

Enrolled Senate Bill 5514

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CHAPTER

AN ACT

Relating to state financial administration; appropriating money; limiting expenditures; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Higher Education, for the biennium beginning July 1, 2005, out of the General Fund, the amount of \$11,796,329, which may be expended for academic modernization and repair of facilities.

(2) In addition to and not in lieu of any other appropriation, there is appropriated to the Department of Higher Education, for the biennium beginning July 1, 2005, out of the General Fund, the amount of \$3,000,000, which may be expended for a joint instructional facility in Medford for Southern Oregon University and Rogue Community College.

(3) The State Board of Higher Education shall determine the academic modernization and repair projects to be undertaken with moneys made available under subsection (1) of this section and section 2 (1)(a) of this 2005 Act on the basis of the board's determination of the most critical deferred maintenance needs. In determining the deferred maintenance needs, the board shall give priority to projects that protect the health and safety of occupants and maintain the structural integrity of facilities.

SECTION 2. Notwithstanding any other law limiting expenditures, the following amounts are established for a six-year period beginning July 1, 2005, as the maximum limit for payment of expenses under this section from bond proceeds and other revenues, including federal funds, collected or received by the Department of Higher Education, for the acquisition of land, improvements to land and the acquisition, planning, constructing, altering, repairing, furnishing and equipping of buildings, facilities and other projects within the Oregon University System:

Article XI-G	Article XI-F(1)	Lottery	Energy	Other Revenues (Including Federal)
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	Bonds	Bonds	Bonds	Loans	Funds)
(1) Oregon University System					
(a) Capital repair/Code compliance	\$ 11,796,329	\$ 20,000,000	\$ --	\$ --	\$ 10,000,000
(b) Small capital projects	--	6,000,000	--	--	6,000,000
(c) Miscellaneous student building fee projects	--	3,000,000	--	--	--
(2) Western Oregon University					
(a) Deferred Maintenance Tier 1, WOU Physical plant	--	--	2,538,000	1,552,000	--
(b) Humanities and Social Services Building seismic	--	--	--	--	1,500,000
(3) Eastern Oregon University					
- Deferred Maintenance Tier 1, Central heating plant	--	--	--	3,044,000	--
(4) Portland State University					
(a) Retail development, various locations	--	5,000,000	--	--	--
(b) University Place redevelopment phase 1	--	1	--	--	--
(c) Parking structure construction	--	30,000,000	--	--	--
(d) Student recreation/fitness center and housing	--	42,000,000	--	--	--
(e) Smith Memorial Student Union renovation	--	1,500,000	--	--	--
(f) City Tower building acquisition	--	--	--	--	1
(g) Deferred Maintenance Tier 1, Heating plant	--	--	32,000	5,498,000	2,570,000
(h) Deferred Maintenance Tier 2, Shattuck Hall	--	--	7,312,000	6,383,000	--
(5) University of Oregon					
(a) Outside tennis courts replacement	--	850,000	--	--	950,000
(b) Earl Residence Hall Complex accessibility upgrade	--	750,000	--	--	--
(c) Food service upgrade	--	3,500,000	--	--	--
(d) Erb Memorial Union, International Area renovation	--	500,000	--	--	634,000
(e) Basketball arena, land acquisition, parking structure	--	1	--	--	1
(f) New education building and education complex	19,400,000	4,300,000	--	400,000	24,000,000
(g) Deferred Maintenance Tier 1, Heating/Power plant	--	--	174,000	13,049,000	--
(h) Living Learning Center	--	3,000,000	--	--	--
(i) Theater complex	3,950,000	--	--	--	3,950,000
(j) Gilbert Hall	3,300,000	--	--	--	3,300,000
(6) Oregon State University					
(a) Cauthorn Hall housing remodel	--	10,500,000	--	--	--
(b) Student family housing and					

child care center construction	--	--	--	--	17,500,000
(c) Student housing suites and apartments construction	--	--	--	--	17,500,000
(d) Residential infrastructure deferred maintenance	--	3,000,000	--	--	--
(e) Arnold Dining Center remodel	--	1,000,000	--	--	--
(f) Finley Hall remodel	--	12,500,000	--	--	--
(g) Memorial Union phase 3 renovation	--	--	--	--	7,500,000
(h) New steam plant/Utility switch construction	1	1	--	1	1
(i) Research Park multitenant #1 and #2	--	--	--	--	1
(j) Our Little Village Child Care Center	--	2,200,000	--	--	--
(k) Deferred Maintenance Tier 2, Education Hall	--	--	7,152,000	1,355,000	--
(L) Apperson Hall	--	--	--	--	10,000,000
(m) Reser Stadium and parking addition	--	4,000,000	--	--	--
(n) College of Veterinary Medicine, Large Animal Hospital	--	--	--	--	12,000,000
(o) Nash Hall seismic	--	--	--	--	2,000,000
(p) Animal sciences education and research pavilion	4,000,000	--	--	--	4,000,000
(7) Southern Oregon University					
(a) Jefferson Public Radio equipment	--	--	--	--	500,000
(b) Land acquisition	--	1	--	--	--
(c) Theatre Arts expansion and remodel	--	--	--	--	4,200,000
(d) Stevenson Union addition remodel	--	1,500,000	--	--	--
(e) Medford instructional facility with Rogue Community College	5,550,000	--	--	--	2,550,000
(f) Deferred Maintenance Tier 1, Central heating plant	--	--	881,000	363,000	--
(8) Oregon Institute of Technology					
(a) Student housing project construction	--	1	--	--	--
(b) Deferred Maintenance Tier 1, Facilities services	--	--	579,000	549,000	--
(c) Deferred Maintenance Tier 2, Snell Hall	--	--	762,000	532,000	550,000
(9) Project reserves	--	5,334,000	--	--	3,732,720

SECTION 3. Notwithstanding any other law limiting expenditures, the following amounts are established for a six-year period beginning July 1, 2005, as the maximum limit for payment of expenses under this section from bond proceeds and other revenues, including federal funds, collected or received by the Department of Community Colleges and Workforce Development, for the acquisition of land, improvements to land and the acquisition, planning, constructing, altering, repairing, furnishing and equipping of buildings and facilities at community colleges:

Other
Revenues

	Article XI-G Bonds	(Including Federal Funds)
(1) Columbia Gorge Community College - New facilities and renovations of existing facilities	\$ 7,500,000	\$ 7,500,000
(2) Oregon Coast Community College - New facilities	4,500,000	4,500,000
(3) Rogue Community College - Medford Instructional Facility with Southern Oregon University	4,100,000	4,100,000
(4) Clatsop Community College - New facilities	7,500,000	7,500,000
(5) Tillamook Bay Community College - New campus	4,900,000	4,900,000
(6) Klamath Community College - New facilities	7,700,000	7,700,000
(7) Southwestern Oregon Community College - Curry County facilities	2,300,000	2,300,000

SECTION 4. Notwithstanding any other provision of this 2005 Act, the bond proceeds and other revenues, including federal funds, the expenditures from which are limited by section 2 of this 2005 Act, are not available for expenditure before the effective date of this 2005 Act. However, any action taken by the State Board of Higher Education prior to the effective date of this 2005 Act or any contract entered into by the board prior to the effective date of this 2005 Act necessary for the acquisition of land and improvements to land and the acquisition, planning, constructing, altering, repairing, furnishing and equipping of buildings and facilities authorized by this 2005 Act is hereby authorized.

SECTION 5. The project approvals and expenditure limitations in this 2005 Act, and the expenditure limitations established by the Emergency Board during the biennium beginning July 1, 2005, for capital construction or acquisition projects of the Department of Higher Education for the Oregon University System and of the Department of Community Colleges and Workforce Development for community colleges, expire on June 30, 2011, unless otherwise noted or unless changed by the Legislative Assembly.

SECTION 6. (1) Pursuant to Article XI-G of the Oregon Constitution and ORS 286.031 to 286.061 and 351.345, the State Board of Higher Education may sell, with the approval of the State Treasurer, general obligation bonds of the State of Oregon of the kind and character and within the limits prescribed by Article XI-G of the Oregon Constitution, as the board determines, but in no event may the board sell more than the aggregate principal sum of \$82,565,329 par value for the biennium beginning July 1, 2005. The moneys realized from the sale of the bonds shall be appropriated and may be expended for the purposes set forth in section 2 (3)(h), (4)(f) and (8)(b), chapter 845, Oregon Laws 2001, and section 2 (1)(a), (5)(f), (i) and (j), (6)(h) and (p) and (7)(e) of this 2005 Act and for payment for capitalized interest and costs incidental to issuance of the bonds.

(2) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 2 (1)(a) of this 2005 Act are matched with the General Fund appropriation made under section 1 (1) of this 2005 Act.

(3) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G

of the Oregon Constitution in section 2 (5)(f) of this 2005 Act are matched with the General Fund appropriation made under section 10 of this 2005 Act.

(4) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 2 (5)(i) of this 2005 Act are matched with the General Fund appropriation made under section 11 of this 2005 Act.

(5) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 2 (5)(j) of this 2005 Act are matched with the General Fund appropriation made under section 12 of this 2005 Act.

(6) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 2 (6)(h) of this 2005 Act are matched with the General Fund appropriation made under section 13 of this 2005 Act.

(7) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 2 (6)(p) of this 2005 Act are matched with the General Fund appropriation made under section 14 of this 2005 Act.

(8) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 2 (7)(e) of this 2005 Act are matched with the General Fund appropriation made under sections 1 and 15 of this 2005 Act.

SECTION 7. Notwithstanding the expenditure limitations established under sections 2 and 8 of this 2005 Act, the State Board of Higher Education may increase any limit for expenditures from other revenues, including federal funds, prescribed by sections 2 and 8 of this 2005 Act for a specific project, if the expenditure limitation for bonds issued pursuant to Article XI-F(1) or XI-G of the Oregon Constitution for the project is reduced by the board in the same amount.

SECTION 8. (1) Notwithstanding the expenditure limitations established under section 2 of this 2005 Act, and subject to subsection (3) of this section, the State Board of Higher Education may expend amounts that exceed the expenditure limitations established under section 2 (2) to (8) of this 2005 Act for bonds issued pursuant to Article XI-F(1) of the Oregon Constitution by the following percentage amounts:

(a) For a project with a combined approved General Fund appropriation and total expenditure limitation of \$500,000 to \$999,999 under section 2 of this 2005 Act, up to 12 percent of the expenditure limitation for bonds issued pursuant to Article XI-F(1) of the Oregon Constitution.

(b) For a project with a combined approved General Fund appropriation and total expenditure limitation of \$1,000,000 to \$4,999,999 under section 2 of this 2005 Act, up to eight percent of the expenditure limitation for bonds issued pursuant to Article XI-F(1) of the Oregon Constitution.

(c) For a project with a combined approved General Fund appropriation and total expenditure limitation of \$5,000,000 to \$9,999,999 under section 2 of this 2005 Act, up to five percent of the expenditure limitation for bonds issued pursuant to Article XI-F(1) of the Oregon Constitution.

(d) For a project with a combined approved General Fund appropriation and total expenditure limitation of \$10,000,000 or more under section 2 of this 2005 Act, up to three percent of the expenditure limitation for bonds issued pursuant to Article XI-F(1) of the Oregon Constitution.

(2) Notwithstanding the expenditure limitations established under section 2 of this 2005 Act, and subject to subsection (3) of this section, the State Board of Higher Education may expend amounts that exceed the expenditure limitations established under section 2 (2) to (8)

of this 2005 Act for other revenues, including federal funds, by the following percentage amounts:

(a) For a project with a combined approved General Fund appropriation and total expenditure limitation of \$500,000 to \$999,999 under section 2 of this 2005 Act, up to 12 percent of the expenditure limitation for other revenues, including federal funds.

(b) For a project with a combined approved General Fund appropriation and total expenditure limitation of \$1,000,000 to \$4,999,999 under section 2 of this 2005 Act, up to eight percent of the expenditure limitation for other revenues, including federal funds.

(c) For a project with a combined approved General Fund appropriation and total expenditure limitation of \$5,000,000 to \$9,999,999 under section 2 of this 2005 Act, up to five percent of the expenditure limitation for other revenues, including federal funds.

(d) For a project with a combined approved General Fund appropriation and total expenditure limitation of \$10,000,000 or more under section 2 of this 2005 Act, up to three percent of the expenditure limitation for other revenues, including federal funds.

(3) The total amount by which the expenditure limitations established under section 2 of this 2005 Act is exceeded under subsections (1) and (2) of this section may not be greater than the sum of the amounts established under section 2 (9) of this 2005 Act.

SECTION 9. Notwithstanding ORS 351.345 and section 2 of this 2005 Act, the State Board of Higher Education may issue bonds for a project listed in section 2 (1)(a), (5)(f), (i) and (j), (6)(h) and (p) or (7)(e) of this 2005 Act:

(1) If the total amount from other revenues, including federal funds, identified for the project in the expenditure limitation in section 2 of this 2005 Act has been received by the state board; or

(2) After reporting to the Emergency Board, if the total amount from other revenues, including federal funds, identified for the project in the expenditure limitation in section 2 of this 2005 Act has not been received by the state board.

SECTION 10. (1) There is established in the General Fund an account to be known as the University of Oregon Education Building and Complex Account. Funds in the account shall be used for the construction, remodeling, expansion and renovation of facilities for an education building and complex at the University of Oregon.

(2) The account shall consist of federal and local government funds made available to and funds donated to the Oregon University System for the purpose of the education building and complex project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$19,400,000 in interest, donations and federal and local government funds for purposes of this subsection.

(3) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the Department of Higher Education and may be transferred to the Department of Higher Education Capital Construction Fund for the education building and complex project described in subsection (1) of this section.

SECTION 11. (1) There is established in the General Fund an account to be known as the University of Oregon Theatre Complex Account. Funds in the account shall be used for the construction, remodeling, expansion and renovation of facilities for a theatre complex at the University of Oregon.

(2) The account shall consist of federal and local government funds made available to and funds donated to the Oregon University System for the purpose of the theatre complex project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$3,950,000 in interest, donations and federal and local government funds for purposes of this subsection.

(3) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to

the Department of Higher Education and may be transferred to the Department of Higher Education Capital Construction Fund for the theatre complex project described in subsection (1) of this section.

SECTION 12. (1) There is established in the General Fund an account to be known as the University of Oregon Gilbert Hall Account. Funds in the account shall be used for the construction, remodeling, expansion and renovation of facilities for Gilbert Hall at the University of Oregon.

(2) The account shall consist of federal and local government funds made available to and funds donated to the Oregon University System for the purpose of the Gilbert Hall project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$3,300,000 in interest, donations and federal and local government funds for purposes of this subsection.

(3) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the Department of Higher Education and may be transferred to the Department of Higher Education Capital Construction Fund for the Gilbert Hall project described in subsection (1) of this section.

SECTION 13. (1) There is established in the General Fund an account to be known as the Oregon State University Steam Plant Account. Funds in the account shall be used for the construction, remodeling, expansion and renovation of facilities for a steam plant at Oregon State University.

(2) The account shall consist of grant funds, loan funds, business energy tax credit proceeds and federal and local government funds made available to and funds donated to the Oregon University System for the purpose of the steam plant project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$12,000,000 in interest, donations, grant funds, loan funds, tax credit proceeds and federal and local government funds for purposes of this subsection.

(3) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the Department of Higher Education and may be transferred to the Department of Higher Education Capital Construction Fund for the steam plant project described in subsection (1) of this section.

SECTION 14. (1) There is established in the General Fund an account to be known as the Oregon State University Animal Sciences Pavilion Account. Funds in the account shall be used for the construction, remodeling, expansion and renovation of facilities for an animal sciences education and research pavilion at Oregon State University.

(2) The account shall consist of federal and local government funds made available to and funds donated to the Oregon University System for the purpose of the animal sciences pavilion project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$4,000,000 in interest, donations and federal and local government funds for purposes of this subsection.

(3) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the Department of Higher Education and may be transferred to the Department of Higher Education Capital Construction Fund for the animal sciences pavilion project described in subsection (1) of this section.

SECTION 15. (1) There is established in the General Fund an account to be known as the Southern Oregon University Medford Instructional Facility Account. Funds in the account shall be used for the construction, remodeling, expansion and renovation of facilities for a

joint instructional facility in Medford for Southern Oregon University and Rogue Community College.

(2) The account shall consist of federal and local government funds made available to and funds donated to the Oregon University System for the purpose of the instructional facility project described in subsection (1) of this section. Interest earned on moneys in the account shall be credited to the account. The account may not be credited with more than \$2,550,000 in interest, donations and federal and local government funds for purposes of this subsection.

(3) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the Department of Higher Education and may be transferred to the Department of Higher Education Capital Construction Fund for the instructional facility project described in subsection (1) of this section.

SECTION 16. (1) The Department of Higher Education Capital Construction Fund is established separate and distinct from the General Fund. Interest earned on moneys in the Department of Higher Education Capital Construction Fund shall be credited to the fund.

(2) Moneys in the Department of Higher Education Capital Construction Fund are appropriated continuously to the Department of Higher Education and may be disbursed by the department for the construction, remodeling, expansion and renovation of facilities within the Oregon University System.

SECTION 17. (1) The Department of Higher Education may expend \$900,000 of the appropriation made to the department for the biennium ending June 30, 2003, under section 1, chapter 845, Oregon Laws 2001, for the Nash Chiller project at Oregon State University.

(2) Notwithstanding any other law limiting expenditures of the Department of Higher Education for the payment of expenses of the department from the proceeds of bonds and other revenue sources, including federal funds, the limitation on expenditures from proceeds of bonds issued pursuant to Article XI-F(1) of the Oregon Constitution for the department for small capital projects established by section 2 (1)(b), chapter 845, Oregon Laws 2001, as modified by Emergency Board action, is decreased by \$1,700,000.

(3) Notwithstanding any other law limiting expenditures of the Department of Higher Education for the payment of expenses of the department from the proceeds of bonds and other revenue sources, including federal funds, within the total expenditure limitation established by section 2, chapter 845, Oregon Laws 2001, the amount of \$1,700,000 is established as the maximum limit for payment of expenses from energy loans for the Nash Chiller project at Oregon State University.

SECTION 18. (1) Pursuant to Article XI-G of the Oregon Constitution and ORS 286.031 to 286.061 and section 20 of this 2005 Act, the State Treasurer may sell, at the request of the State Board of Education, general obligation bonds of the State of Oregon of the kind and character and within the limits prescribed by Article XI-G of the Oregon Constitution, as the treasurer determines, but in no event may the treasurer sell more than the aggregate principal sum of \$38,500,000 par value for the biennium beginning July 1, 2005. The moneys realized from the sale of the bonds shall be appropriated and may be expended for the purposes set forth in section 3 of this 2005 Act and for payment for capitalized interest and costs incidental to issuance of the bonds.

(2) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 3 (1) of this 2005 Act are matched with the General Fund appropriation made under section 26 of this 2005 Act.

(3) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 3 (2) of this 2005 Act are matched with the General Fund appropriation made under section 27 of this 2005 Act.

(4) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 3 (3) of this 2005 Act are matched with the General Fund appropriation made under section 28 of this 2005 Act.

(5) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 3 (4) of this 2005 Act are matched with the General Fund appropriation made under section 29 of this 2005 Act.

(6) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 3 (5) of this 2005 Act are matched with the General Fund appropriation made under section 30 of this 2005 Act.

(7) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 3 (6) of this 2005 Act are matched with the General Fund appropriation made under section 31 of this 2005 Act.

(8) In compliance with the requirements of Article XI-G of the Oregon Constitution, funds available under the expenditure limitation for bonds issued pursuant to Article XI-G of the Oregon Constitution in section 3 (7) of this 2005 Act are matched with the General Fund appropriation made under section 32 of this 2005 Act.

SECTION 19. Sections 20 to 24 and 33 of this 2005 Act are added to and made a part of ORS chapter 341.

SECTION 20. (1) To provide funds to community college districts for the purposes specified in Article XI-G of the Oregon Constitution, the State Treasurer may issue bonds at the request of the State Board of Education in accordance with the provisions of ORS 286.031 to 286.061.

(2) The State Treasurer may not issue bonds pursuant to Article XI-G of the Oregon Constitution under subsection (1) of this section for a community college project unless a grant agreement has been entered into pursuant to section 33 of this 2005 Act between the Department of Community Colleges and Workforce Development and the community college district that is receiving the bond proceeds.

SECTION 21. (1) The Community College Capital Construction Fund is established separate and distinct from the General Fund. Interest earned on moneys in the Community College Capital Construction Fund shall be credited to the fund.

(2) Moneys in the Community College Capital Construction Fund are appropriated continuously to the Department of Community Colleges and Workforce Development and may be disbursed by the department for the construction, remodeling, expansion and renovation of facilities at community colleges pursuant to grant agreements entered into between the department and community college districts under section 33 of this 2005 Act.

SECTION 22. (1) The Community College Bond Building Fund is established separate and distinct from the General Fund.

(2) The Community College Bond Building Fund shall consist of moneys realized from the sale of bonds issued pursuant to Article XI-G of the Oregon Constitution for the benefit of community college districts under section 20 of this 2005 Act.

(3) Moneys in the Community College Bond Building Fund are appropriated continuously to the Department of Community Colleges and Workforce Development and may be disbursed by the department for the construction, remodeling, expansion and renovation of facilities at community colleges pursuant to grant agreements entered into between the department and community college districts under section 33 of this 2005 Act.

(4) Moneys in the Community College Bond Building Fund may be invested, with the approval of the State Treasurer, until needed for disbursement under subsection (3) of this

section. If a surplus remains in the fund after disbursement, the surplus and earnings from temporary investments shall be credited to the Community College Bond Sinking Fund.

SECTION 23. (1) The Community College Bond Sinking Fund is established separate and distinct from the General Fund. The Community College Bond Sinking Fund shall be used to provide for payment of the principal and the interest upon bonds issued under the authority of Article XI-G of the Oregon Constitution for the benefit of community college districts under section 20 of this 2005 Act.

(2) Moneys in the fund are appropriated continuously to the Department of Community Colleges and Workforce Development.

(3) The fund may be invested by the State Treasurer, and earnings on the investments shall be credited to the fund.

(4) The fund shall consist of all moneys received from ad valorem taxes levied pursuant to ORS 291.445, all moneys that the Legislative Assembly may provide in lieu of such taxes, all moneys received as accrued interest upon bonds sold, all earnings from investments of the fund and the proceeds of the sale of refunding bonds.

(5) The department may credit the fund with moneys received from either a sale or interfund transfer of land, buildings or facilities.

(6)(a) The department may not use the fund for any purpose other than the purposes for which the fund was created.

(b) Notwithstanding paragraph (a) of this subsection, the department may transfer any surplus in the fund to other funds designated by the department if a balance remains in the fund and:

(A) The purposes for which the fund was created have been fulfilled; and

(B) A reserve sufficient to meet all existing and future obligations and liabilities of the fund has been set aside.

SECTION 24. The Department of Community Colleges and Workforce Development may receive bond counsel services and financial advisory services through the Department of Higher Education. If the Department of Community Colleges and Workforce Development receives services through the Department of Higher Education, the Department of Community Colleges and Workforce Development is not obligated to obtain those services pursuant to ORS 286.066 and 286.071.

SECTION 25. Notwithstanding section 3 of this 2005 Act, at the request of the State Board of Education, the State Treasurer may issue bonds for a project listed in section 3 of this 2005 Act:

(1) If the total amount from other revenues, including federal funds, identified for the project in the expenditure limitation in section 3 of this 2005 Act has been received by the Department of Community Colleges and Workforce Development; or

(2) After the department reports to the Emergency Board, if the total amount from other revenues, including federal funds, identified for the project in the expenditure limitation in section 3 of this 2005 Act has not been received by the department.

SECTION 26. (1) There is established in the General Fund an account to be known as the Columbia Gorge Community College Facilities Account. Moneys in the account shall be used to construct, improve, repair, equip and furnish facilities for the Columbia Gorge Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the Department of Community Colleges and Workforce Development at the request of the Columbia Gorge Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the department at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the department from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$7,500,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the department and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Columbia Gorge Community College District for the purposes listed in subsection (1) of this section.

SECTION 27. (1) There is established in the General Fund an account to be known as the Oregon Coast Community College Facilities Account. Moneys in the account shall be used to construct, improve, repair, equip and furnish new facilities in Lincoln City, South Beach and Waldport.

(2) The account may consist of the following moneys that have been deposited in the account by the Department of Community Colleges and Workforce Development at the request of the Oregon Coast Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the department at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the department from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$4,500,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the department and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Oregon Coast Community College District for the purposes listed in subsection (1) of this section.

SECTION 28. (1) There is established in the General Fund an account to be known as the Rogue Community College Medford Instructional Facility Account. Moneys in the account shall be used to construct, improve, repair, equip and furnish a joint instructional facility in Medford for Southern Oregon University and the Rogue Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the Department of Community Colleges and Workforce Development at the request of the Rogue Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the department at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the department from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$4,100,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the department and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Rogue Community College District for the purposes listed in subsection (1) of this section.

SECTION 29. (1) There is established in the General Fund an account to be known as the Clatsop Community College Facilities Account. Moneys in the account shall be used to construct, improve, repair, equip, furnish and purchase land for new facilities for the Clatsop Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the Department of Community Colleges and Workforce Development at the request of the Clatsop Community College District for the purposes listed in subsection (1) of this section:

- (a) Moneys from federal and local governments;
- (b) Donations;
- (c) Community College Support Fund moneys transferred to the account by the department at the request of the community college district;
- (d) Building reserve funds of the community college district transferred to the department from the community college district; and
- (e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$7,500,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the department and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Clatsop Community College District for the purposes listed in subsection (1) of this section.

SECTION 30. (1) There is established in the General Fund an account to be known as the Tillamook Bay Community College Facilities Account. Moneys in the account shall be used to construct, improve, repair, equip and furnish new facilities for the Tillamook Bay Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the Department of Community Colleges and Workforce Development at the request of the Tillamook Bay Community College District for the purposes listed in subsection (1) of this section:

- (a) Moneys from federal and local governments;
- (b) Donations;
- (c) Community College Support Fund moneys transferred to the account by the department at the request of the community college district;
- (d) Building reserve funds of the community college district transferred to the department from the community college district; and
- (e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$4,900,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the department and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Tillamook Bay Community College District for the purposes listed in subsection (1) of this section.

SECTION 31. (1) There is established in the General Fund an account to be known as the Klamath Community College Facilities Account. Moneys in the account shall be used to construct, improve, repair, equip and furnish new facilities for the Klamath Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the Department of Community Colleges and Workforce Development at the request of the Klamath Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the department at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the department from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$7,700,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the department and may be transferred to the Community College Capital Construction Fund for the purpose of making distributions to the Klamath Community College District for the purposes listed in subsection (1) of this section.

SECTION 32. (1) There is established in the General Fund an account to be known as the Southwestern Oregon Community College Curry County Facilities Account. Moneys in the account shall be used to construct, improve, repair, equip and furnish facilities in Curry County for the Southwestern Oregon Community College District.

(2) The account may consist of the following moneys that have been deposited in the account by the Department of Community Colleges and Workforce Development at the request of the Southwestern Oregon Community College District for the purposes listed in subsection (1) of this section:

(a) Moneys from federal and local governments;

(b) Donations;

(c) Community College Support Fund moneys transferred to the account by the department at the request of the community college district;

(d) Building reserve funds of the community college district transferred to the department from the community college district; and

(e) Proceeds from the sale of bonds issued by the community college district.

(3) Interest earned on moneys in the account shall be credited to the account.

(4) The account may not be credited with more than \$2,300,000 in donations, Community College Support Fund moneys, proceeds from the sale of bonds, building reserve funds, federal and local government funds and interest.

(5) Moneys in the account shall be considered to be General Fund moneys for purposes of section 1 (3), Article XI-G of the Oregon Constitution, are continuously appropriated to the department and may be transferred to the Community College Capital Construction Fund

for the purpose of making distributions to the Southwestern Oregon Community College District for the purposes listed in subsection (1) of this section.

SECTION 33. (1) For the purposes of distributing moneys held in the Community College Capital Construction Fund and the Community College Bond Building Fund, the Department of Community Colleges and Workforce Development shall enter into grant agreements with each community college district for whose projects moneys have been appropriated from the General Fund and are held pending disbursement of the moneys. The grant agreements shall obligate the department to distribute to each community college district any funds the district provides to the state to provide a General Fund match as required by Article XI-G of the Oregon Constitution and shall also obligate the department to distribute to each community college district any amounts that are credited to the Community College Bond Building Fund for a project of the district. The department may impose reasonable conditions and reporting and accounting requirements in a grant agreement described in this section that are intended to ensure that the amounts distributed from the funds listed in this subsection will be used for the projects for which the amounts were distributed.

(2) The grant agreements shall also require that each community college district that receives amounts from the funds listed in subsection (1) of this section shall:

(a) Return to the state any amounts distributed from the Community College Bond Building Fund that are not required to complete the project of that district. The department shall credit the returned amounts to the Community College Bond Sinking Fund.

(b) Take any action as determined by the state's bond counsel that is necessary to maintain the excludability of the interest paid by the state on the general obligation bonds that the state issues pursuant to Article XI-G of the Oregon Constitution to fund the Community College Bond Building Fund.

(3) The department may collect fees from community college districts that receive moneys under a grant agreement entered into under this section to cover the costs relating to the administration of the distribution of proceeds from general obligation bonds issued pursuant to Article XI-G of the Oregon Constitution to finance community college district projects and for executing the responsibilities of the department under the grant agreement. The department shall deposit any moneys collected under this subsection in the Department of Community Colleges and Workforce Development Account.

SECTION 34. This 2005 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect July 1, 2005.

Passed by Senate August 4, 2005

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Secretary of Senate

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President of Senate

Passed by House August 4, 2005

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Speaker of House

Received by Governor:

.....M,....., 2005

Approved:

.....M,....., 2005

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Governor

Filed in Office of Secretary of State:

.....M,....., 2005

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Secretary of State