

**SB 5702 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Katie Bannikov, Legislative Fiscal Office

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

---

**Various**

**2025-27**

**Various**

**2023-25**

**Oregon Military Department**

**2021-23**

**Oregon Youth Authority**

**2017-19**

PRELIMINARY

## Budget Summary

	<u>2025-27 Legislatively Approved Budget</u>	<u>2026 Committee Recommendation</u>	<u>2026 Session Adjustments 2025-27</u>
General Fund Capital Construction	\$ -	\$ -	\$ -
Other Funds Capital Construction	\$ 1,444,954,159	\$ 2,015,160,693	\$ 570,206,534
Federal Funds Capital Construction	\$ 49,011,132	\$ 49,011,132	\$ -
Total	<u>\$ 1,493,965,291</u>	<u>\$ 2,064,171,825</u>	<u>\$ 570,206,534</u>

	<u>2023-25 Legislatively Approved Budget</u>	<u>2026 Committee Recommendation</u>	<u>2026 Session Adjustments 2023-25</u>
General Fund Capital Construction	\$ -	\$ -	\$ -
Other Funds Capital Construction	\$ 1,439,673,532	\$ 1,436,673,532	\$ (3,000,000)
Federal Funds Capital Construction	\$ 38,440,019	\$ 38,440,019	\$ -
Total	<u>\$ 1,478,113,551</u>	<u>\$ 1,475,113,551</u>	<u>\$ (3,000,000)</u>

	<u>2021-23 Legislatively Approved Budget</u>	<u>2026 Committee Recommendation</u>	<u>2026 Session Adjustments 2021-23</u>
General Fund Capital Construction	\$ 223,081,000	\$ 223,081,000	\$ -
Other Funds Capital Construction	\$ 1,626,326,708	\$ 1,626,326,708	\$ -
Federal Funds Capital Construction	\$ 98,426,286	\$ 99,226,286	\$ 800,000
Total	<u>\$ 1,947,833,994</u>	<u>\$ 1,948,633,994</u>	<u>\$ 800,000</u>

## Revenue Summary

Other Fund 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, the depreciation component of the Uniform Rent program and other deposits in the Department of Administrative Services (DAS) Capital Projects Fund established by ORS 276.005, parking fees, aircraft registration fees, insurance settlement proceeds, and veteran home reserves. Federal Funds revenues are from the National Guard Bureau.

## Summary of Capital Construction Subcommittee Action

SB 5702 provides six-year expenditure limitation for capital construction projects. Projects in excess of \$1 million for the acquisition of land and the acquisition, planning, constructing, altering, repairing, furnishing, and equipping of building and facilities are categorized as capital construction projects. In addition, SB 5702 extends the six-year expiration date and expenditure limitation for a specified project approved in a prior biennium.

### Department of Administrative Services

**Parking Lot Improvements and EV Charging Stations:** approved \$3.5 million in Other Funds (Capital Projects Fund) capital construction six-year expenditure limitation for parking lot improvements, repairs, and installation of electric vehicle charging stations. The expenditure limitation expires June 30, 2031. This was recommended by the Joint Interim Committee on Ways and Means in January 2026.

**Portfolio Repositioning Facility Alterations:** approved \$14.75 million in Other Funds (Capital Projects Fund) capital construction six-year expenditure limitation for facility alterations to enhance facility functionality based on post pandemic office design policy. The expenditure limitation expires June 30, 2031. This was recommended by the Joint Interim Committee on Ways and Means in January 2026.

**Portland State Office Building Restack:** approved \$11.5 million in Other Funds (Capital Projects Fund) capital construction six-year expenditure limitation to renovate the Portland State Office Building to create shared spaces for public-facing agencies and improve usability and densification of the building. The expenditure limitation expires June 30, 2031. This was recommended by the Joint Interim Committee on Ways and Means in January 2026.

**Moda Center and surrounding plaza areas capital improvements:** approved \$365 million in Other Funds capital construction six-year expenditure limitation to support renovations and capital improvements of the Moda Center and surrounding plaza areas. Article XI-Q Bonds and certificates of participation were authorized, not to exceed \$365 million in aggregate, over the course of the current and next biennium to finance the project. The expenditure limitation expires June 30, 2031.

### Housing and Community Services Department

**Local Innovation and Fast Track (LIFT) Affordable Rental Housing Program:** approved an increase of \$75 million in Other Funds (Article XI-Q Bonds) capital construction six-year expenditure limitation to acquire, construct, remodel, repair, equip or furnish real property in which the department will take an operational or ownership interest to provide affordable rental housing for Oregonians with low income and citizens in historically underserved communities and communities of color. The increase brings total Other Funds capital construction expenditure limitation approved for the LIFT program to \$540 million.

**Housing Opportunity Longevity and Durability (HOLD) Fund Preservation Program:** approved \$25 million in Other Funds (Article XI-Q Bonds) capital construction six-year expenditure limitation to acquire, construct, remodel, repair, equip or furnish real property in which the department will take an operational or ownership interest to preserve affordable rental housing at risk of loss.

Department of Forestry

**Klamath Fire Cache Warehouse:** approved an increase of \$1 million in Other Funds capital construction six-year expenditure limitation funded by insurance settlement proceeds for the construction of the Klamath Fire Cache Warehouse that was destroyed by a fire in 2021. The expenditure limitation expires June 30, 2031. This was recommended by the Joint Interim Committee on Ways and Means in January 2026 and brings total Other Funds capital construction expenditure limitation approved for the project to \$6 million.

**Santiam Facility Replacement, Phase I:** approved an increase of \$5 million in Other Funds capital construction six-year expenditure limitation funded by insurance settlement proceeds for Phase I of the Santiam Facility Replacement project. The North Cascade Santiam Unit Headquarters facility was destroyed by a fire in 2020. The expenditure limitation expires June 30, 2031. This was recommended by the Joint Interim Committee on Ways and Means in January 2026 and brings total Other Funds capital construction limitation approved for the project to 10 million.

**Airport Hangar:** approved modifying the scope of the Other Funds (Article XI-Q Bonds) Salem Airport Hangar project authorized in the 2023 legislative session. Capital construction expenditure limitation of \$2 million was originally approved to renovate or replace the agency's existing aircraft hangar at Salem Municipal Airport (McNary Field). The project scope has been modified to allow the aircraft hangar to be renovated, replaced or constructed at a location within the State of Oregon determined by the Department of Forestry to best support statewide wildfire detection, aviation operations and mission readiness. The expenditure limitation expires June 30, 2029.

Department of Veterans' Affairs

**Lebanon HVAC System:** approved \$7.1 million in Other Funds (veteran home reserves) capital construction six-year expenditure limitation to replace the HVAC system which has been experiencing ongoing equipment failures. The Department anticipates receipt of federal revenues to support this project in the future, and if awarded plans to return to the Legislature to shift from Other Funds to Federal Funds. The expenditure limitation expires June 30, 2031. This was recommended by the Joint Interim Committee on Ways and Means in January 2026.

Department of Aviation

**Mulino State Airport Waterline and Hangar Improvements:** approved \$156,534 Other Funds (aircraft registration fees) capital construction six-year expenditure limitation undergo waterline improvements and hangar construction at the Mulino State Airport. This project is predominately funded with \$3 million in Federal Funds capital construction expenditure limitation that was authorized in SB 5506 (2025), and this is the required match portion for the project funded by aircraft registration fees. The expenditure limitation expires June 30, 2031.

### Parks and Recreation Department

**Park Acquisitions:** approved \$2.1 million in Other Funds (Article XI-Q bonds) capital construction six-year expenditure limitation for park land acquisition and associated closing costs after the agency successfully completes the standard due diligence process in compliance with applicable administrative rules. The expenditure limitation expires June 30, 2031.

### Oregon Military Department

**Corvallis Armory Service Life Extension:** approved an increase of \$800,000 (National Guard Bureau) in Federal Funds capital construction six-year expenditure limitation for the Corvallis Armory Service Life Extension and Regional Emergency Enhancement project. The expenditure limitation expires June 30, 2027. This was recommended by the Joint Interim Committee on Ways and Means in January 2026 and brings the total Federal Funds capital construction expenditure limitation for the project to \$4.3 million from the original limitation approved by the Emergency Board during the December 2022 meeting.

### Oregon Youth Authority

The subcommittee approved the extension of the project expiration date and expenditure limitation to June 30, 2027, for the following project: MaLaren West Cottages Renovation (Other Funds).

### Higher Education Coordinating Commission (HECC)

#### **HECC - Public Universities**

The subcommittee approved an increase of \$60.1 million in Other Funds capital construction six-year expenditure limitation for the distribution of general obligation bond proceeds to public universities. This amount corresponds to the total project amounts for three projects authorized in SB 5701. The projects are funded with proceeds from the issuance of Article XI-F(1), XI-G, and XI-Q 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 5701. The expenditure limitation expires June 30, 2031.

Additionally, the subcommittee approved a scope change to the Portland State University, Portland Center for the Performing Arts Parking Structure to also allow for construction, furnishing and equipping of structured parking as well as other auxiliary uses, which may include the construction and furnishing of a commercial kitchen, conference rooms, office space, banquet rooms, studio space and retail spaces. Article XI-F(1) bonds in the amount of \$53 million were originally approved to construct a parking structure for the new Center for Performing Arts facility. The approved amount included \$52.5 million of project costs and \$470,000 for costs of issuing the bonds and remains unchanged.

**HECC - Community Colleges**

The subcommittee approved a decrease of \$3 million in Other Funds capital construction six-year expenditure limitation for the distribution of general obligation bond proceeds to community colleges. The amount corresponds to the total project amount for one project scope and budget change authorized in SB 5701. This project is funded with proceeds from the issuance of Article XI-G bonds and will be disbursed as a grant pursuant to the grant agreement between HECC and the community college. A project description is included in SB 5701. The expenditure limitation expires June 30, 2029.

PRELIMINARY

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

**SB 5702-A**

**Various Agencies**

**Katie Bannikov 503-986-1841**

DESCRIPTION	OTHER FUNDS	FEDERAL FUNDS	TOTAL FUNDS	POS	FTE
<u>COMMITTEE AUTHORIZATIONS</u>					
<b><u>ADMINISTRATION PROGRAM AREA</u></b>					
<b><u>Department of Administrative Services</u></b>					
Parking Lot Improvements and EV Charging Stations	\$ 3,500,000	\$ -	\$ 3,500,000	0	0.00
Portfolio Repositioning Facility Alterations	\$ 14,750,000	\$ -	\$ 14,750,000	0	0.00
Portland State Office Building Restack	\$ 11,500,000	\$ -	\$ 11,500,000	0	0.00
Moda Center and surrounding plaza areas capital improvements	\$ 365,000,000	\$ -	\$ 365,000,000	0	0.00
<b><u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u></b>					
<b><u>Housing and Community Services Department</u></b>					
LIFT Affordable Rental Housing Program	\$ 75,000,000	\$ -	\$ 75,000,000	0	0.00
HOLD Fund Preservation Program	\$ 25,000,000	\$ -	\$ 25,000,000	0	0.00
<b><u>Department of Veterans' Affairs</u></b>					
Department of Veterans' Services Lebanon HVAC System	\$ 7,100,000	\$ -	\$ 7,100,000	0	0.00
<b><u>EDUCATION PROGRAM AREA</u></b>					
<b><u>Higher Education Coordinating Commission</u></b>					
PSU - Student Housing	\$ 15,000,000	\$ -	\$ 15,000,000	0	0.00
WOU - Heritage Hall Roof Replacement	\$ 3,100,000	\$ -	\$ 3,100,000	0	0.00
OSU - Cascades Student Health and Recreation Center	\$ 42,000,000	\$ -	\$ 42,000,000	0	0.00
<b><u>NATURAL RESOURCES PROGRAM AREA</u></b>					
<b><u>Department of Forestry</u></b>					
Klamath Fire Cache Warehouse Replacement	\$ 1,000,000	\$ -	\$ 1,000,000	0	0.00
Santiam Facility Replacement, Phase I	\$ 5,000,000	\$ -	\$ 5,000,000	0	0.00
<b><u>Parks and Recreation Department</u></b>					
Park Acquisitions	\$ 2,100,000	\$ -	\$ 2,100,000	0	0.00
<b><u>TRANSPORTATION PROGRAM AREA</u></b>					
<b><u>Department of Aviation</u></b>					
Mulino State Airport Waterline and Hangar Improvements	\$ 156,534	\$ -	\$ 156,534	0	0.00
<b>TOTAL</b>	<b>\$ 570,206,534</b>	<b>\$ -</b>	<b>\$ 570,206,534</b>	<b>0</b>	<b>0.00</b>

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

**SB 5702-A**

**Various Agencies**  
**Katie Bannikov 503-986-1841**

DESCRIPTION	OTHER FUNDS	FEDERAL FUNDS	TOTAL FUNDS	POS	FTE
<u>COMMITTEE AUTHORIZATIONS</u>					
<b><u>2023-25 Supplemental Expenditure Limitation Adjustments</u></b>					
<b><u>Higher Education Coordinating Commission</u></b>					
SWOCC - Student Uplift & Collaboration Create Expanded Support (SUCCESS)	\$ (8,000,000)	\$ -	\$ (8,000,000)	0	0.00
SWOCC - Welding and Manufacturing Trades Center	\$ 5,000,000	\$ -	\$ 5,000,000	0	0.00
<b>TOTAL</b>	<b>\$ (3,000,000)</b>	<b>\$ -</b>	<b>\$ (3,000,000)</b>	<b>0</b>	<b>0.00</b>
<b><u>2021-23 Supplemental Expenditure Limitation Adjustments</u></b>					
<b><u>Oregon Military Department</u></b>					
Corvallis Armory Service Life Extension	\$ -	\$ 800,000	\$ 800,000	0	0.00

PRELIMINARY