

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Capital Construction Subcommittee

From: Amanda Beitel, Legislative Fiscal Office

Date: March 2, 2018

Subject: SB 5702 – Bonding Authorization
Work Session Recommendations

SB 5702 amends the limits established during the 2017 legislative session for the maximum amount of bonds and third party financing agreements that state agencies may issue. The proceeds from the issuance of bonds are included as revenues in agency budgets.

The -1 amendment replaces the bill and includes the following increases in general obligation bonds and lottery revenue bonds authorized to be issued during the 2017-19 biennium:

- \$30.5 million of Article XI-G bonds, \$32.3 million of Article XI-Q bonds, and \$9.9 million of lottery bonds to finance four public university projects.
- \$17.6 million of Article XI-Q bonds to finance the capital costs of state property, including one new information technology project and increases in two previously approved projects.
- \$11.3 million of lottery revenue bonds to support three projects.
- \$4 million of Article XI-F (1) bonds to finance two public university projects that will be supported with university revenues.

A summary of general obligation and lottery bond funded projects included in the -1 amendment is attached. General Fund debt service on the additional bonding is estimated to be \$833,867 in the 2017-19 biennium and \$12.4 million in the 2019-21 biennium. Lottery Funds debt service is estimated to be \$3.3 million in the 2019-21 biennium.

Statutory changes in the bill allow \$3 million of lottery bond proceeds authorized in 2013 to be used for acquisition of the Coos Bay Rail link rolling stock. The budget report will also include language expanding the scope of an Article XI-Q project authorized in 2016 for the Oregon Institute of Technology to repair and improve infrastructure systems, as well as allocate \$1.5 million of lottery bond proceeds approved in 2015 to the Yaquina Hall-Southfair Bundle project.

Budget Notes

Budget Note #1: Unsatisfactory or Poor Condition High-Hazard Dams Report

The Water Resources Department (WRD) is directed report to the Emergency Board, no later than December 2018, on publicly owned high-hazard dams in Oregon that have unsatisfactory or poor condition ratings. The report shall include existing WRD Dam Safety Program activities, such as dam inspection and Emergency Action Plans, as well as policy and budget recommendations related to the repair, remediation, and replacement of dams with significant risk of failure. The report should include the approximate cost to rehabilitate dam infrastructure with unsatisfactory and poor condition ratings and existing federal, state, and local resources currently available for this purpose.

Budget Note #2: Public University Capital Requests Prioritization Criteria Report

The Higher Education Coordinating Commission is directed report to the Emergency Board in May 2018 on the statewide criteria developed to evaluate and prioritize Public University capital requests that are proposed in the agency's request budget. The criteria and evaluation process should provide, at a minimum, comparable information across projects, objective analysis of each request, and prioritization of deferred maintenance activities.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Budget Notes. (VOTE)

OR

Change LFO Recommendation (any changes must be approved by the co-chairs):

MOTION: I move the LFO recommendation on Budget Notes, with modifications. (VOTE)

Recommended Changes

LFO recommends adoption of the -1 amendment.

MOTION: I move adoption of the -1 amendment to SB 5702. (VOTE)

Final Subcommittee Action

LFO recommends that SB 5702, as amended by the -1 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move SB 5702, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

SB 5702 - BONDING AUTHORIZATION

General Obligation Bonds

		Bond Program	Project Amount	Cost of Issuance	Bond Par Value
General Fund Supported					
HECC	OSU - Cascades Academic Building 2	XI-G	10,000,000	215,000	10,215,000
HECC	OSU - Cascades Academic Building 2	XI-Q	29,000,000	410,000	29,410,000
HECC	SOU - Boiler Replacement	XI-Q	2,800,000	55,000	2,855,000
HECC	UO - Campus for Accelerating Scientific Impact	XI-G	20,000,000	290,000	20,290,000
			61,800,000	970,000	62,770,000
DEQ	Environmental Data Management System	XI-Q	5,000,000	70,000	5,070,000
DOJ	Child Support Enforcement Automated System	XI-Q	2,758,537	56,463	2,815,000
LAC	Capitol Accessibility, Maintenance and Safety	XI-Q	9,548,450	151,550	9,700,000
			17,306,987	278,013	17,585,000
Total General Fund Obligations			79,106,987	1,248,013	80,355,000
Other Funds Supported (non-capacity)					
HECC	EOU - Track and Field Facilities Restoration	XI-F(1)	350,000	40,000	390,000
HECC	WOU - Natural Sciences Building Renovation	XI-F(1)	3,500,000	60,000	3,560,000
			3,850,000	100,000	3,950,000
DAS	Enterprise Technology Services - SDC Capital Leases	OFA	17,000,000		17,000,000
Total Dedicated Fund Obligations			20,850,000	100,000	20,950,000

Lottery Revenue Bonds

		Bond Program	Project Amount	Cost of Issuance / Reserves	Bond Par Value
HECC	EOU- Field House Facility	Lottery	9,000,000	915,000	9,915,000
DAS	De Paul Treatment Center	Lottery	2,000,000	225,000	2,225,000
DAS	Trillium Children's Farm Home	Lottery	3,000,000	315,000	3,315,000
WRD	City of Carlton - Water Loss Reduction Project	Lottery	5,150,000	560,000	5,710,000
Total Lottery Revenue Bonds			19,150,000	2,015,000	21,165,000