

House Bill 4134

Sponsored by Representative HARKER; Representatives BARNHART, DEMBROW, GARRETT, GELSER, HUNT, KOMP, NATHANSON, J SMITH, TOMEI (Pre-session filed.)

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 Fund. Requires portion of unspent General Fund balances that otherwise revert to General Fund to be deposited in fund. Creates process by which Legislative Assembly may appropriate moneys from fund to state agencies that revert amounts to General Fund. Specifies that appropriations are for purposes of improving agency processes.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state agency innovation; creating new provisions; amending ORS 293.146 and 293.190;
3 and declaring an emergency.

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

5 **SECTION 1. (1) Following the end of each biennium, an amount equal to 10 percent of the**
6 **total amount of moneys that would otherwise revert to the General Fund under ORS 293.190**
7 **shall be transferred to the State Agency Innovation Fund established by section 2 of this 2012**
8 **Act.**

9 (2) The Legislative Assembly may appropriate moneys from the State Agency Innovation
10 Fund to state agencies that revert a General Fund appropriation balance under ORS 293.190
11 and that request an appropriation under this section. An appropriation made under this
12 section to a state agency shall be in an amount equal to 10 percent of the total amount the
13 state agency reverted to the General Fund under ORS 293.190. The appropriation must be for
14 purposes of agency process improvement or cost efficiency improvement initiatives.

15 (3) State agencies that revert a General Fund appropriation balance under ORS 293.190
16 may request an appropriation be made to the agency from the State Agency Innovation
17 Fund. The request must describe the agency process improvements or cost efficiency im-
18 provement initiatives proposed to be paid for with the appropriation, including but not lim-
19 ited to the potential long-term benefits of the proposal, improvements to agency service
20 delivery, cost savings and any other factors the agency considers relevant.

21 (4) An appropriation made under this section must be made for the same specific pro-
22 gram area as the original appropriation from which the state agency reverted moneys to the
23 General Fund under ORS 293.190.

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. The Legislative Assembly may appropriate moneys**
27 **from the fund for purposes described in section 1 of this 2012 Act.**

28 **SECTION 3. ORS 293.190 is amended to read:**

29 293.190. (1) On December 31 in each odd-numbered year, all General Fund appropriation bal-

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.

ances as recorded on the records of the Oregon Department of Administrative Services for the prior biennium shall revert to the General Fund except for capital construction, continuing contracts, contested claims, special appropriations designated by legislative action, [or] savings continuously appropriated to agencies under ORS 291.120 **or moneys transferred to the State Agency Innovation Fund under section 1 of this 2012 Act.**

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

(3) Notwithstanding subsections (1) and (2) of this section, under conditions which shall be described by the department by rule, upon request, an extension may be granted to allow an agency to make final analyses and corrections before an appropriation or limitation is canceled. The procedures for requesting an extension and the criteria for approving the request shall be established by the department.

SECTION 4. ORS 293.146 is amended to read:

293.146. (1) As used in this section:

(a) “Ending balance” means the difference between the amount of General Fund revenues collected during a biennium and the amount of General Fund appropriations for the biennium.

(b) “General Fund appropriations” means the amount of moneys appropriated from the General Fund for a biennium in the legislatively approved budget for the biennium, minus the amount of any General Fund appropriation balances for that biennium that revert to the General Fund under ORS 293.190 **or are transferred to the State Agency Innovation Fund under section 1 of this 2012 Act.**

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

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

SECTION 5. ORS 293.190, as amended by section 3 of this 2012 Act, is amended to read:

293.190. (1) On December 31 in each odd-numbered year, all General Fund appropriation balances as recorded on the records of the Oregon Department of Administrative Services for the prior biennium shall revert to the General Fund except for capital construction, continuing contracts, contested claims, special appropriations designated by legislative action[,] **or** savings continuously appropriated to agencies under ORS 291.120 [*or moneys transferred to the State Agency Innovation Fund under section 1 of this 2012 Act*].

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

(3) Notwithstanding subsections (1) and (2) of this section, under conditions which shall be described by the department by rule, upon request, an extension may be granted to allow an agency to make final analyses and corrections before an appropriation or limitation is canceled. The procedures for requesting an extension and the criteria for approving the request shall be established by the department.

SECTION 6. The amendments to ORS 293.190 by section 5 of this 2012 Act become oper-

1 **ative January 2, 2016.**

2 **SECTION 7.** ORS 293.146, as amended by section 4 of this 2012 Act, is amended to read:

3 293.146. (1) As used in this section:

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

6 (b) "General Fund appropriations" means the amount of moneys appropriated from the General
7 Fund for a biennium in the legislatively approved budget for the biennium, minus the amount of any
8 General Fund appropriation balances for that biennium that revert to the General Fund under ORS
9 293.190 *[or are transferred to the State Agency Innovation Fund under section 1 of this 2012 Act]*.

10 (c) "Legislatively approved budget" has the meaning given that term in ORS 291.002.

11 (2) Except as provided in ORS 293.148, as soon as possible after the ending balance for a
12 biennium is determined, an amount equal to one percent of the amount of General Fund appropri-
13 ations for that biennium shall be transferred to the Oregon Rainy Day Fund established by ORS
14 293.144. If the ending balance does not equal or exceed one percent of the amount of General Fund
15 appropriations, an amount equal to the ending balance shall be transferred to the Oregon Rainy Day
16 Fund.

17 **SECTION 8.** The amendments to ORS 293.146 by section 7 of this 2012 Act become oper-
18 ative January 2, 2016.

19 **SECTION 9.** Sections 1 and 2 of this 2012 Act and the amendments to ORS 293.146 and
20 293.190 by sections 3 and 4 of this 2012 Act apply to biennia beginning on or after July 1, 2011.

21 **SECTION 10.** (1) Sections 1 and 2 of this 2012 Act are repealed on January 2, 2016.

22 (2) Any moneys in the State Agency Innovation Fund that are unexpended and unobli-
23 gated on January 2, 2016, shall revert to the General Fund and be available for general gov-
24 ernmental purposes.

25 **SECTION 11.** This 2012 Act being necessary for the immediate preservation of the public
26 peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect
27 on its passage.

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