

SB 5506 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Rhonda Nelson, Department of Administrative Services

Reviewed By: Walt Campbell, Legislative Fiscal Office

**Capital Construction – Various Agencies
2025-27**

Budget Summary

	2023-25 Legislatively Approved Budget	2025-27 Committee Recommendation	Committee Change from 2023-25 Legislatively Approved	
			\$ Change	% Change
General Fund Capital Construction	\$ -	\$ -	\$ -	0.0%
Other Funds Capital Construction	\$ 1,439,673,532	\$ 1,444,954,159	\$ 5,280,627	0.4%
Federal Funds Capital Construction	\$ 38,440,019	\$ 49,011,132	\$ 10,571,113	27.5%
Total	\$ 1,478,113,551	\$ 1,493,965,291	\$ 15,851,740	1.1%

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, a Connect Oregon grant, and a State Owned Airport Reserve grant. Federal Funds revenues are from the Federal Aviation Administration and National Guard Bureau.

Summary of Capital Construction Subcommittee Action

Senate Bill 5506 provides six-year expenditure limitation for capital construction projects. Projects in excess of \$1.0 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 5506 extends the six-year expiration dates and expenditure limitation for specified projects in prior biennia.

Oregon Department of Administrative Services

Labor and Industries Building Renovation and Seismic Upgrade: \$150,000,000 Other Funds (Article XI-Q Bonds) is approved to renovate and seismically upgrade the Labor and Industry Building to bring it into code compliance and to meet building performance standards. This includes updating the electrical system, HVAC systems, plumbing, exterior envelope and seismic life safety needs.

Deferred Maintenance Projects: \$15,500,000 Other Funds (Capital Projects Fund) is approved for various capital and tenant improvements in multiple DAS-owned buildings. These improvements include: roof and facility envelope replacement and repair, upgraded lighting packages and

supporting electrical infrastructure for energy efficiency and end of useful lifecycle replacement, replace and upgrade elevators as well as their controls and components, and continued implementation of modern HVAC equipment and controls replacing legacy systems.

Building Automation System: \$5,000,000 Other Funds (Capital Projects Fund) is approved for the planning and replacement of building control automation systems.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations to December 31, 2025 for the following projects: Electrical Upgrades and Replacements (Other Funds); Deferred Maintenance (Other Funds); Parking Facility Repair and Upgrades (Other Funds); and Security and Security Systems (Other Funds).

The Subcommittee approved the extension of the project expiration dates and expenditure limitations to June 30, 2027 for the following projects: Justice Building Exterior Updates (Other Funds); Oregon State Fair Facilities Capital Improvements (Other Funds); Oregon State Fair Horse Barn (Other Funds); Oregon State Fair Poultry Barn (Other Funds); Portland State Office Building Renovation (Other Funds); Revenue Building Electrical System Upgrades (Other Funds); Capital Mall Parking Structure Study and Upgrades (Other Funds); and DHS Building Upgrades (Other Funds).

The Subcommittee approved the extension of the project expiration dates and expenditure limitation for the Portland State Office Building Upgrades (Other Funds) to December 31, 2027.

Housing and Community Services Department

Local Innovation and Fast Track (LIFT) Affordable Rental Housing Program: \$465,000,000 Other Funds (Article XI-Q Bonds) is approved 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.

Local Innovation and Fast Track (LIFT) Homeownership Program: \$100,000,000 Other Funds (Article XI-Q Bonds) is approved to acquire, construct, remodel, repair, equip or furnish real property in which the department will take an operational or ownership interest to provide affordable housing for Oregonians with low income and citizens in historically underserved communities and communities of color.

Permanent Supportive Housing Program: \$80,000,000 Other Funds (Article XI-Q Bonds) is approved to acquire, construct, remodel, repair, equip or furnish real property in which the department will take an operational or ownership interest to provide affordable housing that will be combined with tenancy supports and other services for low income citizens with high needs, including persons with disabilities and persons coming out of chronic homelessness.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations to June 30, 2027 for the following projects: Local Innovation and Fast Track (LIFT) Housing (Other Funds); and Permanent Supportive Housing (Other Funds).

Oregon Military Department

Medford Field Maintenance Shop: \$6,600,000 Other Funds (Article XI-Q Bonds) is approved for the acquisition and remodel of a facility in Talent to create a new Field Maintenance Shop which will replace the current Field Maintenance Shop in Medford.

Klamath Falls Readiness Center: \$2,000,000 Other Funds (Article XI-Q Bonds) and \$3,750,000 Federal Funds (National Guard Bureau) is approved for design and construction of a new Klamath Falls Readiness Center, including the possible purchase of land for the project.

Linn County Readiness Center: \$7,000,000 Other Funds (Article XI-Q Bonds) and \$28,000,000 Federal Funds (National Guard Bureau) is approved for design and construction of a new Linn County Readiness Center.

Boardman Multipurpose Machine Gun Range: \$13,000,000 Federal Funds (National Guard Bureau) is approved for the construction of a standard design 10 lane Automated Multipurpose Machine Gun Range (MPMG) with four vehicle fighting positions. The range will include a control tower, targetry storage building, classroom building, covered mess, ammo breakdown building, covered bleacher structure, target emplacements and utilities.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations to June 30, 2027 for the following projects: Jackson Armory Service Life Extension (Other Funds); Oregon Military Museum (Other Funds); Salem and Anderson Readiness Center Service Life Extension (Other Funds); and Salem and Pendleton Aviation Facility Emergency Enhancements (Other Funds).

Oregon State Police

Area Command Center Property Acquisition: \$3,500,000 Other Funds (Article XI-Q Bonds) is approved for the acquisition of land for a new Area Command Center.

Department of Corrections

Capital Improvement and Renewal: \$50,000,000 Other Funds (Article XI-Q Bonds) is approved for capital improvements at multiple facilities, including replacement or improvement of roofs, HVAC, hardscaping, plumbing, electrical systems, communication and security systems, infrastructure, fire marshal repairs, and other building elements.

Wireless Communication System: \$12,900,000 Other Funds (Article XI-Q Bonds) is approved to acquire and install wireless communications systems at multiple correctional facilities for mobile radio communications.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations to June 30, 2027 for the following projects: Camera System Upgrades (Other Funds); Capital Improvement and Renewal (Other Funds); and Radio System Replacement (Other Funds).

Oregon Youth Authority

Capital Improvements – All Facilities: \$5,000,000 Other Funds (Article XI-Q Bonds) is approved for capital improvements to permanent structures and fixtures at multiple facilities to address needs identified by the Facility Condition Assessment completed on Oregon Youth Authority facilities.

CCTV and Access Control Improvement, Phase IV: \$5,551,193 Other Funds (Article XI-Q Bonds) is approved to upgrade 1/5th of the infrastructure and systems components and replace all of the end-of-life CCTV network switches.

MacLaren Infirmary and Pharmacy Renovation and Expansion: \$2,700,000 Other Funds (Article XI-Q Bonds) is approved to remodel and expand the infirmary, clinic and pharmacy at the MacLaren Youth Correctional Facility to meet operational needs.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations to June 30, 2027 for the following projects: Capital Improvements (Other Funds); Control Room Renovations (Other Funds); MacLaren Infirmary and Pharmacy Renovation (Other Funds); Rogue Valley Facility Improvements (Other Funds); and Tillamook Medical and Dental Renovations (Other Funds).

Department of Forestry

Klamath Fire Cache Warehouse Replacement: \$5,000,000 Other Funds (Article XI-Q Bonds) is approved to replace the Klamath Lake District Headquarters Fire Cache Facility that was destroyed by fire.

Santiam Facility Replacement, Phase I: \$5,000,000 Other Funds (Article XI-Q Bonds) is approved to replace the North Cascade District Headquarters Santiam Administration Office building that was destroyed by fire.

State Forester Office Building Restoration: \$1,500,000 Other Funds (Article XI-Q Bonds) is approved to renovate the State Forester's Office Building, including seismic retrofitting, exterior building rehabilitation, sewer line replacement and roof replacement.

Toledo Facility Replacement, Phase III: \$6,000,000 Other Funds (Article XI-Q Bonds) is approved to replace the Unit Office Facilities Compound located in Toledo and relocate it to a more centrally located area that will be outside of the mapped tsunami inundation zone.

Veneta Campus Remodel: \$10,705,053 Other Funds (Article XI-Q Bonds) is approved to modernize the Western Lane District's headquarters and grounds, including an addition to the administration building, construction of a new multi-purpose operations facility and the demolition of up to six existing buildings.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations to June 30, 2027 for the following project: Toledo Facility Replacement (Other Funds).

Oregon Department of Fish and Wildlife

Capital Improvements, Hatchery Facilities: \$20,000,000 Other Funds (Article XI-Q Bonds) is approved to make capital improvements to address deferred maintenance at multiple hatchery facilities.

North Willamette Watershed District Office: \$5,250,000 Other Funds (Article XI-Q Bonds) is approved to construct a new office building at the North Willamette Watershed District Office Campus in Clackamas, which will replace two existing structures that no longer meet the staffing or high demand customer service needs.

Oregon Health Authority

Oregon State Hospital Capital Improvements and Equipment: \$2,675,000 Other Funds (Article XI-Q Bonds) is approved for capital improvements and equipment at the Oregon State Hospital's Salem and Junction City campuses. Capital improvements include a workspace expansion, a new water connection and roof replacements on cottages at the Salem campus, as well as adding sewage storage tanks, and a public address system for communication throughout the hospital.

Department of Veterans' Affairs

Department of Veterans' Affairs Salem HVAC Controls Replacement, Phase II: \$1,554,000 Other Funds (Article XI-Q Bonds) is approved to replace the equipment that monitors and controls the HVAC equipment at the ODVA office building in Salem.

Department of Veterans' Affairs Salem Roof Replacement: \$1,200,000 Other Funds (Article XI-Q Bonds) is approved to replace the roof at the ODVA office building in Salem.

Department of Aviation

Oakridge Airport Runway Rehabilitation: \$1,788,400 Other Funds (Connect Oregon grant) and \$841,600 Other Funds (State Owned Airport Reserve grant) is approved to conduct runway rehabilitation at the Oakridge State Airport. This project includes rehabilitation and strengthening of 3,610 feet of runway and connecting taxiway pavement to keep the airport operational and support wildfire fighting activities. The project will also improve pavement and shoulder grading for better drainage and install supplemental solar lighted windcones for better visibility.

Mulino State Airport Waterline and Hangar: \$2,974,132 Federal Funds (Federal Aviation Administration) is approved to undergo waterline improvements and hangar construction at the Mulino State Airport.

Aurora Airport Runway 17-354 Rehab: \$1,287,000 Federal Funds (Federal Aviation Administration) is approved to continue the rehabilitation of the only runway at the Aurora State Airport. This project includes grinding and overlaying the airport runway. The rehabilitation will ensure the airports continues to operate safely and meet federal standards.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations for the following project: Prospect State Airport Runway Reconstruction (Other Funds) to June 30, 2026.

Department of Public Safety Standards and Training

Deferred Maintenance: \$3,241,060 Other Funds (Article XI-Q Bonds) is approved for capital improvements to permanent structures and fixtures on the Oregon Public Safety Academy campus to address needs identified by the Facility Condition Assessment completed on the agency's facilities.

Higher Education Coordinating Commission (HECC)

HECC - Public Universities

The Subcommittee approved a \$449,447,853 Other Funds Capital Construction six-year expenditure limitation for the Higher Education Coordinating Commission for distribution of general obligation bond proceeds to public universities. This amount corresponds to the total project amounts for seven university projects authorized in SB 5505. Projects are funded with proceeds from the issuance of Article XI-Q, XI-G and XI-F(1) 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 5505. The expenditure limitation expires June 30, 2031.

HECC - Community Colleges

The Subcommittee approved a \$20,000,000 Other Funds Capital Construction six-year expenditure limitation for the Higher Education Coordinating Commission for distribution of Article XI-G general obligation bond proceeds to community colleges. This amount corresponds to the total project amounts for three new community college projects authorized in SB 5505. Projects are funded with proceeds from the issuance of Article XI-G bonds and will be disbursed as grants pursuant to grant agreements between HECC and each community college. Project descriptions are included in SB 5505. The expenditure limitation expires June 30, 2031.

The Subcommittee approved the extension of the project expiration dates and expenditure limitations to June 30, 2027 for the following projects: Public University Projects (Other Funds).

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5506-A

Various Agencies

Rhonda Nelson 971-719-1998

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS	FEDERAL FUNDS	TOTAL FUNDS	POS	FTE
<u>COMMITTEE AUTHORIZATIONS</u>							
<u>EDUCATION PROGRAM AREA</u>							
<u>Higher Education Coordinating Commission</u>							
All Public Universities Capital Improvement and Renewal	\$ -	\$ -	\$ 120,000,000	\$ -	\$ 120,000,000	0	0.00
PSU - Portland Center for the Performing Arts Academic Building	\$ -	\$ -	\$ 85,000,000	\$ -	\$ 85,000,000	0	0.00
PSU - Portland Center for the Performing Arts Parking Structure	\$ -	\$ -	\$ 52,540,000	\$ -	\$ 52,540,000	0	0.00
PSU - Student Housing	\$ -	\$ -	\$ 85,000,000	\$ -	\$ 85,000,000	0	0.00
SOU - Creative Industries/Student Success	\$ -	\$ -	\$ 40,550,000	\$ -	\$ 40,550,000	0	0.00
UO - Child Behavioral Health Building	\$ -	\$ -	\$ 53,250,000	\$ -	\$ 53,250,000	0	0.00
WOU - Data Center	\$ -	\$ -	\$ 13,107,853	\$ -	\$ 13,107,853	0	0.00
Clackamas CC - Center for Excellence for Farming, Horticulture & Wildland Fire	\$ -	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000	0	0.00
Klamath CC - Cosmetology ADA Remediation	\$ -	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000	0	0.00
Mt. Hood CC - Classroom and Lab Renovations	\$ -	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000	0	0.00
<u>ADMINISTRATION PROGRAM AREA</u>							
<u>Department of Administrative Services</u>							
Labor and Industries Building Renovation and Seismic Upgrade	\$ -	\$ -	\$ 150,000,000	\$ -	\$ 150,000,000	0	0.00
Deferred Maintenance Projects	\$ -	\$ -	\$ 15,500,000	\$ -	\$ 15,500,000	0	0.00
Building Automation System	\$ -	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS	FEDERAL FUNDS	TOTAL FUNDS	POS	FTE
<u>PUBLIC SAFETY PROGRAM AREA</u>							
<u>Department of Public Safety Standards and Training</u>							
Deferred Maintenance	\$ -	\$ -	3,241,060	-	3,241,060	0	0.00
<u>Oregon Military Department</u>							
Medford Field Maintenance Shop	\$ -	\$ -	6,600,000	-	6,600,000	0	0.00
Klamath Falls Readiness Center	\$ -	\$ -	2,000,000	3,750,000	5,750,000	0	0.00
Linn County Readiness Center	\$ -	\$ -	7,000,000	28,000,000	35,000,000	0	0.00
Boardman Multipurpose Machine Gun Range	\$ -	\$ -	-	13,000,000	13,000,000	0	0.00
<u>Oregon Youth Authority</u>							
Capital Improvements - All Facilities	\$ -	\$ -	5,000,000	-	5,000,000	0	0.00
CCTV and Access Control Improvement, Phase IV	\$ -	\$ -	5,551,193	-	5,551,193	0	0.00
MacLaren Infirmary and Pharmacy Renovation and Expansion	\$ -	\$ -	2,700,000	-	2,700,000	0	0.00
<u>Department of Corrections</u>							
Capital Improvement and Renewal	\$ -	\$ -	50,000,000	-	50,000,000	0	0.00
Wireless Communication System	\$ -	\$ -	12,900,000	-	12,900,000	0	0.00
<u>Oregon State Police</u>							
Area Command Center Property Acquisition	\$ -	\$ -	3,500,000	-	3,500,000	0	0.00
<u>TRANSPORTATION PROGRAM AREA</u>							
<u>Department of Aviation</u>							
Oakridge Airport Runway	\$ -	\$ -	2,630,000	-	2,630,000	0	0.00
Mulino State Airport Runway	\$ -	\$ -	-	2,974,132	2,974,132	0	0.00
Aurora Airport Runway 17-354 Rehab	\$ -	\$ -	-	1,287,000	1,287,000	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS	FEDERAL FUNDS	TOTAL FUNDS	POS	FTE
<u>NATURAL RESOURCES PROGRAM AREA</u>							
<u>Department of Forestry</u>							
Klamath Fire Cache Warehouse Replacement	\$ -	\$ -	5,000,000	-	5,000,000	0	0.00
Santiam Facility Replacement, Phase I	\$ -	\$ -	5,000,000	-	5,000,000	0	0.00
State Forester Office Building Restoration	\$ -	\$ -	1,500,000	-	1,500,000	0	0.00
Toledo Facility Replacement, Phase III	\$ -	\$ -	6,000,000	-	6,000,000	0	0.00
Veneta Campus Remodel	\$ -	\$ -	10,705,053	-	10,705,053	0	0.00
<u>Oregon Department of Fish and Wildlife</u>							
Capital Improvements, Hatchery Facilities	\$ -	\$ -	20,000,000	-	20,000,000	0	0.00
North Willamette Watershed District Office	\$ -	\$ -	5,250,000	-	5,250,000	0	0.00
<u>HUMAN SERVICES PROGRAM AREA</u>							
<u>Oregon Health Authority</u>							
Oregon State Hospital Capital Improvements and Equipment	\$ -	\$ -	2,675,000	-	2,675,000	0	0.00
<u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u>							
<u>Oregon Housing and Community Services</u>							
LIFT Affordable Rental Housing Program	\$ -	\$ -	465,000,000	-	465,000,000	0	0.00
LIFT Homeownership Program	\$ -	\$ -	100,000,000	-	100,000,000	0	0.00
Permanent Supportive Housing Program	\$ -	\$ -	80,000,000	-	80,000,000	0	0.00
<u>Department of Veterans' Affairs</u>							
Department of Veterans' Services Salem HVAC Controls Replacement, Phase	\$ -	\$ -	1,554,000	-	1,554,000	0	0.00
Department of Veterans' Services Salem Roof Replacement	\$ -	\$ -	1,200,000	-	1,200,000	0	0.00
Total 2025-27 Capital Construction Limitation	\$ -	\$ -	1,444,954,159	49,011,132	1,493,965,291	0	0.00