



# Oregon

Kate Brown, Governor

## Higher Education Coordinating Commission

Ben Cannon, Executive Director  
255 Capitol Street NE, Third Floor  
Salem, OR 97310  
[www.oregon.gov/HigherEd](http://www.oregon.gov/HigherEd)

May 12, 2017

Co-Chair, Senator Fred Girod  
Co-Chair, Representative Paul Holvey  
Joint Committee on Ways and Means, Subcommittee on Capital Construction

Dear Co-Chairs Girod and Holvey,

Thank you for the opportunity to answer questions that arose during the May 5 Higher Education Coordinating Commission's presentation to the Ways and Means Subcommittee on Capital Construction.

Senator Devlin requested a summary of when the community college projects are anticipated to be ready to begin, including when the colleges intend to go out for match and whether they will use something other than a bond measure for match. The plan for raising match funds for 2017-19 community college projects is attached in Appendix A.

In reference to the Campus Safety Work Group, Representative Smith requested a list of the work group members. The membership list, as [presented](#) by the Campus Safety Work Group Chair Andre Le Duc at the January 2017 HECC Commission meeting, is attached in Appendix B. Additional information, including subgroup structure and membership, can be found in the [Campus Safety Work Group final report](#).

Representative Huffman asked if the HECC had a process for determining how capital requests affect tuition. Currently, HECC does not employ a process for determining how capital requests affect tuition. Capital projects funded by Article XI-Q bonds, projects funded by lottery bonds (such as the proposed \$15 million allocation for campus security infrastructure improvements), and the state-paid portion of projects funded by Article XI-G bonds, do not affect tuition or student mandatory fees.

Representative Huffman also asked if deferred maintenance on existing buildings is factored in before funding new building requests. Institutions and the HECC jointly agree that deferred maintenance is of the highest priority and that the deferred maintenance backlog exceeds the recent historical allocations made as part of the budget process. The community colleges and public universities are subject to different deferred maintenance processes. Colleges do not

regularly receive allocations for deferred maintenance projects, and thus HECC does not regularly factor deferred maintenance into any project ranking methodology it utilizes.

Public universities regularly receive Article XI-Q bonds for deferred maintenance, which are then allocated by HECC through a formula which accounts for campus E&G square footage. Funding for deferred maintenance is the top listed project in the GRB university project list, and is reflective of the critical nature and top priority of ongoing maintenance over new construction. Additionally, the HECC scoring rubric allows for a combined 20 points (out of 100) for deferred maintenance, cost savings through efficiency improvements, and life, safety, and code compliance issues that can be addressed by a proposed university project.

Finally, in reference to the campus safety lottery bond request of \$15 million, Speaker Kotek asked if the HECC knows the breakdown between the amount for universities and the amount for community colleges and, if so, does the HECC have any concerns shifting the request for the university portion to general obligation bonds. There are no reservations for the use of the proposed \$15 million allocation for campus security infrastructure improvements for either the community colleges or public universities as a whole, or for any individual college or university. From the perspective of HECC operations, there is no difference between the use of lottery bonds and general obligation bonds for campus infrastructure projects for public universities, with the exception that the use of general obligation bonds other than Article XI-Q bonds would require institutional contributions to project costs.

If you have any further questions, please do not hesitate to contact Kyle Thomas, Director of Legislative and Policy Affairs, at [kyle.thomas@state.or.us](mailto:kyle.thomas@state.or.us) or at 503-480-9596.

Sincerely,

A handwritten signature in cursive script that reads "Ben Cannon".

Ben Cannon  
Executive Director



# Work Group Members

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**Andre LeDuc, Chair**  
Chief Resilience Officer  
University of Oregon

**Travis Hampton**  
Superintendent  
Oregon State Police

**Ben Cannon**  
Higher Education Coordinating  
Commission  
Executive Director

**Marcey Bamba**  
Assoc. Director of Counseling and  
Psychological Services  
Oregon State University

**Mike Bamberger**  
Emergency Response Manager  
Oregon State University

**Jim Bennett**  
President Western Area Campus Law  
Enforcement Administrators

**Bill Benson**  
Director of Security  
Eastern Oregon University

**Rebecca Bolante**  
Threat Assessment  
Chemeketa Community College

**Jamani LaShawn Crockett**  
Student  
Southern Oregon University

**Derrick Foxworth**  
Lieutenant of Public Safety  
Portland Community College

**Eric Judah**  
Lieutenant  
Oregon State Police

**Brian Kelly**  
Vice President, College Services  
Lane Community College

**Rob Kyr**  
Faculty  
University of Oregon

**Donna Lane**  
Faculty  
Southern Oregon University

**Donna Larson**  
Vice-President for Academic and  
Student Affairs  
Clatsop Community College

**Joe Majeski**  
Director, Facility Operations  
Oregon State University

**Erin Foley**  
Vice President for Student Affairs  
and Dean of Students  
Oregon Institute of Technology

**Jilma Meneses**  
Executive Vice-President, Chief  
Operating Officer  
Concordia University

**Greg Moawad**  
Vice-President for Campus Safety  
Oregon Health & Sciences University

**Jerry Moore**  
Chief of Police  
City of Salem

**Olivia Pace**  
Student  
Portland State University

**Ron Paradis**  
Public Information Officer  
Central Oregon Community College

**Melody Rose**  
President  
Marylhurst University

**Brian Roy**  
Risk Manager  
Portland State University

**Mary Spilde**  
President  
Lane Community College

**Dana Tasson**  
Executive Director, Center for Student  
Health and Counseling  
Portland State University

**Phil Zerzan**  
Chief of Campus Public Safety  
Portland State University

## **2017-19 Community College Projects Plan for Raising Match Funds - Per Due Diligence Reports**

### **Umpqua CC**

Umpqua Community College will either put a Bond Levy on the ballot authorizing the District to issue general obligation bonds or, fundraise the required match. If the bonds are approved, they will be payable from taxes on property. The bonds will most likely mature over a period not exceeding 20 years.

### **Linn-Benton CC**

LBCC district voters approved issuance of General Obligation (GO) bonds in the amount of \$34M in November 2014. The school will use \$7.5M of those proceeds to match state funding for this project. Repayment of the bond proceeds begins in 2016 through a property tax levy.

### **Chemeketa CC**

The match will be funded by the college's Capital Development Reserve Funds, which are dedicated to this purpose. These funds are without restriction.

### **Portland CC**

The match contribution will come from the District's 2008 Bond Levy and potentially from a 2017 bond levy, if approved.

### **Lane CC**

The majority of the college's contribution would be from the issuance of general obligation bonds. Besides this project, Lane is looking to replace outdated infrastructure and instructional technology through a bond. The college is proposing an issuance of \$40 million, \$60 million, or \$80 million over 15 years. The source of repayment is the voter-approved authority.

### **Southwestern Oregon CC**

Southwestern Oregon Community College plans to fund construction costs from private funds, grants, and – if necessary – general obligation bond funding; it does not anticipate borrowing any funds for completion of this project. No acquisition of property is required or desired for this project. No land will be leased from a developer or third-party.

### **Clackamas CC**

In 2014, District voters approved a bond that allows the college to reconstruct this facility. These are tax supported bonds that will be sold in 2017 for use during a three-year period. \$10 million is scheduled for use for this project.

### **Mt. Hood CC**

MHCC's financial contribution of \$15,000,000 for this project will be acquired through the bond issue going to voters in May 2017.

**Blue Mountain CC**

BMCC anticipates pursuing all avenues for the required match. As previously noted the college is working with a confidential donor to assist with financing the match. Other options include college bond dollars, college building funds, foundation grants and corporate donations.

**Oregon Coast CC**

OCCC intends to provide the matching funds (\$8 million) via a three pronged strategy:

- Local bond levy: target \$6 million
- Capital Construction Campaign led by the OCCC Foundation (OCCC Foundation Board has endorsed): target \$1 million
- County, state and federal funds related to the emergency shelter and response capacity of the facility and staff: target \$1 million

**Rogue CC**

Required match will be funded through a general obligation bond passed on May 7, 2016, with funds available in August 2016.

**Treasure Valley CC**

The college went out for a local bond levy in November 2016, but the bond levy failed. The school is considering alternative plans.

**Clatsop CC**

A combination of funding options will be considered including Full Faith & Credit Obligation (FFCO), New Market Tax Credit (NMTC), General Obligation Bonding and capital campaign.