

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by Prior Reference
<b>Vote:</b>	7 - 2 - 0
<b>Yeas:</b>	Doherty, Keny-Guyer, Lively, Smith, Thatcher, Vega Pederson, Holvey
<b>Nays:</b>	Johnson, Richardson
<b>Exc.:</b>	0
<b>Prepared By:</b>	Bob Estabrook, Administrator
<b>Meeting Dates:</b>	3/5, 3/21, 3/26

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**WHAT THE MEASURE DOES:** Creates Deferred Maintenance Elimination Fund and authorizes State Treasurer to issue bonds or certificates of participation to fund state facility maintenance. Requires Department of Administrative Services (DAS) and Capital Projects Advisory Board (CPAB) to determine condition of state facilities and extent of deferred maintenance needed for each facility. Requires DAS to submit plan to Legislative Assembly for creation of deferred maintenance database. Requires DAS and CPAB to prioritize deferred maintenance needs of state facilities and make recommendations to Governor for expenditures from fund. Requires agencies that own facilities to assess condition, report to DAS and cooperate with DAS in tracking condition and maintenance performed. Exempts State Parks and Recreation Department, Oregon University System and public universities. Requires biennial report from DAS on deferred maintenance of state facilities. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Scope of deferred maintenance backlog
- History of statewide facility planning process
- Obstacles to performance of deferred maintenance
- Availability of debt clearance and potential debt service costs
- Utilization of XI-Q bonds versus certificates of participation
- Limited availability of data on maintenance “life cycle” of state facilities

**EFFECT OF COMMITTEE AMENDMENT:** Exempts State Parks and Recreation Department, Oregon University System and public universities from measure.

**BACKGROUND:** The Legislative Assembly has declared the policy of the state to maximize and protect the investment made in government facilities. State agencies are required to provide four-year major construction budgets to the Legislative Assembly along with plans to eliminate any backlog of deferred maintenance. In addition, the seven-member Capital Projects Advisory Board (CPAB), established by the legislature in 1997, meets monthly to review long-range facility plans that agencies submit to the Department of Administrative Services (DAS).

House Bill 2931 A establishes a Deferred Maintenance Elimination Fund and direct DAS to gather and regularly report on the current condition and deferred maintenance needs of state facilities. The agency could request that the State Treasurer issue bonds or certificates of participation to support the fund. The measure requires DAS and CPAB to prioritize and make recommendations to the Governor for allocations from the fund to facilities with deferred maintenance needs. Additionally, the measure directs DAS to submit a plan to the Legislative Assembly by January 1, 2015, to establish and maintain a database of state facilities and their preventive maintenance schedules that would enable comparison of deferred maintenance costs to the cost of replacing a facility.

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