

Legislative Fiscal Office

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To: Capital Construction Subcommittee

From: Walt Campbell, Legislative Fiscal Office

Date: February 28, 2022

Subject: SB 5701 – Bond Authorization
Work Session Recommendations

SB 5701 amends the limits established during the 2021 legislative session for the maximum amount of bonds that state agencies may issue. The proceeds from the issuance of bonds are included as revenues in agency budgets. The bill also updates the allocations of federal tax-exempt private activity bond volume cap.

The -4 amendment replaces the bill and includes the following increases in general obligation and lottery revenue bonds authorized to be issued during the 2021-23 biennium:

- \$30.2 million of Article XI-Q bonds to finance public university capital improvement and renewal.
- \$19.9 million of Article XI-Q bonds to finance the third phase of the Capitol Accessibility, Maintenance, and Safety (CAMS) project.
- \$4.4 million of additional Article XI-Q bonds for the Crook County courthouse replacement project.
- \$83.7 million of additional Article XI-Q bonds for the new Oregon Liquor and Cannabis Commission warehouse and conveyor system that will be supported with Other Funds liquor revenues.
- \$18.1 million of Article XI-Q bonds for improvements to a state-owned facility and IT system that will be supported with Other Funds revenues.
- \$23.1 million of lottery revenue bonds to support three projects.

A summary of general obligation and lottery bond funded projects included in the -4 amendment is attached. Bonds are scheduled to be sold in the spring of 2023, so no debt service payments are due in the 2021-23 biennium. Debt service on the additional bonding is estimated to be \$8.3 million General Fund and \$3.5 million Lottery Funds in the 2023-25 biennium.

As amended, SB 5701 modifies the description of the University of Oregon, Heritage Buildings Renovation (University and Villard Halls) project authorized in the 2021 session,

as well as a previously authorized lottery bond project. The budget report will also include language modifying the scope of two additional public university projects authorized in prior biennia.

Recommended Changes

LFO recommends adoption of the -4 amendment.

Final Subcommittee Action

LFO recommends that SB 5701, as amended by the -4 amendment, to be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

SB 5701 - BOND AUTHORIZATION

General Obligation Bonds

		Bond Program	Project Amount	Cost of Issuance	Bond Par Value
General Fund Supported					
HECC	Public Universities Capital Improvement and Renewal Additional	XI-Q	30,000,000	185,000	30,185,000
OJD	Crook County Courthouse Replacement	XI-Q	4,416,705	28,295	4,445,000
DOR	Electronic Valuation Information System (ELVIS)	XI-Q	(400,000)	(35,000)	(435,000)
OMD	Resiliency Grant Fund (OEM State Preparedness and Incident Response Equip	XI-Q	(5,000,000)	(105,000)	(5,105,000)
ODEM	Resiliency Grant Fund (ODEM State Preparedness and Incident Response Equi	XI-Q	5,000,000	105,000	5,105,000
LAC	Capitol Accessibility, Maintenance, and Safety Phase III	XI-Q	19,630,000	235,000	19,865,000
Total General Fund Obligations			53,646,705	413,295	54,060,000
Other Funds Supported (non-capacity)					
DAS	North Valley Complex	XI-Q	13,000,000	195,000	13,195,000
DOJ	Legal Tools Replacement Project 3.0	XI-Q	5,000,000	105,000	5,105,000
OLCC	Liquor Warehouse Management IT System	XI-Q	-	(30,000)	(30,000)
OLCC	Liquor Warehouse Conveyor System	XI-Q	5,000,000	30,000	5,030,000
OLCC	Liquor Warehouse Land & Building	XI-Q	77,917,783	792,217	78,710,000
Total Dedicated Fund Obligations			100,917,783	1,092,217	102,010,000

Lottery Revenue Bonds

		Bond Program	Project Amount	Cost of Issuance / Reserves	Bond Par Value
DAS	McKenzie River Discovery Center	Lottery	3,000,000	305,000	3,305,000
DAS	City of Portland Parks and Recreation - North Portland Aquatic Center	Lottery	15,000,000	1,460,000	16,460,000
DAS	City of Milton-Freewater - Police and Dispatch Station	Lottery	3,000,000	305,000	3,305,000
Total Lottery Revenue Bonds			21,000,000	2,070,000	23,070,000