

SB 5542 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

Department of Administrative Services

2017-19

Department of State Lands

2017-19

Higher Education Coordinating Commission

2017-19

Oregon Business Development Department

2017-19

PRELIMINARY

Summary of Changes in Bonding Authority

Program Designation	2017-19 Legislatively Approved Budget ⁽¹⁾	2017-19 Committee Recommendations	2019 Session Legislative Adjustments
GENERAL OBLIGATION BONDS			
General Fund Obligations			
Higher Education Coordinating Comm. - PU (Art. XI-G)	\$ 131,890,000	\$ 125,845,000	\$ (6,045,000)
REVENUE BONDS			
Direct Revenue Bonds			
Department of Administrative Services Lottery Revenue Bonds	\$ 221,025,000	\$ 217,670,000	\$ (3,355,000)

(1) Includes adjustments through February 2018

PRELIMINARY

Summary of Capital Construction Subcommittee Action

Senate Bill 5542 makes changes to previously approved bond authorizations. No new bonds are authorized.

General Fund Obligations

The Subcommittee approved the following modifications to previously approved authorizations for three community college projects and one public university project included in the budget for the Higher Education Coordinating Commission.

- Clatsop Community College, Maritime Science Building: approved modifying the scope of the Marine Science Center Renovation and Expansion project authorized in SB 5505 (2017) to allow construction of a new Maritime Science Building. \$8,135,000 in Article XI-G general obligation bonds were originally approved to renovate and expand the Marine Science Center building on the Marine and Environmental Research Training Station (MERTS) campus. The project has been expanded to include the purchase of currently leased MERTS campus land, renovation of the existing science building, and construction of a new Maritime Science Building on the MERTS campus, which will include classrooms, labs, and expanded faculty and support space. The approved amount includes \$7,996,994 for project costs and \$138,006 for costs of issuing bonds.
- Columbia Gorge Community College, Middle College Prototype Facility: approved modifying the scope of the Middle College Prototype Facility project authorized in SB 5505 (2017) to revise auxiliary project components. \$7,400,000 in Article XI-G general obligation bonds were approved to construct a Middle College Prototype Facility to be used by the college and North Wasco School District to focus on grades 11 through 14 and the transition between high school and post-secondary education. The project still involves a Treaty Oak Regional Skills Center, including a high-bay skills center for CTE training; portable equipment stations; equipment bay for the fire science training program; and on-campus workforce housing for CGCC enrollees and Mid-Col. Fire & Rescue District trainees. The project may also include fitness facilities and a track/soccer field. The approved amount includes \$7,320,000 for project costs and \$80,000 for costs of issuing bonds. The community college will provide the constitutionally required match for the Article XI-G bonds through public investment.
- Rogue Community College, Redwood Campus Science Facility: approved modifying the scope of the Elk Building Science Facility Renovation and Expansion project authorized in SB 5505 (2017) to allow construction of a new science facility on the Redwood Campus. \$6,125,000 in Article XI-G general obligation bonds were originally approved to renovate and add space to the existing Elk Building Science Facility. The project will now involve construction of a new 15,000 - 20,000 sq. ft. building and associated infrastructure to provide the nursing and allied health programs with a safe and modern science facility at the Grants Pass Redwood Campus. The project will increase instructional capacity, add purpose-designed lab spaces, and expand infrastructure to meet current and future academic needs. The approved amount includes \$6,000,000 for project costs and \$125,000 for costs of issuing bonds.

- Oregon State University, Dairy Products Pilot Plant: approved modifying the scope of the Quality Foods and Beverage Center project authorized in SB 5505 (2017) to allow construction of the dairy pilot plant, through either renovation of an existing building or new construction. \$9,100,000 in Article XI-G general obligation bonds were originally approved to construct a new building that would include three new research and learning pilot facilities for brewing, wine, and dairy sciences. The Article XI-G general obligation bond authorization has been decreased to \$3,055,000 to reflect a reduced scope that focuses on dairy science. The project will now create research and learning space for the dairy science program through either renovation of approximately 14,000 GSF in east Withycombe Hall, renovation of another space, or construction of a new facility. The approved amount includes \$3,000,000 for project costs and \$55,000 for costs of issuing bonds. The university will provide the constitutionally required match for the Article X-G bonds.

Direct Revenue Bonds

The Subcommittee approved the following modifications to three previously approved lottery revenue bond funded project authorizations.

- Department of Administrative Services, Family Nurturing Center Affordable Housing: approved expanding the scope of the Family Nurturing Center project, funded with \$2,000,000 in net lottery bond proceeds authorized in SB 5530 (2017), to allow either the redevelopment or construction of affordable housing units that will serve seniors and families with young children.
- Oregon Business Development Department, Oregon Manufacturing Innovation Center Access Roads: approved modifying the scope of the Oregon Manufacturing Innovation Center (OMIC) access roads project, funded with \$3,390,000 million in net lottery bond proceeds authorized in SB 5530 (2017), to allow construction of roads that will provide OMIC access, including the OMIC Research and Development Facility and industrial property.
- Oregon Business Development Department, Restoring Westport Slough to Commercial Use: approved expanding the scope of the North Coast Regional Solutions project for Clatsop County to restore the Westport Slough to commercial use, funded with \$450,000 in net lottery bond proceeds authorized for the Regional Infrastructure Fund in SB 5530 (2017) and approved at the September 2018 meeting of the Emergency Board, to include dredging to deepen the channel and improvements to the dock.

The Subcommittee also reduced the total 2017-19 lottery revenue bond authorization by \$3,355,000 and repealed the \$3,000,000 in net lottery proceeds originally approved in SB 5530 (2017) to be deposited in the Portland Harbor Cleanup Fund for coordination and participation in contracts or agreements related to the Portland Harbor Superfund Site. HB 5046 (2019) includes transfers of Other Funds to the Portland Harbor Cleanup Fund to replace anticipated lottery bond proceeds and support costs related to or arising out of the Portland Harbor Superfund Site.

Other Legislative Changes

The Subcommittee approved establishing the EOU Field House Facility Fund for deposit of \$9,000,000 in net lottery bond proceeds authorized in SB 5702 (2018) to the Higher Education Coordinating Commission (HECC) for a grant to Eastern Oregon University (EOU) to construct a new field house facility. Proceeds were originally to be deposited in the Public University Fund established under ORS 352.450, which allows funds to be managed and distributed directly by a designated public university, preventing necessary review of reimbursement requests by HECC and the Department of Administrative Services prior to disbursement.

The Subcommittee also approved funding a portion of the Cascade Aids Project, authorized in SB 5530 (2017) for acquisition and construction of the Prism Health Center, with up to \$533,000 of unused 2012C lottery bond proceeds. Lottery bonds scheduled to be issued in April 2019 will be reduced to take into consideration the amount of 2012C proceeds applied to the project. The Cascades Aids Project will receive a total of \$1,000,000 in net lottery bond proceeds, as originally approved, through a combination of existing 2012C proceeds and net proceeds from the upcoming 2019 lottery bond sale.

PRELIMINARY