

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action: Do Pass and Be Referred to the Committee on Ways and Means by Prior Reference

Vote: 5 - 0 - 0

Yeas: Beyer, Knopp, Kruse, Roblan, Hass

Nays: 0

Exc.: 0

Prepared By: Alethia Miller, Intern Administrator, and Richard Donovan, Administrator

Meeting Dates: 2/28, 4/9

WHAT THE MEASURE DOES: Authorizes issuance of higher education revenue bonds in addition to bonds authorized pursuant to biennial budget process for bond authorization.

ISSUES DISCUSSED:

- Current process for OUS bonding
 - Approval process out of sync with education calendar year
 - Approval process represented as unnecessarily bureaucratic/slow by OUS
- General concern with removing legislative approval
- Potential to cross-reference revenue streams absent legislative approval

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The State Board of Higher Education (SBHE) and the Oregon University System (OUS) are currently required to obtain legislative approval prior to the issuance of any revenue bond. Revenue bonds are required to be backed by the full faith and credit of the State of Oregon, even if they only pertain to revenue for OUS or any of the public universities listed in ORS 352.002. Senate Bill 265 authorizes the issuance of revenue bonds for SBHE and OUS, without prior approval from the Legislative Assembly.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 265

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Tim Walker
Reviewed by: Paul Siebert
Date: 06/12/2013

Measure Description:

Authorizes issuance of higher education revenue bonds in addition to bonds authorized pursuant to biennial budget process for bond authorization.

Government Unit(s) Affected:

Oregon University System (OUS)

Analysis:

The proposed legislation has been determined to have
MINIMAL EXPENDITURE IMPACT
on state or local government.

While this individual measure has a “Minimal” fiscal impact, an agency may incur a net fiscal impact greater than minimal depending on the cumulative impact of all measures enacted into law that affect the agency.

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Seventh Oregon Legislative
Assembly
2013 Regular Session
Legislative Revenue Office

Bill Number: SB 265
Revenue Area: Bonding and Debt
Economist: Mazen Malik
Date: 02/10/13

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Authorizes issuance of higher education revenue bonds in addition to bonds authorized pursuant to biennial budget process for bond authorization..

Revenue Impact (in \$Millions):

The Measure allows for the issuance of additional revenue bonds by the Oregon State Board of Higher Education and the Oregon University System.

Impact Explanation:

The revenue bonds authorized by this measure are expected to be further examined by the Joint committee of Ways and Means for their effect on the bonding capacity of the state. The revenue impacts of this measure will be further examined during that process.

Creates, Extends, or Expands Tax Expenditure: Yes No

Further Analysis Required