SENATE AMENDMENTS TO SENATE BILL 5999

By COMMITTEE ON FINANCE AND REVENUE

April 17

On page 1 of the printed bill, after line 4, insert:

"Whereas an effective long-term capital investment program is critical to the state's overall economic success; and

"Whereas to achieve the optimal level of investment the state must weigh the benefits of a more productive state government and overall labor force resulting from additional capital with the risks of higher debt levels and the impact of debt service payments on the state's operating budget; and

"Whereas the Legislative Assembly recommends that projects that leverage private investment and encourage overall economic development be given higher priority; and

"Whereas when setting the state's overall debt capacity level, the risks to future revenue streams must be properly considered; and

"Whereas for debt supported by the General Fund, the Legislative Assembly recommends that debt service payments not exceed five percent of projected General Fund revenue, and in order to account for the historic volatility of Oregon's General Fund revenue stream, the Legislative Assembly recommends that, for purposes of calculating the General Fund debt capacity, 90 percent of the most recent General Fund revenue forecast be used, which for the 2007-2009 biennium is a General Fund supported debt capacity level of $658,206,000; and

"Whereas for purposes of determining overall debt supported by the State Lottery, the Legislative Assembly recommends that projected lottery revenue exceed debt service payments by no less than four times the amount of those payments; and

"Whereas to account for long-term structural risks to future lottery revenue, the Legislative Assembly recommends that, for purposes of calculating lottery debt capacity, 75 percent of the most recent lottery projection be used, which for the 2007-2009 biennium is a lottery supported debt of no more than $342,875,000; and

"Whereas the state's capital investment program would be enhanced by the systematic development of a long-term strategic capital budget plan; now, therefore,".