

INTERNAL MANAGEMENT DIRECTIVE STUDENT BUILDING FEE

The Student Building Fee process, as described in ORS 580-010-0100, provides for student input for projects to be included in the OUS Capital Budget. The available debt capacity at each school determines the level of funding for SBF projects.

The State Board of Higher Education establishes rates, charges and fees for use of buildings, structures or projects as defined in ORS 351.160 (1), collecting building fees from each regular student. The funds are deposited in a central pool, used to pay debt service for current and future projects. A minimum balance is maintained to fund the required sinking funds and pay interest expense for unallocated bond proceeds.

The pool's total bonding capacity is calculated using an estimated bond interest rate, with the actual rate at the time of the bond sales affecting the amount of bond financing that Student Building Fees will support. Interest earnings are added to the pool, increasing the pool's future bond financing capacity and funding the required sinking fund for unallocated bond proceeds.

Projects are approved, based on the following criteria: 1) debt service capacity of the pooled fees (enrollment, fee amount, & reserves), 2) prior campus allocations, and 3) relative priority of the project.

The available SBF debt capacity at each institution determines the level of funding available for SBF projects on their campus. Each institution's debt service capacity is calculated by taking their Student Building Fee revenues, less current debt, plus or minus the regional school subsidy.

Projected funding levels, determined by using the latest Ram Model Headcount projections, are dependent upon the institutions realizing projected enrollment rates. Each campus's proportionate share of interest earnings and sinking fund reserves, allow for the minimum reserve to be maintained.

A regional school subsidy, set by Administrative Council, assesses a percentage of Student Building Fees from OSU, PSU and UO, given to EOU, OIT, WOU and SOU to supplement their current and future debt service.