



Docket Item:

2019-21 Agency Request Budget (ARB) Public University Capital Priorities

Docket Material:

ORS 352.089(5) requires that as part of its biennial budget development process:

A public university listed in ORS 352.002 that wishes to request the issuance of state bonds, including a public university that elects to remain eligible to receive proceeds of state bonds under ORS 352.402, must make a request to this effect to the Higher Education Coordinating Commission. The commission shall establish a process for reviewing the request to issue state bonds. The commission shall decide whether, and in what manner, to make a request for the issuance of state bonds to the Legislative Assembly.

In December 2017, HECC staff began to develop such a process for the 2019-21 Agency Request Budget (ARB). This process included the following steps, described in the body of the docket item below:

1. Reconvening the HECC's Funding and Achievement (F&A) Subcommittee to discuss and update the capital budgeting request process and consider university and other stakeholder comments on that, and other associated, issues.
2. Creating an updated capital scoring rubric and capital budget guidance documents (attached at the end of this document) for the 2019-21 ARB process.
3. Receiving and ranking capital submissions for the 2019-21 ARB.

This process yielded a staff-prioritized list of capital requests that was presented to the F&A Subcommittee on June 13. Staff has made one adjustment to its prioritized list since June 13, increasing the score for the Arts & Education Complex request from Oregon State University to reflect the correct fundraising status associated with the project. The revised prioritized list that is appended to this docket item reflects the additional 3 points awarded to the project.

Collectively, the 15 prioritized projects seek \$353.1 million in State-paid bond financing. Institutions have, in total, pledged \$91.76 million in matching funds.

In addition to these 15 project requests, four Article XI-F requests were submitted by universities. These projects utilize State-issued bond financing, too, but the institution—not the State—is responsible for any debt service. These projects total \$93 million and are primarily for auxiliary facilities, including dining and residence halls.

Staff Recommendation:

Staff recommends that the prioritized capital list and the Article XI-F project list, as presented by staff, be adopted and incorporated into the 2019-21 HECC Agency Request Budget.