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# MEMORANDUM

Legislative Fiscal Office  
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**To:** Capital Construction Subcommittee of the Joint Committee on Ways and Means

**From:** Kim To, Legislative Fiscal Office, 503-986-1830

**Date:** July 3, 2013

**Subject:** SB 551 Relating to state financial administration  
Work Session Recommendation

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SB 552 establishes the eight-member Task Force on the Capital Construction Budget Process charged with creating a current inventory of state-owned buildings, and reviewing existing statutory provisions governing the process of developing the capital construction portion of the state budget in order to make recommendations for statutory changes that will allow the Legislature to develop budgets for capital construction projects based on identified long-term goals for the state.

The staff measure summary, the dash one amendment, and the fiscal impact statement are attached to this memo, and available on the Oregon Legislative Information System (OLIS).

## **The amendment**

The - 2 amendment changes the membership on the task force specifying that the member of the task force representing the Oregon Department of Administrative Services can be the Director or a designee.

## **Fiscal impact**

The fiscal impact of this bill with the - 2 amendment is indeterminate but expected to be absorbable. The fiscal assumes that the Legislative Fiscal Office, the Department of Administrative Services, Legislative Administration, and the Legislative Revenue Office will reprioritize duties and responsibilities to participate on the task force.

**Recommendation**

LFO recommends moving the - 2 amendment into the bill.

**Motion**

Motion: Senator/Representative \_\_\_\_\_:

**I move the dash 2 amendment into SB 551.**

**Recommendation**

LFO recommends the measure be moved to the Full Committee.

**Motion**

Motion: Senator/Representative \_\_\_\_\_:

**I move SB 551 with the dash 2 amendment to the Full Committee with a “do pass” recommendation as amended.**

**Assignment of Carriers**

Full: \_\_\_\_\_

Senate: \_\_\_\_\_

House: \_\_\_\_\_

SB 551-2  
(LC 2137)  
6/20/13 (TR/sct/ps)

**PROPOSED AMENDMENTS TO  
SENATE BILL 551**

1 On page 1 of the printed bill, delete line 12.

2 In line 13, delete “(e)” and insert “(d)” and after the semicolon insert  
3 “and”.

4 Delete lines 14 and 15.

5 In line 16, delete “(g)” and insert “(e)” and after “Services” insert “or a  
6 designee of the Director of the Oregon Department of Administrative Ser-  
7 vices”.

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**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 551 - 2**

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

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

Prepared by: Kim To  
Reviewed by: Daron Hill, Paul Siebert  
Date: 6/20/2013

**Measure Description:**

Establishes Task Force on Capital Construction Budget Process.

**Government Unit(s) Affected:**

Legislative Administration, Legislative Fiscal Office (LFO), Department of Administrative Services (DAS)

**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:**

Senate Bill 551 with the – 2 amendment establishes the six-member Task Force on the Capital Construction Budget Process charged with creating a current inventory of state-owned buildings, and reviewing existing statutory provisions governing the process of developing the capital construction portion of the state budget in order to make recommendations for statutory changes that will allow the Legislature to develop budgets for capital construction projects based on identified long-term goals for the state. The task force is required to report the Legislative Assembly by October 15, 2014. The task force sunsets on the date of the convening of the 2015 Legislative Assembly. The bill declares an emergency and takes effect on passage.

The Legislative Administrator is required to provide staff support to the task force, and claims for expenses are to be paid by Legislative Administration. The bill allows the task force to meet at times and places specified by the call of the chair or the majority of the voting members. The fiscal impact of meeting expenses is indeterminate depending on the geographic location of task force members, as well as the locations and frequencies of meetings. The Legislative Administration budget contains some funding for staffing and production of reports for interim committees. However, if the cumulative effect of the enactment of other bills exceeds expenditure levels assumed in the Legislative Administration's budget, Legislative Administration may need to seek additional resources

Members of the task force include the co-chairs of the Joint Committee on Ways and Means, one member of the Senate, one member of the House, the Legislative Fiscal Officer, and the Director of the Chief of the Oregon Department of Administrative Services or a designee. This fiscal assumes that the Legislative Fiscal Office and the Department of Administrative Services will absorb the fiscal impact of this bill, and that the participants will reprioritize duties and responsibilities to contribute to the task force.

Joint Committee on Ways and Means

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

**Revenue:** No revenue impact

**Fiscal:** Minimal Fiscal statement issued

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**Action:**

**Vote:**

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

**Prepared By:** Kim To, Legislative Fiscal Office

**Meeting Date:** 6/28/2013

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**WHAT THE MEASURE DOES:** Creates Task Force on Capital Construction Budget Process. Specifies membership and procedural requirements. Directs Task Force to review existing statutory provisions governing the process of developing the capital construction portion of the state budget, including but not limited to provisions in ORS chapters 291 and 293 to (1) identify statutory provisions that are outdated, unnecessary or in need of modification; and (2) recommend a comprehensive changes that will modernize and align the state budget process with long-term goals. Declares an emergency. Sunsets on the convening of the 2015 Legislative Assembly.

**ISSUES DISCUSSED:**

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**EFFECT OF COMMITTEE AMENDMENT:** Changes the membership on the task force; removes State Treasurer; specifies that the member of the task force representing the Oregon Department of Administrative Services can be the Director or a designee.

**BACKGROUND:** Oregon budgets on a biennial basis (July 1st of odd-numbered year to June 30th of next odd-numbered year). Adjustments to a biennium's budget made by the Emergency Board (interim) or the Legislature (even-year short session, special session, or next regular session). Article IX, Section 4, Oregon Constitution provides budgetary authority to the Legislature. Provisions in ORS chapters 291 and 293 provide budgetary instruction. SB 551 directs the Task Force to review existing statutory provisions governing the process of developing the capital construction portion of the state budget, including but not limited to provisions in ORS chapters 291 and 293 to (1) identify statutory provisions that are outdated, unnecessary or in need of modification; and (2) recommend a comprehensive changes that will modernize and align the state budget process with long-term goals.