



STATE OF OREGON
OREGON STATE TREASURY
159 STATE CAPITOL, 900 COURT ST NE
SALEM, OREGON 97301-4043

April 2, 2015

Senate Committee on Finance and Revenue

House Bill 2493

Chair Hass and members of the Committee:

HB 2493 is a simple fix to ensure that a statutory requirement aligns with current demands and best practices. The legislature created the State Debt Policy Advisory Commission ("SDPAC") in 1997 to monitor Oregon's financial health and protect the state's credit rating by informing state officials about the amount of debt that Oregon can prudently incur. The Commission does this by: (1) giving lawmakers an annual debt capacity forecast; (2) providing a framework for measuring, monitoring, and managing the state's debt position; and (3) highlighting potential debt policy issues of concern.

The drafters of the 1997 bill that created SDPAC thought that the Commission would need to meet twice a year to fulfill its mandate. However, after nearly two decades of diligently carrying out its work, it has become apparent that the Commission can achieve its goals in half the time thought necessary in 1997. The Commission currently holds its annual meeting in January, followed by a brief follow-up meeting, held primarily to meet the statutory requirement of two meetings. Holding just one annual meeting each January will allow the Commission to achieve its goals while respecting the time requirements of the Commission members.

Additionally, the version of HB 2493 before you was amended in the House to align SDPAC's debt forecast to the same horizon as the Office of Economic Analysis's revenue forecast. The commission has been projecting the state's borrowing capacity in line with the revenue forecast since the latter's horizon was extended, and the amended bill creates a flexible connection to that horizon for the benefit of lawmakers as they decide how to prudently issue bonds.

Given the relative simplicity of this bill, I will conclude my testimony and am willing to answer any questions members of this Committee may have.

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