

## Analysis

### Consent Agenda – Various Agencies

#### Requests to Acknowledge Receipt of Agency Reports

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##### 63. Department of Administrative Services – Debt Refunding

**Analyst:** Amanda Beitel

**Analysis:** ORS 286A.160(3) requires the Department of Administrative Services (DAS) to report the amount of incurred expenses and General Fund debt service savings resulting from the issuance of refunding bonds to the Joint Committee on Ways and Means or the Emergency Board. On June 17, 2020, DAS and the State Treasurer completed the sale of 2020 Series E, F, G, and H refunding bonds. Proceeds from the sale were used to refinance qualifying outstanding certificates of participation and Article XI-Q, XI-M, and XI-N general obligation bonds.

DAS and the State Treasurer evaluated the refunding plan on a maturity-by-maturity basis, considering multiple factors, including net present value savings and escrow efficiency. An overall net present value savings of 11.27% of the refunding bond proceeds was achieved. The refunding resulted in statewide General Fund debt service savings of \$2.6 million in the 2019-21 biennium and total savings of \$25 million over the life of the bonds. Current biennium debt service savings were utilized as part of the 2019-21 budget rebalance approved in the second special session of 2020.

##### 64. Department of Administrative Services – XI-G Debt Refunding

**Analyst:** Amanda Beitel

**Analysis:** ORS 286A.160(3) requires the Department of Administrative Services (DAS) to report the amount of incurred expenses and General Fund debt service savings resulting from the issuance of refunding bonds to the Joint Committee on Ways and Means or the Emergency Board. On July 16, 2020, DAS and the State Treasurer completed the sale of 2020 Series P and Q refunding bonds. Proceeds from the sale were used to refinance qualifying outstanding Article XI-G general obligation bonds.

DAS and the State Treasurer evaluated the refunding plan on a maturity-by-maturity basis, considering multiple factors, including net present value savings and escrow efficiency. An overall net present value savings of 23.11% of the refunding bond proceeds was achieved. The refunding resulted in statewide General Fund debt service savings of \$2.7 million in the 2019-21 biennium and total savings of \$21.8 million over the life of the bonds. Current biennium debt service savings were utilized as part of the 2019-21 budget rebalance approved in the second special session of 2020.

The refunding also included issuance of 2020 Series N and O refunding bonds. Proceeds from the sale were used to refinance qualifying outstanding Article XI-F (1) general obligation bonds and resulted in total 2019-21 debt service savings of \$17.1 million for public universities and OHSU.

## 65. Department of Administrative Services – Compensation Plan Changes

**Analysis:** ORS 291.371 requires the Department of Administrative Services (DAS) to report to the Joint Committee on Ways and Means when the Legislative Assembly is in session on any changes to the state's compensation plan. When the Legislature is not in session, the agency must report to the interim Joint Committee on Ways and Means or the Emergency Board. Most 2019-21 compensation plan changes were previously reported.

The report contains the following sections:

- Section A: Compensation plan changes for International Association of Firefighters, Portland Air National Guard: (1) increasing salary rates by 2.15% effective July 1, 2019; (2) increasing salary rates by 3% effective October 1, 2020; and (3) adding an additional step to all salary ranges effective July 1, 2020.
- Section B: Compensation plan changes for American Federation of State, County, and Municipal Employees, Local 1085: merging the Assistant Attorney General salary range and the Senior Attorney General Salary range into one salary range effective October 1, 2020.
- Section C: Compensation plan changes for Service Employee International Union, Local 503: increasing the salary ranges for three Pharmacy Clerk and Technician classifications.
- Section D: Compensation plan changes for Executive Service, Unclassified Excluded, and Management Service employees: increase the salary range for the Park Region Manager classification.

Total 2019-21 estimated costs are \$7,812 Lottery Funds, \$7,596 Other Funds, and \$175,852 Federal Funds. There is no estimated General Fund cost associated with the above compensation plan changes in either 2019-21 or 2021-23.

## 66. Department of Administrative Services – Uniform Rent Rates

**Analysis:** ORS 276.390 requires the Department of Administrative Services (DAS) to report on the schedule of proposed uniform rent rates for the upcoming biennium. This proposed uniform rent rate schedule is used to develop 2021-23 agency request budgets.

The proposed rates (per square foot per month) are as follows:

Facility Rental Type	2017-19 Biennium	2019-21 Biennium	Proposed 2021-23 Biennium	Change
Office Space	\$1.45	\$1.55	\$1.90	\$0.35
Storage Space	\$0.50	\$0.50	\$0.50	No change

Rental fees cover building operating costs, which include management, insurance, repairs, utilities, and security. The proposal to increase the 2021-23 biennium rate by 35 cents is driven by a desire to address key capital improvements, maintenance, and modernization of existing office space.

DAS developed this rate schedule before the COVID-19 pandemic began. Therefore, the uniform rent rate used to develop agency request budgets assumes a much different budget environment than the one the state finds itself in currently. Adjustment to the uniform rent rate will likely occur during development of the 2021-23 Governor's budget. The final uniform rent rate will be decided through development of the 2021-23 legislatively adopted budget for the Department of Administrative Services.

<b>Legislative Fiscal Office Recommendation</b>
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The Legislative Fiscal Office recommends that the Emergency Board acknowledge receipt of these four agency reports, en bloc.



# Oregon

Kate Brown, Governor

## Department of Administrative Services

Chief Financial Office  
155 Cottage Street NE U10  
Salem, OR 97301  
PHONE: 503-378-3106  
FAX: 503-373-7643

September 4, 2020

The Honorable Peter Courtney, Co-Chair  
The Honorable Tina Kotek, Co-Chair  
Joint Emergency Board Committee  
900 Court Street  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairpersons:

### Nature of Request

The Department of Administrative Services (DAS) submits a report on the State's Certificates of Participation, Article XI-M & XI-N Seismic Rehabilitation bonds, and Article XI-Q General Obligation bond debt service savings resulting from a recent refinancing.

### Agency Action

ORS 286A.160(3) requires DAS to report the amount of incurred expenses and General Fund debt service savings resulting from the issuance of refunding bonds to the Joint Committee on Ways and Means or to the Emergency Board when the Legislature is not in session. On June 17, 2020, DAS and the State Treasury completed the issuance of 2020 Series E F G & H refunding bonds. Proceeds from the issuance were used to refinance qualifying outstanding Certificates of Participation, Article XI-MN Seismic Rehabilitation bonds, and Article XI-Q General Obligation bonds. Expenditure limitations will be administratively established to record the transaction.

The three tables below present General Fund debt service savings for Certificates of Participation, Article XI-MN Seismic Rehabilitation bonds, and Article XI-Q bonds as well as a combined total.

### Certificates of Participation (COP)

Agency	2019-2021 Debt Service Savings	2021-2039 Debt Service Savings	Total Debt Service Savings	Costs of Issuance
DAS	\$ 59,919	\$ 803,399	\$ 863,318	\$ 4,851
<b>COP Subtotal</b>	<b>\$ 59,919</b>	<b>\$ 803,399</b>	<b>\$ 863,318</b>	<b>\$ 4,851</b>

### XI-MN Seismic Rehabilitation Bonds

Agency	2019-2021 Debt Service Savings	2021-2039 Debt Service Savings	Total Debt Service Savings	Costs of Issuance
OBDD	\$ 225,450	\$ 3,168,545	\$ 3,393,995	\$ 13,842
<b>XI-MN Subtotal</b>	<b>\$ 225,450</b>	<b>\$ 3,168,545</b>	<b>\$ 3,393,995</b>	<b>\$ 13,842</b>

**XI-Q Bonds**

<b>Agency</b>	<b>2019-2021 Debt Service Savings</b>	<b>2021-2039 Debt Service Savings</b>	<b>Total Debt Service Savings</b>	<b>Costs of Issuance</b>
LAC	\$ 94,976	\$ 1,691,833	\$ 1,786,809	\$ 10,733
OMD	15,393	106,754	122,147	1,251
DPSST	307,401	2,547,893	2,855,294	26,524
DOC	1,639,910	10,153,254	11,793,164	92,368
OHA	102,280	1,880,322	1,982,602	11,907
ODOT	129,410	2,045,987	2,175,397	11,646
<b>XI-Q Subtotal</b>	<b>\$ 2,289,370</b>	<b>\$ 18,426,043</b>	<b>\$ 20,715,413</b>	<b>\$ 154,429</b>

<b>Grand Total</b>	<b>\$ 2,574,739</b>	<b>\$ 22,397,987</b>	<b>\$ 24,972,726</b>	<b>\$ 173,122</b>
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**Legislation Affected**

None.

Sincerely,



Katy Coba  
DAS Director | Chief Operating Officer

CC: Dustin Ball, Department of Administrative Services  
Paul Siebert, Legislative Fiscal Office



# Oregon

Kate Brown, Governor

## Department of Administrative Services

Chief Financial Office  
155 Cottage Street NE U10  
Salem, OR 97301  
PHONE: 503-378-3106  
FAX: 503-373-7643

September 4, 2020

The Honorable Peter Courtney, Co-Chair  
The Honorable Tina Kotek, Co-Chair  
Joint Emergency Board Committee  
900 Court Street  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairpersons:

### Nature of Request

The Department of Administrative Services (DAS) submits a report on the State's General Fund debt service savings resulting from a recent refinancing of general obligation bonds.

### Agency Action

ORS 286A.160(3) requires DAS to report the amount of incurred expenses and General Fund debt service savings resulting from the issuance of refunding bonds to the Joint Committee on Ways and Means or to the Emergency Board when the Legislature is not in session. On July 16, 2020, DAS and the State Treasurer completed the issuance of 2020 Series P & Q Refunding Article XI-G Bonds. Proceeds from the issuance were used to refinance qualifying outstanding Article XI-G Bonds. Expenditure limitations will be administratively established to record the transaction. The table below presents General Fund debt service savings for the Higher Education Coordinating Commission (HECC), which was the only agency impacted by the refunding.

Agency	2019-21 Debt Service Savings	Fiscal Year 2022-2042 Debt Service Savings	Total Debt Service Savings	Costs of Issuance
HECC	\$ 2,673,531	\$ 19,079,114	\$ 21,752,645	\$ 375,705

### Legislation Affected

None.

Sincerely,

Katy Coba  
DAS Director | Chief Operating Officer

CC: Dustin Ball, Department of Administrative Services  
Paul Siebert, Legislative Fiscal Office



# Oregon

Kate Brown, Governor

## Department of Administrative Services

Chief Human Resource Office  
155 Cottage Street NE  
Salem, OR 97301  
FAX: (503) 378-6879

September 4, 2019

The Honorable Peter Courtney, Co-Chair  
The Honorable Tina Kotek, Co-Chair  
Joint Emergency Board Committee  
900 Court Street NE  
H-178 State Capitol  
Salem, Oregon 97301-4048

Dear Co-Chairpersons:

### Nature of Request

The Department of Administrative Services (DAS) submits the following report prior to implementation of compensation plan changes and position allocations, as required by ORS 291.371.

### Agency Action

- Section A: Implements the agreement with the International Association of Firefighters (IAFF), Portland Air National Guard (PANG) for compensation plan changes, pending ratification.
- Section B: Implements the agreement with the American Federation of State, County, and Municipal Employees (AFSCME), Local 1085 for compensation plan changes.
- Section C: Implements the agreement with the Service Employees International Union (SEIU), Local 503 for compensation plan changes.
- Section D: Implements the compensation plan changes for the Executive Service, Unclassified Excluded, and Management Service.

### Statewide Impact

The table below aggregates the costs (by fund type) for all units reported to date, including those units reported to the September, November, and January Interim Joint Ways and Means.

Statewide (to date)	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds
<b>2019-2021 Cost:</b>	203,432,209	5,715,322	175,150,178	81,435,299	465,733,008
<b>Roll-up Cost:</b>	179,673,622	5,608,400	177,997,171	79,329,777	442,608,970
<b>2021-2023 Cost:</b>	383,105,831	11,323,722	353,147,349	160,765,076	908,341,978

September 4, 2020

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**Action Requested**

The Department of Administrative Services requests acknowledgement of this report as required by ORS 291.371.

**Legislation Affected**

None.

Thank you for your consideration.

Sincerely,



Katy Coba  
DAS Director | Chief Operating Officer

**Attachments**

CC: Dustin Ball, Department of Administrative Services  
Paul Siebert, Legislative Fiscal Office



## SECTION A

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Implements the agreement with International Association of Firefighters (IAFF), Portland Air National Gard (PANG) for compensation plan changes, pending ratification.

- 1) Effective July 1, 2019, generally increase salary rates by two and fifteen hundredths percent (2.15%).
- 2) Effective October 1, 2020, generally increase salary rates by three percent (3.0%).
- 3) Effective July 1, 2020, add an additional step to all salary ranges.
- 4) Effective January 1, 2020, increase the uniform maintenance allowance from five hundred fifty dollars (\$550.00) to seven hundred fifty dollars (\$750.00) per calendar year.
- 5) Effective January 1, 2020, increase Kelly Day bank from eight (8) shifts to ten (10) shifts for each Regular Status (non- trial service) employee each calendar year.

<b>SECTION A</b>	<b>General Fund</b>	<b>Lottery Funds</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
<b>2019-2021 Cost:</b>	-	-	-	175,656	175,656
<b>Roll-up Cost:</b>	-	-	-	174,688	174,688
<b>2021-2023 Cost:</b>	-	-	-	350,344	350,344

## SECTION B

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Implements the agreement with the American Federation of State, County, and Municipal Employees (AFSCME), Local 1085 for compensation plan changes.

- 1) Effective October 1, 2020, merge the Assistant Attorney General salary range and the Senior Attorney General Salary range into one (1) salary range.

<b>SECTION B</b>	<b>General Fund</b>	<b>Lottery Funds</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
<b>2019-2021 Cost:</b>	-	-	-	-	-
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2021-2023 Cost:</b>	-	-	-	-	-

## SECTION C

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Implements the agreement with the Service Employees International Union (SEIU), Local 503 for compensation plan changes.

- 1) Effective July 1, 2019, selectively increase the following classifications, as indicated:

<b>Class Number</b>	<b>Class Title</b>	<b>From SR</b>	<b>To SR</b>
6387	Pharmacy Clerk and Technician 1	12	13
6388	Pharmacy Clerk and Technician 2	14	16
6389	Pharmacy Clerk and Technician 3	16	17

While the compensation plan is increasing, the estimated cost to the agency is net neutral as the incumbent employees will be reallocated to these classifications from other classifications that are already at the revised salary range.

<b>SECTION C</b>	<b>General Fund</b>	<b>Lottery Funds</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
<b>2019-2021 Cost:</b>	-	-	-	-	-
<b>Roll-up Cost:</b>	-	-	-	-	-
<b>2021-2023 Cost:</b>	-	-	-	-	-

## SECTION D

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Implements the compensation plan changes for the Executive Service, Unclassified Excluded, and Management Service.

- 1) Effective October 1, 2020, selectively increase the following classification, as indicated:

<b>Class Number</b>	<b>Class Title</b>	<b>From SR</b>	<b>To SR</b>
8439	Park Region Manager	33P	35P

<b>SECTION D</b>	<b>General Fund</b>	<b>Lottery Funds</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
<b>2019-2021 Cost:</b>	-	7,812	7,596	186	15,594
<b>Roll-up Cost:</b>	-	7,376	7,170	175	14,721
<b>2021-2023 Cost:</b>	-	15,188	14,766	361	30,315



# Oregon

Kate Brown, Governor

## Department of Administrative Services

Office of the Chief Operating Officer

155 Cottage Street NE

Salem, OR 97301

PHONE: 503-378-3104

FAX: 503-373-7643

September 9, 2020

The Honorable Senator Peter Courtney, Co-Chair  
The Honorable Representative Tina Kotek, Co-Chair  
State Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairpersons:

### Nature of the Emergency

The Department of Administrative Services (DAS) submits a report on the 2021-2023 uniform rent rates as required by ORS 276.390.

### Agency Action

Uniform rent is paid by client agencies for office and storage space in DAS' portfolio of 39 office buildings located in Portland, Salem, Eugene and Pendleton. The rental revenue funds the total portfolio cost including debt service, depreciation, insurance, utilities, maintenance, landscaping and custodial services. DAS' lease rate also captures capital renewal for the Capital Projects Fund which is the funding mechanism for large deferred maintenance capital projects.

Given these critical needs for long-term stewardship of our assets and future, DAS proposes to increase the office lease rate for 2021-23 to \$1.90 per square foot per month as published in the 2021-23 Price List of Goods and Services (March 2020) document, a \$.35 change over the last biennium. No change is proposed to the current storage rate of \$0.50 per square foot per month.

The matrix below outlines historical and the currently proposed uniform rental rates:

	2011-13	2013-15	2015-17	2017-19	2019-21	2021-23	
Office Space	\$1.38	\$1.45	\$1.45	\$1.45	\$1.55	\$1.90	Per square foot per month
Storage Space	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	Per square foot per month

In the interest of providing contextual comparative to market lease rates, attached please find a cost breakdown for private sector buildings of similar construct in the Portland, Salem and Eugene central business districts. Also broken out is the average cost private sector tenants pay for custodial services over and above the base lease rate.

September 10, 2020

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**Action Requested**

Acknowledge receipt of the report.

**Legislation Affected**

None



Katy Coba

DAS Director | Chief Operating Officer

CC:     Dustin Ball, Department of Administrative Services  
          Paul Siebert, Legislative Fiscal Office

Private sector modified gross rental rates in applicable central business districts		Average custodial services in addition to base lease rates	Total rental rate
Portland	\$2.45	\$0.25	\$2.70
Salem	\$1.87	\$0.20	\$2.07
Eugene	\$1.60	\$0.20	\$1.80

