

House Bill 3400

Sponsored by Representative CLEM, Senator EDWARDS, Representative BAILEY; Representatives BARTON, BUCKLEY, CAMERON, ESQUIVEL, GARRETT, GILLIAM, HOYLE, KENY-GUYER, KOTEK, RICHARDSON, UNGER, WILLIAMSON, Senators BOQUIST, COURTNEY, GIROD, ROBLAN, THOMSEN

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**.

Directs Governor's budget report submitted to Legislative Assembly to describe, for each state agency, percentage of expenditures made in Oregon by agency under contracts for goods or services.

A BILL FOR AN ACT

1
2 Relating to reporting of expenditures made under state contracts; creating new provisions; and
3 amending ORS 291.216.

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

5 **SECTION 1.** ORS 291.216 is amended to read:

6 291.216. (1) Not later than November 10 of each even-numbered year the Governor shall cause
7 the budget report to be compiled and prepared for printing.

8 (2) The budget report shall include a budget message prepared by the Governor, including rec-
9 ommendations of the Governor with reference to the fiscal policy of the state government for the
10 coming biennium, describing the important features of the budget plan, embracing a general budget
11 summary setting forth the aggregate figures of the budget report so as to show a balanced relation
12 between the total proposed expenditures and the total anticipated income, with the basis and factors
13 on which the estimates are made, the amount to be borrowed, and other means of financing the es-
14 timated expenditures for the ensuing biennium, compared with the corresponding figures for at least
15 the last completed biennium and the current biennium.

16 (3) The budget plan shall be supported by explanatory schedules or statements, classifying the
17 expenditures reported therein, both past and proposed, by organization units, objects and funds, and
18 the income by organization units, sources and funds, and the proposed amount of new borrowing as
19 well as proposed new tax or revenue sources, including a single comprehensive list of all proposed
20 increases in fees, licenses and assessments assumed in the budget plan.

21 (4) The budget plan shall be submitted for all dedicated funds, as well as the state General Fund,
22 and shall include the estimated amounts of federal and other aids or grants to state agencies or
23 activities provided for any purpose whatever, together with estimated expenditures therefrom.

24 (5) The budget report shall embrace the detailed estimates of expenditures and revenues. It shall
25 include statements of the bonded indebtedness of the state government, showing the actual amount
26 of the debt service for at least the past biennium, and the estimated amount for the current
27 biennium and the ensuing biennium, the debt authorized and unissued, the condition of the sinking
28 funds and the borrowing capacity. It shall contain the Governor's recommendations concerning tax
29 expenditures identified under ORS 291.214. It shall also contain any statements relative to the fi-
30 nancial plan which the Governor may deem desirable or which may be required by the legislature.

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 (6) The budget plan shall use the estimated revenues under ORS 291.342 for the fiscal year in
 2 which the plan is submitted as the basis for total anticipated income under subsection (2) of this
 3 section, subject to such adjustment as may be necessary to reflect accurately projections for the
 4 next biennium.

5 (7) As supplemental information to the budget report, the Governor shall publish an existing
 6 level tentative budget plan for the two fiscal years for which the budget report is required. This
 7 summary budget shall reflect only existing revenues estimated under subsection (6) of this section;
 8 subject to such adjustment as may be necessary to reflect accurately projections for the next
 9 biennium. The supplemental information to the budget report shall be submitted at the same time
 10 as the budget report.

11 (8)(a) The budget report shall present information regarding the expenses of the state in the
 12 following categories:

13 (A) Personnel expenses, including compensation and benefits for state employees, but excluding
 14 costs of services contracted out and temporary service costs.

15 (B) Supplies, equipment and the costs of services contracted out.

16 (C) Capital construction.

17 (D) Capital outlay.

18 (E) Debt service.

19 (b) For each category described in paragraph (a) of this subsection, the report shall show actual
 20 expenditures to date.

21 (c) For each category described in paragraph (a) of this subsection, the report shall show:

22 (A) The amount of merit increases for the existing workforce.

23 (B) Increases for the cost of replacement and repair of supplies and equipment.

24 (C) Increases for the costs of new construction or major remodeling.

25 (D) Increases for the cost of inflation.

26 (d) The report shall show the total increase in the cost of salaries and benefits for all state
 27 positions.

28 (9) The budget report shall include:

29 (a) The total number of positions included in the budget.

30 (b) The average vacancy rate in the present biennium.

31 (c) The number of permanent, full-time equivalent vacancies, excluding academics, as of July 1
 32 of even-numbered years.

33 (10) The budget report shall include computations showing budget figures as a percentage of the
 34 total General Fund, federal fund, fee or other source category, as may be appropriate.

35 (11) The budget report shall include, in a format that provides side-by-side comparison with the
 36 State Debt Policy Advisory Commission report of net debt capacity, a six-year forecast, by debt type
 37 and repayment source, of:

38 (a) That portion of the capital construction program required to be reported by ORS 291.224 that
 39 will be financed by debt issuance.

40 (b) The acquisition of equipment or technology in excess of \$500,000 that will be financed by
 41 debt issuance.

42 (c) Other state agency debt issuance for grant or loan purposes.

43 (12) The budget report shall include the outcomes-based budgeting information required by ORS
 44 291.217 (2) and (3).

45 **(13) The budget report shall include, for each state agency, a description of the percent-**

1 **age of expenditures made in this state and the percentage of expenditures made outside this**
 2 **state under all contracts for goods or services entered into by the state agency during the**
 3 **prior biennium.**

4 ~~[(13)]~~ (14) As supplemental information to the budget report, the Governor shall prepare an al-
 5 ternative budget plan for the two fiscal years for which the budget report is required and shall
 6 provide the alternative budget plan to the President of the Senate, the Speaker of the House of
 7 Representatives and the majority and minority leaders in the Senate and the House of Represen-
 8 tatives. The alternative budget plan shall establish funding for each state agency's programs and
 9 activities at 90 percent of the appropriations requested for the state agency in the budget report,
 10 excluding appropriations that are not made to fund recurring activities. For each state agency, the
 11 Governor shall describe the 10 percent reduction in appropriated moneys in terms of the activities
 12 or programs that the agency will not undertake. The activities or programs that are not undertaken
 13 as a result of the reductions in appropriated moneys made in the alternative budget plan shall be
 14 ranked in order of importance and priority on the basis of lowest cost for benefit obtained.

15 **SECTION 2. The amendments to ORS 291.216 by section 1 of this 2013 Act apply to budget**
 16 **reports prepared for biennia beginning on or after July 1, 2015.**

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