

**Senate Bill 5504  
Continuing Resolution**

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Senate Bill 5504 allows state agencies without legislatively adopted budgets for the 2013-15 biennium to continue operations at the same level as the last quarter of the 2011-13 biennium until the budget is passed. Expenditure authority for the 2011-13 biennium will end on June 30, 2013. Without a continuing resolution, agencies without a budget signed by the Governor are not authorized to spend beyond that date.

The amounts authorized to be spent during the time the continuing resolution is in effect will be determined by the Department of Administrative Services through an administrative rule. The amounts can be adjusted to reflect pending legislation. Pending legislation means a bill that has at least passed out of a budget subcommittee or committee. Special provisions are provided for the Department of Human Services and the Oregon Health Authority due to the nature of the budgets for these two agencies. The continuing resolution is repealed on August 13, 2013.

The Capital Construction Subcommittee recommends that Senate Bill 5504 be amended and reported out do-pass, as amended.

Joint Committee on Ways and Means

Carrier – House: Rep. Smith  
Carrier – Senate: Sen. Girod

**Revenue:**

**Fiscal:** Fiscal statement issued

**Action:** Do Pass as Amended and be Printed A-Engrossed

**Vote:**

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

**Prepared By:** Ken Rocco, Legislative Fiscal Office

**Meeting Date:** June 12, 2013

**WHAT THE MEASURE DOES:** Provides continuing expenditure authority so that state agencies without adopted budgets for the 2013-15 biennium by July 1, 2013 can continue operations at the same level as the last quarter of the 2011-13 biennium. Provides exceptions for the Oregon Health Authority and Department of Human Services. The continuing resolution also applies to any state agency budget that may be vetoed by the Governor. The continuing expenditure authority is authorized through August 15, 2013.

**ISSUES DISCUSSED:**

- Need for continuing expenditure authority for state agencies without an adopted budget
- Standard practice to pass a continuing resolution

**EFFECT OF COMMITTEE AMENDMENT:** Replaces the bill.

**BACKGROUND:** State agencies without adopted budgets for the 2013-15 biennium as of July 1, 2013 need legislative authorization to continue activities at a stated level. The continuing resolution provides an agency without an adopted budget the authority to receive and spend money for a limited amount of time. The amount that an agency is authorized to spend under the continuing resolution counts toward the agency's total 2013-15 budget. The exact amounts authorized are set by the Department of Administrative Services through an administrative rule. The amounts can be adjusted to reflect actions in pending legislation. Pending legislation refers to a bill that has at least passed out of a budget subcommittee or budget committee. No decision in the continuing resolution binds the Legislative Assembly if determining 2013-15 budgets during the period of time the continuing resolution is in effect. Even if the Legislative Assembly adjourns sine die on (or before) June 30, 2013, it is possible (or even likely) that the Governor will not be able to sign all budget bills by July 1, 2013. Before a bill can be signed by the Governor, it must be enrolled and signed by both presiding officers. The Office of Legislative Counsel prepares enrolled measures based on what is sent to them by the House and Senate Desks, and in the order received from the Desks, unless rush enrollment is requested. It is possible for Legislative Counsel to not receive all of the measures passed on the last day of session until a couple of days after sine die. The Desks then present the enrolled bills to the presiding officers for signature. Following presiding officer signature, the bills are delivered to the Governor for signature. When signatures will be provided by the presiding officers and the Governor is impossible to predict. In addition, under section 15b, Article V of the Oregon Constitution, the Governor has 30 days (excluding Saturdays and Sundays) after sine die to sign or veto bills. This provision applies to all bills presented to the Governor within five days, excluding Saturday and Sunday, prior to adjournment. If the Legislative Assembly adjourns sine die on June 30, 2013, the Governor will have until August 9<sup>th</sup> to sign or veto bills. A budget bill is not effective until signed by the Governor.

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 5504 - A**

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
Legislative Fiscal Office

***Only Impacts on Original or Engrossed  
Versions are Considered Official***

Prepared by: Matt Stayner  
Reviewed by: Daron Hill  
Date: 6/7/13

Provides continuing expenditure authority so that state agencies, boards and commissions without adopted budgets, or budget bills that have been vetoed by the Governor for the 2013-15 biennium by July 1, 2013 can continue expenditures in to the first quarter of the upcoming biennium at the same level as the last quarter of the 2011-13 biennium; provides exceptions for the Department of Human Services to continue expenditures at the same level as the seventh quarter of the 2011-13 biennium and the Oregon Health Authority to continue expenditures at the same level as the sixth quarter of the 2011-13 biennium. The continuing expenditure authority is authorized through August 15, 2013.

**Government Unit(s) Affected:**  
Legislative Fiscal Office (LFO)

**Summary of Expenditure Impact:**  
Please see analysis

**Local Government Mandate:**  
This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**  
The fiscal impact of the measure is indeterminate. Although this continuing resolution allows for some amount of expenditures by state agencies, those expenditures will be counted against the agencies' 2013-15 biennial budgets once the budgets have been completed. If there is no budget established for a given agency, board, or commission, the expenditures will be counted against the budget for the Department of Administrative Services (DAS).

**PROPOSED AMENDMENTS TO  
SENATE BILL 5504**

1 In line 2 of the printed bill, delete “limiting expenditures;”.

2 Delete lines 5 through 16 and insert:

3 **“SECTION 1. As used in sections 1 to 4 of this 2013 Act, ‘state**  
4 **agency’ means every state officer, board, commission, department,**  
5 **institution, branch or agency of the state government, the costs of**  
6 **which are paid wholly or in part from funds held in the State Treas-**  
7 **ury.**

8 **“SECTION 2. (1) Notwithstanding ORS 291.232 to 291.260, and subject**  
9 **to section 5 of this 2013 Act and any rule that may be adopted by the**  
10 **Oregon Department of Administrative Services, any obligations in-**  
11 **curred by a state agency on or after July 1, 2013, that do not exceed**  
12 **the level of expenditures authorized under ORS 291.232 to 291.260 or**  
13 **otherwise authorized for the last quarter of the 2011-2013 biennium are**  
14 **authorized, and necessary funds are appropriated therefor, unless the**  
15 **Oregon Department of Administrative Services determines that the**  
16 **state agency’s expenditure level should be modified, based on pending**  
17 **legislation.**

18 **“(2) The Oregon Department of Administrative Services by rule**  
19 **shall specify the means whereby funds expended pursuant to sub-**  
20 **section (1) of this section or section 5 of this 2013 Act are reconciled**  
21 **and charged to the state agency’s 2013-2015 legislatively approved**  
22 **budget during the 2013-2015 biennium.**

1       **“(3) All payments for debt service, certificates of participation and**  
2 **other financing agreements are hereby authorized during the period**  
3 **commencing July 1, 2013.**

4       **“SECTION 3. Sections 1 to 5 of this 2013 Act apply to a state agency**  
5 **for which no budget has become law on or before July 1, 2013.**

6       **“SECTION 4. (1)(a) If there is no 2013-2015 legislatively adopted**  
7 **budget upon final adjournment of the regular session of the Seventy-**  
8 **seventh Legislative Assembly against which any expenditure author-**  
9 **ized by section 2 (1) or 5 of this 2013 Act can be applied, the**  
10 **expenditure shall be considered to have been made from funds appro-**  
11 **priated to the Oregon Department of Administrative Services.**

12       **“(b) For the purpose of paying the incurred expenses of state**  
13 **agencies, there is appropriated to the Oregon Department of Admin-**  
14 **istrative Services any cash or other funds remaining in the accounts**  
15 **of the state agency for which no budget has been adopted and for**  
16 **which no expenditure authority exists when the Legislative Assembly**  
17 **adjourns sine die.**

18       **“(c) The Oregon Department of Administrative Services may apply**  
19 **for reimbursement from the Emergency Board of any expenditure**  
20 **made under this subsection during the 2013-2015 biennium.**

21       **“(2)(a) If, after final adjournment of the regular session of the**  
22 **Seventy-seventh Legislative Assembly, the Governor vetoes a**  
23 **legislatively adopted budget against which any expenditure authorized**  
24 **by section 2 (1) or 5 of this 2013 Act can be applied, the expenditure**  
25 **shall be considered to have been made from funds appropriated to the**  
26 **Oregon Department of Administrative Services.**

27       **“(b) For the purpose of paying the incurred expenses of state**  
28 **agencies, there is appropriated to the Oregon Department of Admin-**  
29 **istrative Services any cash or other funds remaining in the accounts**  
30 **of the state agency for which a legislatively adopted budget has been**

1 vetoed and for which no expenditure authority exists when the Gov-  
2 ernor vetoes the budget.

3 “(c) The Oregon Department of Administrative Services may apply  
4 for reimbursement from the Emergency Board of any expenditure  
5 made under this subsection during the 2013-2015 biennium.

6 **“SECTION 5. (1) Notwithstanding ORS 291.232 to 291.260, and subject**  
7 **to any rule that may be adopted by the Oregon Department of Ad-**  
8 **ministrative Services, any obligations incurred by the Department of**  
9 **Human Services on or after July 1, 2013, that do not exceed the level**  
10 **of expenditures authorized under ORS 291.232 to 291.260 or otherwise**  
11 **authorized for the seventh quarter of the 2011-2013 biennium are au-**  
12 **thorized, and necessary funds are appropriated therefor, unless the**  
13 **Oregon Department of Administrative Services determines that the**  
14 **expenditure level for the Department of Human Services should be**  
15 **modified, based on pending legislation.**

16 **“(2) Notwithstanding ORS 291.232 to 291.260, and subject to any rule**  
17 **that may be adopted by the Oregon Department of Administrative**  
18 **Services, any obligations incurred by the Oregon Health Authority on**  
19 **or after July 1, 2013, that do not exceed the level of expenditures au-**  
20 **thorized under ORS 291.232 to 291.260 or otherwise authorized for the**  
21 **sixth quarter of the 2011-2013 biennium are authorized, and necessary**  
22 **funds are appropriated therefor, unless the Oregon Department of**  
23 **Administrative Services determines that the expenditure level for the**  
24 **Oregon Health Authority should be modified, based on pending legis-**  
25 **lation.**

26 **“SECTION 6. Sections 1 to 5 of this 2013 Act are repealed on August**  
27 **15, 2013.**

28 **“SECTION 7. This 2013 Act being necessary for the immediate**  
29 **preservation of the public peace, health and safety, an emergency is**  
30 **declared to exist, and this 2013 Act takes effect on July 1, 2013.”.**

