

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2782

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Authorizes issuance of bonds under Articles XI-G and XI-Q of Oregon Constitution to finance expansion of Oregon State University-Cascades campus.

Government Unit(s) Affected:

Department of Administrative Services (DAS), Higher Education Coordinating Commission, Oregon State Treasurer

Summary of Expenditure Impact:

	2017-19 Biennium	2019-21 Biennium
General Fund		\$10,472,593
Other Funds	70,665,000	
Total Funds	\$70,665,000	\$10,472,593

Analysis:

This bill directs the State Treasurer to issue Article XI-G bonds, in an amount not to exceed \$15 million plus the cost of issuance and other bond related costs; the proceeds of the sale are directed to be deposited in the OSU-Cascades Expansion XI-G Construction Fund (G-Bond Construction Fund). Moneys in the G-Bond Construction Fund are made available to the Higher Education Coordinating Commission (HECC) for the purpose of financing the acquisition, construction, design, improvement, repair, and furnishing of property related to the following projects on the Oregon State University Cascades campus:

- Site reclamation and restoration;
- Campus infrastructure construction and renovation;
- Academic Building 2 construction;
- Student Success Center construction;
- Graduate and Research Center renovation.

HECC is authorized to be reimbursed for costs of administering the funds and to pay other bond-related costs. The bill further establishes the OSU-Cascades Expansion XI-G Bond Fund and the OSU-Cascades Expansion XI-G Bond Administration Fund amounts in the Funds are continuously appropriated to the Department of Administrative Services (DAS) for the purpose of investing and paying the principal interest on the premium of the bonds issued to finance the G-Bond Construction Fund and to pay bond-related costs.

The State Treasurer is also directed to issue Article XI-Q bonds, in an amount not to exceed \$54,490,000 plus the cost of issuance and other bond related costs; the proceeds of the sale are directed to be deposited in the OSU-Cascades Expansion XI-Q Construction Fund (Q-Bond Construction Fund). Moneys in the Q-Bond Construction Fund are made available to HECC for the purpose of financing the acquisition, construction, design, improvement, repair, and furnishing of property related to the aforementioned projects on the Oregon State University Cascades campus.

HECC is authorized to be reimbursed for costs of administering the funds and to pay other bond-related costs. The bill further establishes the OSU-Cascades Expansion XI-Q Bond Fund and the OSU-

Cascades Expansion XI-Q Bond Administration Fund amounts in the Funds are continuously appropriated to DAS for the purpose of investing and paying the principal interest on the premium of the bonds issued to finance the Q-Bond Construction Fund and to pay bond-related costs.

While the bill authorizes HECC to be reimbursed for the cost of administering the new funds, the impact to HECC to administer the proceeds is expected to be minimal and no additional costs have been included.

A total of \$69,490,000 Other Funds (OF) of the bond proceeds are anticipated to be disbursed to OSU and \$1,175,000 OF will be necessary for bond costs of issuance. The bonds are anticipated to be sold in March 2019, so there is no debt service in the 2017-19 biennium, but debt service in the 2019-21 biennium is estimated at \$10,472,593 General Fund (GF) and total debt service over the life of the bonds will be \$108,487,218 GF. The debt service estimates will likely change since the issuance date is two years in the future and the amount will be dependent on the interest rates at that time.