



# Oregon

Tina Kotek, Governor

## Higher Education Coordinating Commission

Office of the Executive Director

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Salem, Oregon 97302

[www.oregon.gov/HigherEd](http://www.oregon.gov/HigherEd)

May 9, 2025

Co-Chair, Senator Fred Girod

Co-Chair, Representative Rob Nosse

Joint Committee on Ways and Means, Subcommittee on Capital Construction

Dear Co-Chairs Girod and Nosse,

Thank you for the opportunity to answer questions that arose during the **May 2, 2025** Higher Education Coordinating Commission presentation to the Joint Ways and Means Subcommittee on Capital Construction.

### *Correction*

During the hearing, **slide 9** displayed the public university capital construction projects included within the Governor's Recommended Budget (GRB), and shows \$85M in proposed XI-Q bonds for the PSU Performing Arts Center. This is incorrect. The \$85M proposal is for **XI-G** bonds. The accompanying match of \$85M is correctly displayed.

**On slide 2**, Sen. Wagner inquired about the history of state capital investment by institution. That information is included in Table A for the community colleges and Table B for the public universities. The amount noted for "all colleges" in Table A is related to lottery revenue bonds issued before 2013 for general capital improvements. The amount noted for "all universities" in Table B is related to the Capital Improvement and Renewal (CIR) Fund. These amounts do not include costs associated with bond issuance.

<b>Table A: State Investment in Capital by Community College, 2005-2025 (Lottery bonds sold for general capital improvements between 2007-f2013 are combined for all colleges)</b>			
Blue Mountain CC	\$9,831,350	Mt Hood CC	\$10,500,000
Central Oregon CC	\$20,738,000	Oregon Coast CC	\$17,457,487
Chemeketa CC	\$38,962,500	Portland CC	\$47,827,500
Clackamas CC	\$38,450,000	Rogue CC	\$25,061,661
Clatsop CC	\$19,423,779	Southwestern OR CC	\$13,781,884
Columbia Gorge CC	\$28,253,779	Tillamook Bay CC	\$14,830,682
Klamath CC	\$24,435,000	Treasure Valley CC	\$10,780,250
Lane CC	\$39,740,000	Umpqua CC	\$17,136,812
Linn Benton CC	\$29,308,750	All Colleges (2007-2013)	\$65,985,123

<b>Table B: State Investment in Capital by Public University, 2005-2025 (Capital Improvement and Renewal funds are combined for all universities)</b>			
All Universities (CIR)	\$514,965,559	PSU	\$636,593,410
EOU	\$70,915,251	SOU	\$111,351,700
OIT	\$214,823,440	UO	\$816,440,540
OSU – Corvallis	\$667,615,196	WOU	\$135,609,034
OSU – Cascades	\$98,053,454		

**On slide 3,** Sen. Wagner inquired about the facility condition index (FCI) for each public university. That information is included in Table C. This data includes facilities with education and general (E&G) space. Auxiliary spaces (i.e., student housing, athletic facilities, food service, retail, etc.) are excluded.

<b>Table C: Facility Condition Index (FCI) by University (As of Fall 2024)</b>						
	<b>Building Count</b>	<b>Gross Square Feet</b>	<b>E&amp;G Gross Square Feet</b>	<b>Current Replacement Value</b>	<b>Deferred Maintenance</b>	<b>FCI</b>
EOU	24	971,547	730,965	\$507,273,354	\$106,685,145	21%
OIT	40	943,752	822,963	\$607,018,497	\$66,128,995	11%
OSU*	488	6,974,415	6,719,729	\$7,075,954,703	\$353,279,217	5%
PSU	40	4,231,645	2,525,393	\$2,779,841,758	\$264,485,355	10%
SOU	40	1,174,374	953,390	\$615,637,654	\$137,580,000	22%
UO	168	5,181,666	4,759,926	\$4,201,956,800	\$561,425,247	13%
WOU	41	954,849	864,669	\$496,984,827	\$104,427,886	21%
<b>Total</b>	<b>841</b>	<b>20,432,248</b>	<b>17,377,035</b>	<b>\$16,284,667,593</b>	<b>\$1,594,011,844</b>	<b>9.8%</b>
<b>Note:</b> The Facility Condition Index (FCI) is the amount of deferred maintenance divided by the current replacement value. *Includes data for OSU-Cascades. A newer campus lowers the overall FCI for OSU.						

**On slide 5,** Sen. Wagner asked about the funding limitation for community college capital projects. That limitation was established in SB 5506 (2013 RS). Section 10 notes, “the aggregate amount authorized for issuance of general obligation bonds under Article XI-G of the Oregon Constitution for projects at a single community college may not exceed \$8 million.” That limitation has not changed since 2013. In the current legislative session, HB 3635 proposes to adjust the limitation to \$15 million.

**On slide 16,** Rep. Drazen asked about the type of bonding proposed for the PSU Performing Arts Center. Article XI-Q bonds must be used for state owned or operated facilities. Consistent with ORS 286A.848, Article XI-G bonds must benefit the institutions of higher education in Oregon eligible to receive state aid but do not have to be state owned. PSU is eligible for both types of bonds.

**On slide 17,** Rep. Kropf asked about funding that OSU-Cascades receives from the Capital Improvement and Renewal (CIR) Fund. Because OSU-Cascades consists of relatively new buildings, it receives little support from the CIR Fund directly. However, Cascades facilities do contribute to OSU’s

proceeds from the CIR fund because any education and general (E&G) space associated with facilities more than ten years old are factored into the distribution formula. Table D details all of Cascades' current E&G facilities. Since the Graduate Research Center is now more than 10 years old, it is included in the calculation. New construction will be added as occupancy occurs.

<b>Table D: OSU-Cascades E&amp;G Facilities Considered for CIR</b>				
<b>Building Name</b>	<b>Gross Square Feet</b>	<b>% E&amp;G Space</b>	<b>E&amp;G Gross Square Feet</b>	<b>Age or Year of Beneficial Occupancy</b>
Graduate Research Center	43,426	99%	43,006	2011
Tykeson Hall	44,686	100%	44,686	2016
Edward J Ray Hall	57,708	100%	58,707	2021
GeoX Energy	2,635	100%	2,635	2024
<b>Note:</b> Data provided by OSU-Cascades, September 2024.				

During slides presented by the public universities, Rep. Smith asked about facilities operations and maintenance costs and deferred maintenance expressed on a per student basis. Table E includes that data for the public universities. Spending for the operations and maintenance of physical plant includes building maintenance, custodial services, utilities, landscaping/grounds, and minor repairs and renovations. Collectively the universities spent \$1,954 per student during FY2024 on those costs and reported an accumulated amount of deferred maintenance for E&G facilities of \$1.6 billion, or \$19,529 per currently enrolled student.

<b>Table E: Spending on Facilities and Deferred Maintenance</b>					
	<b>Student Enrollment (FTE)</b>	<b>Spending, Operations and Maintenance of Plant (FY2024)</b>	<b>Spending per FTE</b>	<b>Deferred Maintenance (DM) (Sept 2024)</b>	<b>DM per Student FTE</b>
EOU	2,082.0	4,013,000	1,927	106,685,145	51,241
OIT	3,045.3	5,656,000	1,857	66,128,995	21,715
OSU	31,545.3	47,535,000	1,507	353,279,217	11,199
PSU	14,584.7	23,211,000	1,591	264,485,355	18,134
SOU	3,209.2	5,987,000	1,866	137,580,000	42,871
UO	24,072.3	67,730,000	2,814	561,425,247	23,322
WOU	3,082.8	5,395,000	1,750	104,427,886	33,874
<b>Total</b>	<b>81,621.6</b>	<b>\$159,527,000</b>	<b>\$1,954</b>	<b>\$1,594,011,845</b>	<b>\$19,529</b>
<b>Notes:</b> Enrollment is from HECC Office of Research and Data, fall term 2024 enrollment. O&M Plant spending is from FY2024 audited financial statements. DM data is September 2024 as reported by the universities.					

If you have further questions, please do not hesitate to contact Kyle Thomas, Director of Legislative and Policy Affairs, at [kyle.thomas@hecc.oregon.gov](mailto:kyle.thomas@hecc.oregon.gov) or at 503-480-9596.

Sincerely,

A handwritten signature in black ink that reads "Ben Cannon". The signature is written in a cursive, flowing style.

Ben Cannon  
Executive Director