
MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
FAX 503-373-7807

To: *General Government Subcommittee*

From: Ken Rocco, Legislative Fiscal Office
(503) 986-1844

Date: June 10, 2015

Subject: *HB 5046 – Continuing Resolution*
LFO Work Session Recommendations

HB 5046 relates to state financial administration and is proposed to be amended to contain continuing resolution language. The measure has an emergency clause and is effective on passage.

Recommended Amendment:

The -1 amendment replaces the contents of the original bill and provides for ongoing budget authority for agencies without a Governor signed budget by July 1, 2015..

Move to adopt the -1 amendment to HB 5046

HB 5046 Final Subcommittee Action:

Move HB 5046, as amended, to the full committee with a “do pass” recommendation.

Assignment of Carriers:

Full: _____

1st Chamber: _____

2nd Chamber: _____

PRELIMINARY STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Fiscal: May have fiscal impact, but no statement yet issued

Revenue: No Revenue Impact

Action Date:

Action:

Meeting Dates:

Prepared By: Ken Rocco, Legislative Fiscal Officer

WHAT THE MEASURE DOES:

Provides continuing expenditure authority so that state agencies without adopted budgets for the 2015-17 biennium by July 1, 2015 can continue operations at the same level as the last quarter of the 2013-15 biennium. Provides exceptions for the Oregon Health Authority and the Department of Human Services. The continuing resolution also applies to any state agency budget that may be vetoed by the Governor. The continuing resolution expenditure authority is authorized through August 15, 2015.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT:

Replaces the bill.

BACKGROUND:

State agencies without adopted budgets for the 2015-17 biennium as of July 1, 2015 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 2015-17 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 in determining 2015-17 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, 2015, it is possible (or even likely) that the Governor will not be able to sign all budget bills by July 1, 2015. 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, 2015, the Governor will have until August 11th to sign or veto bills. A budget bill is not effective until signed by the Governor.

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 5046 - 1**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Theresa McHugh
Reviewed by: Ken Rocco, Daron Hill, Paul Siebert
Date: June 9, 2015

Measure Description:

Provides continuing expenditure authority so that state agencies, boards and commissions without 2015-17 adopted budgets by July 1, 2015 or with 2015-17 budget bills that have been vetoed by the Governor can continue operations. Expenditures may be continued at the same level as the last quarter of the 2013-15 biennium; provides exceptions for the Department of Human Services to continue expenditures at the same level as the seventh quarter of the 2013-15 biennium and the Oregon Health Authority to continue expenditures at the same level as the sixth quarter of the 2013-15 biennium. The continuing expenditure authority is in effect until August 15, 2015.

Government Unit(s) Affected:

Statewide

Summary of Expenditure Impact:

See Analysis below

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 measure ensures that agencies, boards and commissions with 2015-17 budgets that have not been adopted or have been vetoed by the Governor can continue operating until they receive an approved budget. The bill specifies that expenditures may be continued during the first quarter of the 2015-17 biennium at the same level as the last quarter of the 2013-15 biennium, and it provides an exception for the Department of Human Services to continue expenditures at the same level as the seventh quarter of the 2013-15 biennium and the Oregon Health Authority to continue expenditures at the same level as the sixth quarter of the 2013-15 biennium. The bill does grant the Department of Administrative Services (DAS) the authority to modify the continuing expenditure level for an agency based on pending legislation. This continuing expenditure authority is in effect until August 15, 2015.

The fiscal impact of the measure is indeterminate because it is unknown whether the authority will need to be exercised for any agencies, boards or commissions. It should be noted that even if agencies expend funds under the measure, those expenditures will count against the agencies' 2015-17 biennial budgets once they have been adopted and become law. If a budget is not established for an agency, board or commission, any expenditures made under the measure would be counted against the 2015-17 budget of the Department of Administrative Services.