

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means
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: Creates individualized process for Oregon University System (OUS) to enter into financing agreements. Increases level of oversight by Treasurer's office. Places debt limit-restraint, corresponding to State Board of Higher Education (SBHE) policy. Declares emergency, effective July 1, 2013.

ISSUES DISCUSSED:

- Current process for bonding
 - Approval process out of sync with education calendar year
 - Approval process viewed as unnecessarily bureaucratic/slow by OUS
- Concern with removing legislative approval for bond issuance

EFFECT OF COMMITTEE AMENDMENT: Increases level of oversight by Treasurer's office. Places debt limit-restraint, corresponding to State Board of Higher Education (SBHE) policy.

BACKGROUND: OUS currently requires Department of Administrative Services (DAS) approval when entering into financial agreements. These include lease purchase agreements, installment sale agreements, loan agreements, or any kind of agreement that will finance real or personal property that is owned or operated by OUS. DAS approval is required for any purchases of land, buildings, and equipment that involve financial agreements. Senate Bill 266-A authorizes the Chancellor of the Oregon University System to enter into financial agreements without DAS approval. OUS must abide by SBHE policy and not enter into financial agreements if they exceed the maximum debt service allowed.