

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

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<b>Action:</b>	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by prior reference
<b>Vote:</b>	7 - 0 - 1
<b>Yeas:</b>	Nathanson, Read, Sheehan, Smith J., Weidner, Bentz, Hunt
<b>Nays:</b>	0
<b>Exc.:</b>	Lindsay
<b>Prepared By:</b>	Patrick Brennan, Administrator
<b>Meeting Dates:</b>	2/2, 2/9

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**WHAT THE MEASURE DOES:** Authorizes additional lottery bond authority to for the following purposes: \$10 million to finance grants and loans for transportation projects under the *ConnectOregon* IV program; \$10 million to finance water and sewer infrastructure projects; and \$ 10 million to finance community college capital construction. Declares an emergency, effective upon passage.

**ISSUES DISCUSSED:**

- Lottery revenue forecast and bonding capacity
- Impact of *ConnectOregon* projects statewide
- Challenges in providing and upgrading local water and sewer infrastructure
- Rising enrollment at state’s community colleges
- Workforce development programs

**EFFECT OF COMMITTEE AMENDMENT:** Designates measure as the “Transportation and Economic Development Act of 2012.” Deletes amendments to ORS 285B.551. Makes specific allocations to 17 community colleges for specified projects. Requires a progress report be submitted to the Legislative Assembly by the Department of Community Colleges and Workforce Development on status of funded projects. Deletes a section allocating \$20 million to the Oregon Growth account.

**BACKGROUND:** House Bill 4028-A, also known as the Transportation and Economic Development Act of 2012, authorizes the issuance of \$30 million in lottery-backed bonds for *ConnectOregon* IV, the Special Public Works Fund, and community college workforce construction.

The Legislative Assembly created the *ConnectOregon* program in 2005 to provide funding in the form of grants and loans for non-highway transportation projects, including aviation, marine, passenger and freight rail and public transportation projects. The initial program provided \$100 million in lottery-backed bonds, which provided funding for 38 projects; it was followed by an additional \$100 million in 2007 (30 projects) and 2009 (40 projects).The Legislative Assembly approved \$40 million for *ConnectOregon* IV in 2011; to date, the Department of Transportation has received 70 applications for a total of \$84 million. House Bill 4028-A authorizes an additional \$10 million in lottery bonds to be awarded to qualified applicants for *ConnectOregon* IV projects.

The Special Public Works Fund, administered by the Oregon Business Development Department’s Infrastructure Finance Authority, provides funds in the form of grants and loans for publicly owned facilities that support economic and community development. The funds can be used for planning, design, purchasing, improving and constructing facilities, replacing publicly-owned essential facilities, and emergency projects. House Bill 4028-A allocates \$10 million in lottery bond proceeds to the Special Public Works Fund to finance low-interest loans to local governments for water and sewer infrastructure projects. House Bill 4028-A also provides \$10 million in lottery bond proceeds to the Oregon Community Colleges and Workforce Development Department to finance one capital project related to workforce development at each of the state’s 17 community colleges.

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***This summary has not been adopted or officially endorsed by action of the committee.***