Nelson**

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 24 – 0 – 1

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, McLane, Nathanson, Nolan, Read, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc:

Senate – Yeas: Bates, Devlin, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays:
– Exc: Edwards

Prepared By: Jack Kenny and Bill McGee, Department of Administrative Services

Reviewed By: Daron Hill and Paul Siebert, Legislative Fiscal Office

Meeting Date: March 5, 2012

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Capital Construction – various agencies	---	---	2011-13
Capital Construction – Department of Aviation	---	---	2007-09

Budget Summary

	2011-13 Legislatively Approved Budget	2011-13 2012 Session	2012 Session Adjustments
General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	13,180,000	33,134,668	19,954,668
Other Funds	361,124,906	464,571,441	103,446,535
Total Funds	\$ 374,304,906	\$ 497,706,109	\$ 123,401,203

	2007-09 Legislatively Approved Budget	2011-13 2012 Session	2012 Session Adjustments
General Fund	\$ 29,256,500	\$ 29,256,500	\$ 0
Federal Funds	98,722,025	100,907,025	2,185,000
Other Funds	1,347,911,836	1,348,026,836	115,000
Total Funds	\$ 1,475,890,361	\$ 1,478,190,361	\$ 2,300,000

Summary of Revenue Changes

State Agencies

Other Fund revenues are from proceeds from the issuance of lottery bonds; aircraft registration fees assessed in accordance with ORS 837.045; and state gasoline tax and driver and vehicle related fees, and certain local government contributions. Federal Funds are anticipated from the U.S. Veterans Administration, the US Department of Justice's Integrated Wireless Network grant program, the Federal Aviation Administration's General Entitlement Program, and Airport Improvement Program.

Oregon University System

Funding for the Oregon University System capital construction projects includes Article XI-F (1) bonds. Student unions, dormitories, parking structures, and similar projects are generally financed from auxiliary enterprise balances and the proceeds of Article XI-F (1) bonds. Debt service on these bonds is paid with revenues generated by the facility and other campus revenues.

Summary of Capital Construction Committee Action

Oregon University System

This bill establishes expenditure limitations for capital construction projects for two universities operated by the Oregon University System: Oregon State University (OSU) and Western Oregon University (WOU).

The Committee approved a budget of \$81.9 million Other Funds for 4 projects, all funded with Article XI-F (1) general obligation bonds. Debt service on the bonds will be paid with student fees, housing and dining revenues, and other campus funds.

Oregon State University

The Committee approved the following 3 projects, totaling \$80.9 million total funds.

- Student Experience Center: approved \$42,700,000 Other Funds (Article XI-F (1) bonds) to construct a new building to house student organizations and accommodate student events, replacing the Memorial Union/Snell Hall facility. Expenditure of bond proceeds for furnishings, fixtures, and equipment was not approved, reducing incurred debt by \$900,000. Debt service will be paid with increased student incidental fees approved by a student referendum in 2010.
- Memorial Union Renovation: approved \$9,177,500 Other Funds (Article XI-F (1) bonds) to renovate space currently occupied by the OSU Bookstore. Expenditure of bond proceeds for furnishings, fixtures, and equipment was not approved, reducing incurred debt by \$400,000. Debt service will be paid with increased student incidental fees approved by a student referendum in 2010.
- New Residence Hall: approved \$29,000,000 Other Funds (Article XI-F (1) bonds) to construct a new 150 student residence hall. Expenditure of bond proceeds for furnishings, fixtures, and equipment was not approved reducing incurred debt by \$1,000,000. Debt service will be paid with housing and dining revenues.

Western Oregon University

The Committee approved the following project, totaling \$1 million total funds.

- Natural Sciences Laboratory Annex: approved \$1,000,000 Other Funds (Article XI-F (1) bonds) to supplement \$7.2 million in Lottery Bonds and \$2.5 million in Other Revenues for construction of a new natural science teaching laboratory. Debt service on the bonds will be paid with campus revenues.

Department of Community Colleges and Workforce Development

The Committee approved \$9,604,450 in Other Funds (Lottery Bonds) for projects at all 17 community colleges. Projects support various Career Technical Education (CTE) and Science, Technology, Engineering, and Mathematics (STEM) programs at the colleges. The lottery bonds to fund these projects cannot be issued if the State Treasurer, after considering a report from the State Debt Policy Advisory Commission (SDPAC) on lottery-backed debt capacity, determines that lottery-backed debt capacity is not sufficient to support issuance of the bonds. The SDPAC report is to be received no later than February 1, 2013. The Department of Administrative Services is requested to unschedule the \$9,604,450 capital construction expenditure limitation for the 17 community college projects until the bonds are sold. Debt service on the bonds would be paid with Lottery Funds.

Blue Mountain Community College: \$465,037 Other Funds (Lottery Bonds) to add a veterinary examination room to an existing animal science building and construct an adjacent building with a general purpose classroom and animal science wet laboratory to support a veterinary assistant certificate program.

Central Oregon Community College: \$500,000 Other Funds (Lottery Bonds) to renovate and expand the mathematics and science laboratory on the Redmond campus.

Chemeketa Community College: \$1,000,000 Other Funds (Lottery Bonds) to contribute towards the purchase of equipment to support the machining program and renovation of part of Building 4 for the visual communications, drafting and civil technologies, and engineering programs.

Clackamas Community College: \$800,000 Other Funds (Lottery Bonds) to upgrade and purchase equipment and improve facilities to support industrial technology and science programs.

Clatsop Community College: \$281,785 Other Funds (Lottery Bonds) to purchase equipment and upgrade a ventilation system in an existing building in support of the welding and fabrication certificate program.

Columbia Gorge Community College: \$297,193 Other Funds (Lottery Bonds) to replace and upgrade equipment for the nursing program.

Klamath Community College: \$300,000 Other Funds (Lottery Bonds) to expand Building 2 to add kitchens, a dining room, and related space to support the Culinary Arts program and provide faculty office space.

Lane Community College: \$1,000,000 Other Funds (Lottery Bonds) to add four classrooms to Building 18 for science, technology, engineering, and mathematics (STEM) classes.

Linn-Benton Community College: \$800,000 Other Funds (Lottery Bonds) to construct or renovate part or all of an advanced transportation technology center to support automotive and heavy equipment diesel programs.

Mt. Hood Community College: \$800,000 Other Funds (Lottery Bonds) for laboratory and classroom additions and upgrades to support CTE and STEM programs.

Oregon Coast Community College: \$273,235 Other Funds (Lottery Bonds) to renovate and furnish the Waldport Center to house nursing assistant, emergency medical technician, home health aide, and other allied health programs.

Portland Community College: \$1,000,000 Other Funds (Lottery Bonds) to renovate surplus State of Oregon property owned by the college to house the facilities maintenance technology program.

Rogue Community College: \$500,000 Other Funds (Lottery Bonds) for construction of a flexible technology building with shop, storage, support, and classroom space to support manufacturing and fabrication programs.

Southwestern Oregon Community College: \$387,200 Other Funds (Lottery Bonds) to purchase equipment and upgrade facilities supporting CTE and STEM programs.

Tillamook Bay Community College: \$300,000 Other Funds (Lottery Bonds) to construct a learning laboratory for agricultural and natural resource programs.

Treasure Valley Community College: \$500,000 Other Funds (Lottery Bonds) to construct an agricultural arena as part of the ongoing Science Center construction project; the arena will support equine science, renewable energy, and viticulture program.

Umpqua Community College: \$400,000 Other Funds (Lottery Bonds): to renovate existing facilities in Roseburg and Drain and construct a new facility in the tri-cities area to enhance tele-education capacity in support of welding, construction, manufacturing, engineering, and other programs.

Department of Veterans' Affairs

Lebanon Veterans' Home: \$10,126,096 Other Funds and \$19,362,748 Federal Funds were approved for construction of a veterans' home in Lebanon, a U.S. Veterans Administration priority project selected in June 2010. Local government funds from Linn County provide approximately 35 percent of project funding for this 150 bed facility expected to be completed in the fall of 2014.

Department of Transportation

OWIN – State Radio Project: \$591,920 Federal Funds is approved to provide additional construction funding for the Statewide Radio Project (formerly referred to as the Oregon Wireless Interoperability Network). A grant from the U.S. Department of Justice, under the Integrated Wireless Network grant program, is the source of the funds which will be used for radio tower construction at a specified site.

DMV Bend Office: \$1,838,489 Other Funds is approved for renovation of the existing Driver and Motor Vehicles field offices in Bend. Cost of construction will be paid from Highway Fund revenues.

2007-09 Supplemental Expenditure Limitation Adjustments

Department of Aviation

Chiloquin State Airport Runway/Apron Rehabilitation: \$115,000 Other Funds and \$2,185,000 Federal Funds is approved for a project to ultimately reconstruct the runway and rehabilitate the apron at Chiloquin State Airport. The most recent Pavement Condition Index survey indicated conditions do not meet manageable maintenance standards. The Department will use authorized funding to develop the final design, acquire the necessary permits, and provide actual construction costs. Other Funds represent the required 5 percent match for this phase of the project.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5202-A

VARIOUS

Jack Kenny -- 503-378-3107; Bill McGee - 503-378-2078

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS (excl. OUS/CCWD)	FEDERAL FUNDS	Oregon University System and CCWD OTHER FUNDS						TOTAL FUNDS	POS	FTE
					XI-F (1) Bond Expenditures	XI-G Bond Expenditures	XI-Q Bond Expenditures	Lottery Bonds	SELP Loans	Other Revenues (incl. Fed Funds)			
COMMITTEE AUTHORIZATIONS													
EDUCATION PROGRAM AREA													
Oregon University System													
Oregon State University													
Student Experience Center	0	0	N/A	0	42,700,000	0	0	0	0	0	42,700,000	0	0.00
Memorial Union Renovation	0	0	N/A	0	9,177,500	0	0	0	0	0	9,177,500	0	0.00
New Residence Hall	0	0	N/A	0	29,000,000	0	0	0	0	0	29,000,000	0	0.00
Western Oregon University													
Natural Sciences Laboratory Annex	0	0	N/A	0	1,000,000	0	0	0	0	0	1,000,000	0	0.00
Department of Community College and Workforce Development													
Blue Mountain CC Veterinary Assistant Certificate Program	0	0	N/A	0	0	0	N/A	465,037	0	0	465,037	0	0.00
Central Oregon CC Math & Science Lab, Redmond Campus	0	0	N/A	0	0	0	N/A	500,000	0	0	500,000	0	0.00
Chemeketa CC CTE/STEM Facilities Improvement Project	0	0	N/A	0	0	0	N/A	1,000,000	0	0	1,000,000	0	0.00
Clackamas CC Industrial Technology & Science Workforce Advancement	0	0	N/A	0	0	0	N/A	800,000	0	0	800,000	0	0.00
Clatsop CC Welding & Fabrication Program	0	0	N/A	0	0	0	N/A	281,785	0	0	281,785	0	0.00
Columbia Gorge CC Rural Clinical Simulation Center Capital Equipment Replacement	0	0	N/A	0	0	0	N/A	297,193	0	0	297,193	0	0.00
Klamath CC Foodservice Systems; Administration & Management	0	0	N/A	0	0	0	N/A	300,000	0	0	300,000	0	0.00
Lane CC STEM Classrooms & Lab	0	0	N/A	0	0	0	N/A	1,000,000	0	0	1,000,000	0	0.00
Linn-Benton CC Advanced Transportation Technology Center	0	0	N/A	0	0	0	N/A	800,000	0	0	800,000	0	0.00
Mt. Hood CC Lab & Classroom Additions & Upgrades	0	0	N/A	0	0	0	N/A	800,000	0	0	800,000	0	0.00
Oregon Coast CC Renovations to Allied Health Training Center & Science Lab	0	0	N/A	0	0	0	N/A	273,235	0	0	273,235	0	0.00
Portland CC Trades Training Center	0	0	N/A	0	0	0	N/A	1,000,000	0	0	1,000,000	0	0.00
Rogue CC Manufacturing & Fabrication Flex Lab	0	0	N/A	0	0	0	N/A	500,000	0	0	500,000	0	0.00
Southwestern Oregon CC Renovate Labs & Classrooms for CTE & STEM support	0	0	N/A	0	0	0	N/A	387,200	0	0	387,200	0	0.00
Tillamook Bay CC Ag & Natural Resources Learning Lab	0	0	N/A	0	0	0	N/A	300,000	0	0	300,000	0	0.00
Treasure Valley CC Science & Technology Classrooms & Labs/Agriculture Livestock Classroom & Lab	0	0	N/A	0	0	0	N/A	500,000	0	0	500,000	0	0.00
Umpqua CC Douglas County CTE/STEM Centers	0	0	N/A	0	0	0	N/A	400,000	0	0	400,000	0	0.00
TRANSPORTATION PROGRAM AREA													
Department of Transportation													
OWIN - State Radio Project	0	0	0	591,920	N/A	N/A	N/A	N/A	N/A	N/A	591,920	0	0.00
DMV Bend Office	0	0	1,838,489	0	N/A	N/A	N/A	N/A	N/A	N/A	1,838,489	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS (excl. OUS/CCWD)	FEDERAL FUNDS	Oregon University System and CCWD OTHER FUNDS						TOTAL FUNDS	POS	FTE
					XI-F (1) Bond Expenditures	XI-G Bond Expenditures	XI-Q Bond Expenditures	Lottery Bonds	SELP Loans	Other Revenues (incl. Fed Funds)			
<u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u>													
<u>Department Veterans' Affairs</u>													
Lebanon Veterans Home	0	0	10,126,096	19,362,748	N/A	N/A	N/A	N/A	N/A	N/A	29,488,844	0	0.00
TOTAL	0	0	11,964,585	19,954,668	81,877,500	0	0	9,604,450	0	0	123,401,203	0	0.00
<u>2007-09 Supplemental Expenditure Limitation Adjustments</u>													
<u>Department of Aviation</u>													
Chiloquin State Airport Runway/Apron Rehab	0	0	115,000	2,185,000	N/A	N/A	N/A	N/A	N/A	N/A	2,300,000	0	0.00