

**SB 5701 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Jean Gabriel, Department of Administrative Services

**Reviewed By:** Amanda Beitel, Legislative Fiscal Office

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**Capital Construction – Various Agencies**

**2017-19**

**Capital Construction – Oregon Military Department**

**2015-17**

**Capital Construction – Department of Aviation**

**2015-17**

PRELIMINARY

## **Budget Summary**

	<b>2017-19 Legislatively Approved Budget</b>	<b>2018 Committee Recommendation</b>	<b>2018 Session Adjustments 2017-19</b>
Other Funds	\$ 738,319,541	\$ 828,489,681	\$ 90,170,140
Federal Funds	\$ 4,792,500	\$ 17,264,638	\$ 12,472,138
Total	\$ 743,112,041	\$ 845,754,319	\$ 102,642,278

	<b>2015-17 Legislatively Approved Budget</b>	<b>2018 Committee Recommendation</b>	<b>2018 Session Adjustments 2015-17</b>
Other Funds	\$ 605,971,381	\$ 606,408,039	\$ 436,658
Federal Funds	\$ 35,385,892	\$ 35,907,272	\$ 521,380
Total	\$ 641,357,273	\$ 642,315,311	\$ 958,038

## **Summary of Revenue Changes**

Other Funds revenues include proceeds from the issuance of general obligation bonds authorized under Article XI-Q, XI-G, and XI-F (1) of Oregon's Constitution, proceeds from the issuance of lottery revenue bonds, parking funds deposited in the Department of Administrative Services Capital Projects Fund established by ORS 276.005, reserves of the Veterans' Home Program, the Oregon Military Department Capital Construction Account, aircraft registration fees assessed in accordance with ORS 837.040 and 837.045, and interest earnings on bond proceeds. Federal Funds revenues are from the U.S. Department of Veterans' Affairs, Federal Aviation Administration, and National Guard Bureau.

## **Summary of Capital Construction Subcommittee Action**

SB 5701 establishes and increases six-year expenditure limitations for capital construction projects. Projects in excess of \$1.0 million for the acquisition of land and the acquisition, planning, constructing, altering, repairing, furnishing, and equipping of buildings and facilities are categorized as capital construction projects.

### Oregon Department of Administrative Services

**Oregon Resilience Buildings:** Approved a \$2,500,000 increase in Other Funds (Capital Projects Fund) expenditure limitation for the Mission Critical Facility Yellow Lot Building project that was established in the 2017 legislative session for planning related to a seismically resilient facility to be located on the yellow lot (Oregon Resilience Building). The increase brings total Other Funds capital construction limitation approved for the project to \$7,079,431. In addition, the Subcommittee approved updating the project name to reflect that planning activities will also cover an ancillary parking structure and power plant, the Oregon Resilience Building 2, that would be built on the red lot.

### Department of Corrections

**Capital Improvements and Renewal:** Approved a \$54,000 increase in Other Funds (interest) expenditure limitation for the Capital Improvements and Renewal project that was established in the 2017 legislative session to make improvements in several facilities. The increase brings total Other Funds capital construction limitation approved for the project to \$26,347,534. The Department has earned interest on proceeds from the 2015F Article XI-Q general obligation bond sale that will be used to complete existing capital improvement projects, including completion of a rooftop HVAC upgrade and water system re-piping project.

### Department of Veterans' Affairs

**The Dalles Veterans' Home Capital Improvements:** Approved establishing \$3,922,053 Federal Funds (U.S. Department of Veterans' Affairs construction grant) and \$2,111,875 Other Funds (Veterans' Home Program reserves) expenditure limitation for upgrades to the Oregon Veterans' Home in The Dalles. The project includes replacing the roof, siding, and fascia; adding airlock areas near exterior doors; upgrading two exterior garden areas; replacing an industrial water heater; and replacing interior window sills in resident rooms.

**Lebanon Veterans' Home Capital Improvements:** Approved establishing \$2,425,085 Federal Funds (U.S. Department of Veterans' Affairs construction grant) and \$1,305,815 Other Funds (Veterans' Home Program reserves) expenditure limitation for upgrades to the Edward C. Allworth Veterans Home in Lebanon. The project includes addition of a memory-care activity room; construction of a multi-purpose building for medical office space, staff offices, and training rooms; construction of a storage building; and upgrading the heating and cooling system.

### Legislative Administration Committee

**Capitol Accessibility, Maintenance, and Safety:** Approved a \$9,548,450 increase in Other Funds (Article XI-Q bonds) expenditure limitation for the Capitol Accessibility, Maintenance, and Safety project that was established in the 2017 legislative session to finance capital improvements to the State Capitol Building. The increase brings total 2017-19 Other Funds capital construction limitation approved for the project to \$23,269,092 and the total approved amount for the project to approximately \$60 million.

### Oregon Military Department

**Camp Umatilla Facilities Biomass Heating Upgrades:** Approved establishing \$6,125,000 Federal Funds (National Guard Bureau) expenditure limitation to convert boilers from propane fuel to wood pellet fuel at Camp Umatilla. Decentralized wood-pellet boiler heating systems will be installed in eleven buildings on the Umatilla Training Center site.

**Oregon Military Museum:** Approved a \$378,726 increase in Other Funds (Capital Construction Account) expenditure limitation for the 2015-17 Oregon Military Museum capital project. The increase brings total Other Funds capital construction limitation approved for the project to \$1,104,689 and will allow the Oregon Military Department to expend donations for the design and construction of a research library in the new museum.

### Department of Aviation

**McDermitt State Airport Rehabilitation:** Approved a \$521,380 increase in Federal Funds (Federal Aviation Administration) and \$57,932 increase in Other Funds (aircraft registration fees) expenditure limitation for the 2015-17 McDermitt State Airport Rehabilitation project. The increases bring total capital construction limitation approved for the project to \$2,336,380 Federal Funds and \$259,599 Other Funds to accommodate higher construction costs.

### Higher Education Coordinating Commission (HECC)

The Subcommittee approved a \$74,650,000 increase in Other Funds capital construction six-year expenditure limitation for distribution of general obligation and lottery revenue bond proceeds to public universities. This amount corresponds to the total project amounts for three new university projects and increases in three previously approved projects. Projects are funded with proceeds from the issuance of Article XI-G bonds, Article XI-Q bonds, Article XI-F (1), and Lottery Revenue bonds and will be disbursed as grants or loans, as applicable, pursuant to grant contracts and loan agreements between HECC and each university. Project descriptions are included in SB 5702. The expenditure limitation will expire June 30, 2023.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**SB 5701-A**

**Various Agencies  
Jean Gabriel 503-378-3107**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS	FEDERAL FUNDS	TOTAL FUNDS	POS	FTE
<b><u>COMMITTEE AUTHORIZATIONS</u></b>							
<b><u>EDUCATION PROGRAM AREA</u></b>							
<b><u>Higher Education Coordinating Commission</u></b>							
EOU - Field House Facility	\$ -	\$ -	\$ 9,000,000	\$ -	\$ 9,000,000	0	0.00
EOU - Track and Field Facilities Restoration	\$ -	\$ -	\$ 350,000	\$ -	\$ 350,000	0	0.00
OSU - Cascades Expansion - Academic Building 2	\$ -	\$ -	\$ 39,000,000	\$ -	\$ 39,000,000	0	0.00
SOU - Boiler Replacement	\$ -	\$ -	\$ 2,800,000	\$ -	\$ 2,800,000	0	0.00
UO - Campus for Accelerating Scientific Impact	\$ -	\$ -	\$ 20,000,000	\$ -	\$ 20,000,000	0	0.00
WOU - Natural Sciences Building Renovation	\$ -	\$ -	\$ 3,500,000	\$ -	\$ 3,500,000	0	0.00
<b><u>ADMINISTRATION PROGRAM AREA</u></b>							
<b><u>Oregon Department of Administrative Services</u></b>							
Oregon Resilience Buildings	\$ -	\$ -	\$ 2,500,000	\$ -	\$ 2,500,000	0	0.00
<b><u>PUBLIC SAFETY PROGRAM AREA</u></b>							
<b><u>Department of Corrections</u></b>							
Capital Improvements and Renewal	\$ -	\$ -	\$ 54,000	\$ -	\$ 54,000	0	0.00
<b><u>Oregon Military Department</u></b>							
Camp Umatilla Facilities Biomass Heating Upgrades	\$ -	\$ -	\$ -	\$ 6,125,000	\$ 6,125,000	0	0.00
<b><u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u></b>							
<b><u>Oregon Department of Veterans' Affairs</u></b>							
The Dalles Veterans' Home Capital Improvements	\$ -	\$ -	\$ 2,111,875	\$ 3,922,053	\$ 6,033,928	0	0.00
Lebanon Veterans' Home Capital Improvements	\$ -	\$ -	\$ 1,305,815	\$ 2,425,085	\$ 3,730,900	0	0.00

**LEGISLATIVE PROGRAM AREA**

**Legislative Administration Committee**

Capitol Accessibility, Maintenance, and Safety	\$ -	\$ -	\$ 9,548,450	\$ -	\$ 9,548,450	0	0.00
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<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,170,140</b>	<b>\$ 12,472,138</b>	<b>\$ 102,642,278</b>	<b>0</b>	<b>0.00</b>
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**2015-17 Supplemental Expenditure Limitation Adjustments**

**Oregon Military Department**

Oregon Military Museum	\$ -	\$ -	\$ 378,726	\$ -	\$ 378,726	0	0.00
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**Department of Aviation**

McDermitt State Airport Rehabilitation	\$ -	\$ -	\$ 57,932	\$ 521,380	\$ 579,312	0	0.00
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