

**HB 2782 STAFF MEASURE SUMMARY**

**House Committee On Higher Education and Workforce Development**

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**Action Date:** 03/14/17

**Action:** Do pass and be referred to Ways and Means by prior reference

**Vote:** 8-0-1-0

**Yeas:** 8 - Alonso Leon, Bynum, Heard, Johnson, Reardon, Reschke, Sollman, Whisnant

**Exc:** 1 - Clem

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

**Prepared By:** Laura Kentnesse, LPRO Analyst

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**WHAT THE MEASURE DOES:**

Authorizes State Treasurer to issue bonds under Article XI-G of Oregon Constitution for biennium beginning July 1, 2017, in amount not to exceed \$15,000,000 of net proceeds and interest earnings, plus amount estimated to pay bond-related costs. Establishes Oregon State University-Cascades (OSU-Cascades) Expansion XI-G Construction Fund, Bond Fund, and Bond Administration Fund, as separate and distinct from General Fund. Authorizes State Treasurer to issue bonds under Article XI-Q of Oregon Constitution for biennium beginning July 1, 2017, in amount not to exceed \$54,490,000 of net proceeds and interest earnings, plus amount estimated to pay bond-related costs. Establishes OSU-Cascades Expansion XI-Q Construction Fund, Bond Fund, and Bond Administration Fund, as separate and distinct from General Fund. Allows moneys in OSU-Cascades Expansion XI-G and XI-Q Construction Funds to be used for site reclamation and restoration, campus infrastructure construction and renovation, Academic Building 2 construction, Student Success Center construction, and Graduate and Research Center renovation projects.

**ISSUES DISCUSSED:**

- Importance of a strong regional university in central Oregon
- Connection between economic development and the presence of higher education institutions
- Desire to provide a local workforce stream for Oregon's fastest growing economic region
- Concerns regarding student access to higher education in central Oregon
- OSU-Cascades expansion is a top priority for all central Oregon stakeholders

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Oregon State University-Cascades (OSU-Cascades) in Bend was established in September 2001 through a partnership with the Central Oregon Community College where the university used classroom space for more than a decade. In August 2012, the former State Board of Higher Education endorsed OSU-Cascades' expansion to a four-year university. In July 2013, the Oregon Legislative Assembly approved \$16 million in capital construction bonds that helped to enable OSU-Cascades to establish a new, four-year campus. The school officially opened its own 10-acre campus in fall 2016, and consists of one academic building and a residence hall and dining center complex.

The campus currently serves 1,215 enrolled students, and can accommodate 1,890 students with existing infrastructure. OSU-Cascades is Oregon's fastest growing public university campus, and is located in the fastest growing economic region in the state. The Oregon Department of Employment's regional employment projections indicate that Central Oregon is expected to continue to have the fastest job growth in the state, growing 16 percent by 2024. Oregon State University reports that by 2021, the current academic and student support facilities on the 10-acre campus will be at capacity. The school intends to expand by 3,000 to 5,000 students by 2025 to help meet state 40-40-20 education goals.