

**STAFF MEASURE SUMMARY****House Committee On Revenue****Fiscal:** Fiscal impact issued**Revenue:** No Revenue Impact**Action Date:** 06/03/15**Action:** Do Pass As Amended, Be Printed Engrossed, And Bill Be Referred To Ways  
And Means.**Meeting Dates:** 05/13, 06/03**Vote:**

Yeas: 9 - Barnhart, Bentz, Davis, Johnson, Lininger, Read, Smith Warner, Vega Pederson, Whitsett

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**WHAT THE MEASURE DOES:**

Modifies Authority for issuance of state bonds for the benefit of universities with governing boards.

**ISSUES DISCUSSED:**

- Multiparty negotiation
- Role of HECC
- Relation to SB 80
- Statutory Framework involving DAS, Treasury, HECC and the Universities.
- Mechanism set up and the fees and costs for issuance.
- All the universities are independent entities and treated the same process and maintain the tax exempt status.

**EFFECT OF COMMITTEE AMENDMENT:**

The amendment establishes in statute the process for issuing State of Oregon General Obligation Bonds for the benefit of higher education institutions and activities authorized under Article XI-F(1) ("XI-F(1) Bonds") and Article XI-G ("XI-G Bonds") of the Oregon Constitution. The Higher Education Coordination Commission (HECC) becomes the agency responsible to play the role between the state and the universities.

**BACKGROUND:**

Because the public universities are now independent public bodies, and as a result of SB 270 (2013 session), Oregon's seven public universities (defined in ORS 352.002), University of Oregon, Oregon State University, Portland State University, Oregon Institute of Technology, Western Oregon University, Southern Oregon University, Eastern Oregon University, may continue to request the Legislative Assembly authorize the issuance of Bonds to finance projects of the universities. However, it is necessary to verify compliance by the public universities with the requirements of the State Constitution before the State issues Bonds that have been approved by the Legislative Assembly. The measure establishes a process to ensure compliance with the requirements of the State Constitution and federal tax law requirements so that the State can issue the Bonds for the benefit of the public universities.

Article XI-F(1) of the State Constitution, and similarly Under Article XI-G of the State Constitution, the amount of any debt issued by the State in any biennium those articles have a set of requirements to be observed. With the dissolution of the Oregon University System and the Board of Higher Education as state agencies, that left the connection between the bonds and the universities missing a link. The HECC is the new entity proposed by this measure to make that connection and play the role of the link between.