

# House Bill 3055

Sponsored by Representatives HUNT, KOMP; Representative GELSER

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Creates State Agency Innovation Board and State Agency Innovation Fund. Requires portion of unspent General Fund balances that otherwise revert to General Fund to be deposited in fund. Authorizes board to award grants from fund to state agencies that revert amounts to General Fund. Specifies that grants are for purposes of improving agency processes.

Appropriates moneys to board for purpose of making grants.

## A BILL FOR AN ACT

1  
2 Relating to state agency innovation; creating new provisions; amending ORS 293.146 and 293.190;  
3 and appropriating money.

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

5 **SECTION 1.** (1) **Following the end of each biennium, an amount of moneys described in**  
6 **subsection (2) of this section that would otherwise revert to the General Fund under ORS**  
7 **293.190 shall be deposited in the State Agency Innovation Fund established by section 2 of**  
8 **this 2011 Act.**

9 (2) **The amount to be deposited in the State Agency Innovation Fund is 10 percent of the**  
10 **total amount reverted to the General Fund by those state agencies that revert a General**  
11 **Fund appropriation balance equal to three percent or more of a General Fund appropriation**  
12 **made to the agency for the biennium.**

13 (3) **The State Agency Innovation Board may award grants from the State Agency Inno-**  
14 **vation Fund established by section 2 of this 2011 Act to state agencies that revert a General**  
15 **Fund appropriation balance equal to three percent or more of a General Fund appropriation**  
16 **made to the agency for the biennium. Grants may be awarded on a competitive basis for**  
17 **implementation of agency process improvement or cost efficiency improvement initiatives.**  
18 **In determining whether to award a grant, the board may consider for each proposal the po-**  
19 **tential long-term benefits of the proposal, improvements to agency service delivery, costs**  
20 **savings and any other factors determined by the board.**

21 (4) **State agencies that revert a General Fund appropriation balance equal to three per-**  
22 **cent or more of a General Fund appropriation made to the agency for the biennium may**  
23 **apply to the board for a grant under this section.**

24 **SECTION 2.** **The State Agency Innovation Fund is established in the State Treasury,**  
25 **separate and distinct from the General Fund. Interest earned by the State Agency Inno-**  
26 **vation Fund shall be credited to the fund. Moneys in the fund are continuously appropriated**  
27 **to the State Agency Innovation Board for purposes of making grants as described in section**  
28 **1 of this 2011 Act.**

29 **SECTION 3.** (1) **The State Agency Innovation Board is established, consisting of nine**  
30 **members appointed by the Governor.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1           **(2) The term of office of each member is four years, but a member serves at the pleasure**  
 2 **of the Governor. Before the expiration of the term of a member, the Governor shall appoint**  
 3 **a successor. A member is eligible for reappointment. If there is a vacancy for any cause, the**  
 4 **Governor shall make an appointment to become immediately effective for the unexpired**  
 5 **term.**

6           **(3) The appointment of the members of the State Agency Innovation Board is subject to**  
 7 **confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565.**

8           **(4) Members of the board are entitled to compensation and expenses as provided in ORS**  
 9 **292.495.**

10           **SECTION 4. Notwithstanding the term of office specified by section 3 of this 2011 Act,**  
 11 **of the members first appointed to the State Agency Innovation Board:**

12           **(1) Two shall serve for terms ending December 31, 2013.**

13           **(2) Two shall serve for terms ending December 31, 2014.**

14           **(3) Two shall serve for terms ending December 31, 2015.**

15           **(4) Three shall serve for terms ending December 31, 2016.**

16           **SECTION 5. (1) The State Agency Innovation Board shall select one of its members as**  
 17 **chairperson and another as vice chairperson, for such terms and with duties and powers**  
 18 **necessary for the performance of the functions of such offices as the board determines.**

19           **(2) A majority of the members of the board constitutes a quorum for the transaction of**  
 20 **business.**

21           **(3) The board shall meet at a place, day and hour determined by the board or at other**  
 22 **times and places specified by the call of the chairperson.**

23           **SECTION 6. In accordance with applicable provisions of ORS chapter 183, the State**  
 24 **Agency Innovation Board may adopt rules necessary for the administration of sections 1, 2,**  
 25 **3 and 5 of this 2011 Act.**

26           **SECTION 7. ORS 293.190 is amended to read:**

27           **293.190. (1) Except as provided in section 1 of this 2011 Act,** on December 31 in each odd-  
 28 numbered year, all General Fund appropriation balances as recorded on the records of the Oregon  
 29 Department of Administrative Services for the prior biennium shall revert to the General Fund ex-  
 30 cept for capital construction, continuing contracts, contested claims, special appropriations desig-  
 31 nated by legislative action or savings continuously appropriated to agencies under ORS 291.120.

32           **(2) On December 31 in each odd-numbered year, all limitation balances on any separate fund or**  
 33 **cash account in the State Treasury shall be canceled except for continuing contracts, contested**  
 34 **claims or special limitations designated by legislative action.**

35           **(3) Notwithstanding subsections (1) and (2) of this section, under conditions which shall be de-**  
 36 **scribed by the department by rule, upon request, an extension may be granted to allow an agency**  
 37 **to make final analyses and corrections before an appropriation or limitation is canceled. The pro-**  
 38 **cedures for requesting an extension and the criteria for approving the request shall be established**  
 39 **by the department.**

40           **SECTION 8. ORS 293.146 is amended to read:**

41           **293.146. (1) As used in this section:**

42           **(a) "Ending balance" means the difference between the amount of General Fund revenues col-**  
 43 **lected during a biennium and the amount of General Fund appropriations for the biennium.**

44           **(b) "General Fund appropriations" means the amount of moneys appropriated from the General**  
 45 **Fund for a biennium in the legislatively approved budget for the biennium, minus the amount of any**

1 General Fund appropriation balances for that biennium that revert to the General Fund under ORS  
2 293.190 **or to the State Agency Innovation Fund under section 1 of this 2011 Act.**

3 (c) “Legislatively approved budget” has the meaning given that term in ORS 291.002.

4 (2) Except as provided in ORS 293.148, as soon as possible after the ending balance for a  
5 biennium is determined, an amount equal to one percent of the amount of General Fund appropri-  
6 ations for that biennium shall be transferred to the Oregon Rainy Day Fund established by ORS  
7 293.144. If the ending balance does not equal or exceed one percent of the amount of General Fund  
8 appropriations, an amount equal to the ending balance shall be transferred to the Oregon Rainy Day  
9 Fund.

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