

A-Engrossed
Senate Bill 1596

Ordered by the Senate February 26
Including Senate Amendments dated February 26

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

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.

Revises procedures for preparation of Governor's budget.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state financial administration; creating new provisions; amending ORS 171.130, 171.557,
3 173.025, 173.029, 173.035, 173.420, 176.110, 181A.265, 181A.270, 181A.410, 184.345, 184.656, 276.429,
4 276.625, 283.091, 286A.035, 286A.720, 286A.772, 286A.792, 286A.826, 291.002, 291.060, 291.100,
5 291.110, 291.200, 291.202, 291.203, 291.204, 291.206, 291.208, 291.210, 291.214, 291.216, 291.217,
6 291.218, 291.220, 291.222, 291.223, 291.224, 291.258, 291.260, 291.272, 291.276, 291.328, 291.332,
7 291.334, 291.348, 291.371, 291.373, 291.405, 293.462, 297.110, 341.937, 350.075, 350.090, 350.160,
8 352.089, 353.140, 403.455, 409.160, 409.161, 410.072, 410.555, 410.625, 423.525, 461.140, 462.265,
9 463.195, 469.421, 477.777 and 496.138 and section 23, chapter 121, Oregon Laws 2014; repealing
10 ORS 171.559, 184.354, 291.212, 291.226, 291.228, 291.305 and 291.336; and declaring an emergency.

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

12
13 **BUDGET PROCESS**

14
15 **SECTION 1.** ORS 173.025 is amended to read:

16 173.025. (1) The Legislative Fiscal Officer, with the aid of the [*Oregon Department of Adminis-*
17 *trative Services,*] Legislative Revenue Officer, state agencies and affected local governmental units,
18 including school districts, shall prepare a fiscal impact statement [*on*] **for** each measure reported
19 out of a committee of the Legislative Assembly that could have an effect on expenditures of **the**
20 **state or on** local governmental units, including school districts.

21 (2) The Legislative Revenue Officer, with aid of the Legislative Fiscal Officer, the Department
22 of Revenue, state agencies and affected local governmental units, including school districts, shall
23 prepare a revenue impact statement [*on*] **for** each measure reported out of a committee of the Leg-
24 islative Assembly that could have any effect on revenues of **the state or on** local governmental
25 units, including school districts.

26 (3)(a) As used in this subsection, "tax expenditure" has the meaning given that term in ORS
27 291.201.

28 (b) If a revenue impact statement is prepared pursuant to subsection (2) of this section on a

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 measure that creates a tax expenditure, the revenue impact statement must include the revenue
2 impact of the measure for at least three consecutive biennia, beginning with the current biennium.

3 (c) If a revenue impact statement is prepared pursuant to subsection (2) of this section on a
4 measure that creates or extends a tax expenditure, the revenue impact statement must include a
5 statement describing the public policy purpose of the tax expenditure. The public policy purpose
6 statement is subject to review by the committee recommending passage of the measure.

7 **SECTION 2.** ORS 173.029 is amended to read:

8 173.029. (1) For any measure reported out of a committee of the Legislative Assembly, the effect
9 of which is to create a new crime, increase the period of incarceration allowed or required for an
10 existing crime or otherwise modify sentencing or state corrections policies, the Legislative Fiscal
11 Officer, with the aid of the [*Oregon Department of Administrative Services,*] Legislative Revenue Of-
12 ficer, state agencies and affected local governmental units, shall prepare a fiscal impact statement
13 describing the fiscal impact that the measure would, if enacted, have on the state as well as on local
14 governmental units.

15 (2) In particular and to the extent practicable, the Legislative Fiscal Officer shall determine and
16 describe in the statement the following:

17 (a) The fiscal impact on state and local law enforcement agencies, including an estimate of the
18 increase in anticipated number of arrests annually;

19 (b) The fiscal impact on state and local courts, including an estimate of the increase in the an-
20 ticipated number of cases annually;

21 (c) The fiscal impact on district attorney offices, including an estimate of the increase in the
22 anticipated number of prosecutions annually;

23 (d) The fiscal impact on public defense resources, including an estimate of the increase in the
24 anticipated number of cases annually; and

25 (e) The fiscal impact on state and local corrections resources, including resources supporting
26 parole and probation supervision, and also including an estimate of the increase in the anticipated
27 number of bed-days to be used annually at both the state and local level as a result of the passage
28 of the measure.

29 (3) The fiscal impact statement required under this section must describe the fiscal impact that
30 the measure would, if enacted, have on the state as well as on local governmental units for 10 years,
31 beginning on the effective date of the measure.

32 (4) A state agency that prepares and submits to the Legislative Fiscal Officer fiscal impact
33 statements or related fiscal information applicable to a measure introduced before the Legislative
34 Assembly, the effect of which is to create a new crime, increase the period of incarceration allowed
35 or required for an existing crime or otherwise modify sentencing or state corrections policies, shall
36 describe the fiscal impact that the measure would have on the state agency for 10 years, beginning
37 on the effective date of the measure.

38 **SECTION 3.** ORS 173.035 is amended to read:

39 173.035. The Legislative Fiscal Officer and Legislative Revenue Officer shall submit the state-
40 ment prepared under ORS 173.025 or 173.029 to the Legislative Assembly at a time set by the rules
41 of the house where the measure was introduced. [*The Speaker of the House of Representatives and*
42 *the President of the Senate shall refer the statement to The committee to which the measure was re-*
43 *ferred. The committee shall review the statement prepared under ORS 173.025 or 173.029 prior to re-*
44 *porting the measure out.*]

45 **SECTION 4.** ORS 176.110 is amended to read:

1 176.110. (1) The person elected to the office of Governor may take any action prior to the date
2 the official term of office commences that is necessary to enable the Governor to exercise on such
3 date the powers and duties of the office of Governor.

4 (2) The Governor-elect shall cause the **Governor's** budget [*report*] and the tax expenditure re-
5 port for the biennium beginning July 1 of the year in which the Governor takes office to be compiled
6 and prepared for printing as required in ORS 291.222.

7 (3) All expenses of the Governor-elect incurred in carrying out the provisions of this section are
8 open to inspection and audit by the Secretary of State and must be paid from any funds appropriated
9 for this purpose in the same manner as other claims against the state are paid.

10 **SECTION 5.** ORS 184.345 is amended to read:

11 184.345. The Oregon Department of Administrative Services [*shall*] **may** provide on a
12 reimbursable basis administrative and other services, as agreed [*to*] **upon**, to[*:*] **a state agency as**
13 **defined in ORS 291.002.**

14 [(1) *The Department of Corrections;*]

15 [(2) *The Department of Human Services;*]

16 [(3) *The Oregon Health Authority; and*]

17 [(4) *The State Board of Education.*]

18 **SECTION 6. The Oregon Department of Administrative Services Federal Funds Account**
19 **established under ORS 184.354 is abolished. Any moneys remaining in the account on the**
20 **effective date of this 2016 Act shall be transferred to the General Fund.**

21 **SECTION 7.** ORS 291.002 is amended to read:

22 291.002. As used in ORS 291.001 to 291.034, 291.201 to 291.222, 291.232 to 291.260, 291.261,
23 291.307 and 291.990, unless the context requires otherwise:

24 (1) "Classification of expenditures" means the [*major groups or*] categories of [*expenditures*] **ex-**
25 **penses** for the purpose of budget-making and accounting that are [*established as*] provided in ORS
26 [*291.206*] **291.216 (6)(a).**

27 (2) "Dedicated fund" means a fund in the State Treasury, or a separate account or fund in the
28 General Fund in the State Treasury, that by law is dedicated, appropriated or set aside for a limited
29 object or purpose, but "dedicated fund" does not include a revolving fund or a trust fund.

30 (3) "Department" means the Oregon Department of Administrative Services.

31 (4) "Director" means the Director of the Oregon Department of Administrative Services.

32 (5) "Legislatively adopted budget" means the budget enacted by the Legislative Assembly during
33 an odd-numbered year regular session **for the biennium beginning July 1 of the year in which**
34 **the regular session begins.**

35 (6) "Legislatively approved budget" means the legislatively adopted budget as modified by the
36 Emergency Board meeting in an interim period or by the Legislative Assembly meeting in special
37 session or in an even-numbered year regular session.

38 (7) "Revolving fund" means a fund in the State Treasury, established by law, from which is paid
39 the cost of goods or services furnished to or by a state agency, and which is replenished through
40 charges made for such goods or services or through transfers from other accounts or funds.

41 (8) "State agency" or "agency" means every state officer, board, commission, department, insti-
42 tution, branch or agency of the state government, whose costs are paid wholly or in part from funds
43 held in the State Treasury, except:

44 (a) The Legislative Assembly, the courts and their officers and committees;

45 (b) The Public Defense Services Commission; and

1 (c) The Secretary of State and the State Treasurer in the performance of the duties of their
2 constitutional offices.

3 (9) "State officer" means any elected or appointed state officer, including members of boards and
4 commissions, except the members and officers of the Legislative Assembly, the courts, the Secretary
5 of State and the State Treasurer in the performance of the duties of their constitutional offices and
6 the members of the Public Defense Services Commission.

7 (10) "Trust fund" means a fund in the State Treasury in which designated persons or classes of
8 persons have a vested beneficial interest or equitable ownership, or which was created or estab-
9 lished by a gift, grant, contribution, devise or bequest that limits the use of the fund to designated
10 objects or purposes.

11 **SECTION 8.** ORS 291.060 is amended to read:

12 291.060. The Oregon Department of Administrative Services shall, no later than January 15 of
13 each odd-numbered year, provide the Legislative Assembly with a report setting forth in detail all
14 fees charged by each state agency, the purpose for the fee or charge, the persons affected by the fee
15 or charge, the statutory authority for the fee or charge, the amounts collected in the past biennium,
16 the amounts expected to be paid during the present biennium and estimated for the next biennium
17 in the Governor's [*recommended*] budget, and any changes in the fee or charge authorized during the
18 present biennium or proposed for the next biennium in the Governor's [*recommended*] budget. The
19 department shall report to the Emergency Board and the appropriate interim committee when re-
20 quested to provide information concerning the development of the report.

21 **SECTION 9.** ORS 291.100 is amended to read:

22 291.100. (1) It is the intent of the Legislative Assembly, in funding the development and imple-
23 mentation of a new statewide financial management system, that statewide financial management
24 systems and policies support program-driven budget planning and execution, based on timely and
25 accurate statewide managerial cost accounting information and that such systems support legislative
26 program evaluation and performance auditing of statewide programs and services.

27 (2) The Oregon Department of Administrative Services shall devise and supervise statewide fi-
28 nancial management systems for all state agencies by preparing policies and procedures for imple-
29 menting and operating financial management systems for all agencies in state government and
30 measuring implementation. In order to ensure that the state's investment in a modern and complete
31 statewide financial management system is fully implemented, every agency and unit of state gov-
32 ernment shall:

33 (a) Cooperate and comply fully with policies and procedures and deadlines prepared by the
34 Oregon Department of Administrative Services for establishing a database for the financial man-
35 agement system.

36 (b) Comply fully with policies and procedures prepared by the Oregon Department of Adminis-
37 trative Services for operation of the financial management system.

38 *[(3) The Oregon Department of Administrative Services shall report to the Legislative Assembly*
39 *no later than December 1 of even-numbered years:]*

40 *[(a) Progress in implementing the financial management system as to preparation of financial*
41 *statements, nonfinancial management information and the ability of the system to support legislative*
42 *program evaluation and performance auditing.]*

43 *[(b) Compliance by each agency and unit of state government with policies and procedures of the*
44 *Oregon Department of Administrative Services for implementation of the financial management*
45 *system.]*

1 [(4) After a review of the Oregon Department of Administrative Services report by the Legislative
2 Fiscal Officer, the Joint Legislative Audit Committee may schedule a hearing for any agency or unit
3 of state government to review compliance with this section and policies and procedures of the Oregon
4 Department of Administrative Services, prior to any appropriation approval by the Legislative Assem-
5 bly.]

6 **SECTION 10.** ORS 291.110 is amended to read:

7 291.110. (1) The Oregon Department of Administrative Services shall ensure that state agency
8 activities and programs are directed toward achieving [*the Oregon benchmarks*] **performance out-**
9 **comes.** The department shall:

10 (a) Monitor progress, identify barriers and generate alternative approaches for attaining [*the*
11 *benchmarks*] **performance outcomes.**

12 (b) Ensure the development of a statewide system of performance measures designed to increase
13 the efficiency and effectiveness of state programs and services.

14 (c) Provide agencies with direction on the appropriate format for reporting performance meas-
15 ures to ensure consistency across agencies.

16 (d) Consult with the Legislative Assembly to assist in devising a system of performance meas-
17 ures.

18 (e) Facilitate the development of performance measures in those instances where [*benchmarks*]
19 **performance measures** involve more than one state agency.

20 (f) Prior to budget development **and adoption of a performance measurement system**, consult
21 with the legislative review agency, as defined in ORS 291.371, or other appropriate legislative com-
22 mittee, as determined by the President of the Senate and the Speaker of the House of
23 Representatives[, *prior to the formal adoption of a performance measurement system*].

24 (g) No later than October 1 of each year, submit a report to the Legislative Fiscal Officer on
25 the progress state agencies have made in meeting performance measures.

26 (2) State agencies shall develop measurable performance measures consistent with and aimed
27 at achieving [*Oregon benchmarks*] **performance outcomes.** To that end, each state agency shall:

28 (a) Identify the mission, goals and objectives of the agency and any applicable [*benchmarks*]
29 **performance measures** to which the goals are directed.

30 (b) Develop written defined performance measures that quantify desired organization intermedi-
31 ate outcomes, outputs, responsibilities, results, products and services, and, where possible, develop
32 unit cost measures for evaluating [*the*] program efficiency.

33 (c) Involve agency managers, supervisors and employees in the development of statements of
34 mission, goals, objectives and performance measures as provided in paragraphs (a) and (b) of this
35 subsection and establish teams composed of agency managers, supervisors and employees to imple-
36 ment agency goals, objectives and performance measures. Where bargaining unit employees are af-
37 fected, they shall have the right to select those employees of the agency, through their labor
38 organization, to serve on any joint committees established to develop performance measures.

39 (d) Use performance measures to work toward achievement of identified missions, goals[,] **and**
40 objectives [*and any applicable benchmarks*].

41 (e) Review agency performance measures with the appropriate legislative committee, as deter-
42 mined by the President of the Senate and the Speaker of the House of Representatives, during each
43 odd-numbered year regular session of the Legislative Assembly.

44 **SECTION 11.** ORS 291.200 is amended to read:

45 291.200. (1) It is the intent of the Legislative Assembly to require the Governor, in the prepa-

1 ration of the [*biennial*] **Governor's** budget, to state as precisely as possible what programs the
 2 Governor recommends be approved for funding under estimated revenues under ORS 291.342. If es-
 3 timated revenues are inadequate, the Legislative Assembly intends that it be advised by the Gover-
 4 nor as precisely as possible how the Legislative Assembly might proceed to raise the additional
 5 funds. It is also the intent of the Legislative Assembly, in the event that the additional funding is
 6 not possible, to be informed by the Governor precisely what programs or portions thereof the Gov-
 7 ernor recommends be reduced accordingly. Finally, if the Governor chooses to recommend additional
 8 new programs or program enhancements, the Legislative Assembly intends that the Governor specify
 9 how the additional funding might be achieved. The Legislative Assembly believes that the state
 10 government must allocate its resources for effective and efficient delivery of public services by:

- 11 (a) Clearly identifying desired results;
- 12 (b) Setting priorities;
- 13 (c) Assigning accountability; and
- 14 (d) Measuring, reporting and evaluating outcomes to determine future allocation.

15 (2) In addition to the intentions of subsection (1) of this section, in preparing the [*biennial*]
 16 **Governor's** budget, the Governor and the Legislative Assembly shall use an outcomes-based budg-
 17 eting process described in ORS 291.217 (2) and (3).

18 (3) To achieve the intentions of subsections (1) and (2) of this section, it is the budget policy of
 19 this state to create and administer programs and services designed to attain societal outcomes [*such*
 20 *as the Oregon benchmarks*] and to promote the efficient and measured use of resources.

21 (4) To effect the policy stated in subsection (3) of this section, state government shall:

- 22 (a) Allocate resources to achieve desired outcomes;
- 23 (b) Express program outcomes in measurable terms;
- 24 (c) Measure progress toward desired outcomes;
- 25 (d) Encourage savings;
- 26 (e) Promote investments that reduce or avoid future costs;
- 27 (f) Plan for the short term and long term using consistent assumptions for major demographic
 28 and other trends; and
- 29 (g) Require accountability at all levels for meeting program outcomes.

30 **SECTION 12.** ORS 291.202 is amended to read:

31 291.202. (1) Except as otherwise provided in ORS 291.222, the Governor shall prepare in each
 32 even-numbered year for the biennium beginning July 1 of the following year:

- 33 (a) A **Governor's** budget [*report*]; and
- 34 (b) A tax expenditure report.

35 (2) The Oregon Department of Administrative Services shall advise and assist the Governor in
 36 the preparation of the **Governor's** budget [*report*] and **the** tax expenditure report and shall perform
 37 [*such duties in connection therewith*] **any duties connected to the budget or report** as the Gover-
 38 nor requires.

39 (3) The Department of Revenue shall advise and assist the Governor in the preparation of the
 40 tax expenditure report.

41 **SECTION 13.** ORS 291.203 is amended to read:

42 291.203. (1) Not later than November 10 of each even-numbered year, the Governor shall cause
 43 the tax expenditure report to be compiled and prepared for printing.

44 (2) In the tax expenditure report, the Governor shall:

- 45 (a) List each tax expenditure;

1 (b) Identify the statutory authority for each tax expenditure;

2 (c) Describe the purpose of each tax expenditure;

3 (d) Estimate the amount of revenue loss caused by each tax expenditure for the coming
4 biennium;

5 (e) List the actual amount of revenue loss in the preceding biennium for each tax expenditure
6 or an estimate if the actual amount cannot be determined;

7 [(f) Determine whether each tax expenditure is the most fiscally effective means of achieving each
8 purpose of the tax expenditure;]

9 [(g)] (f) Determine whether each tax expenditure has successfully achieved the purpose for
10 which the tax expenditure was enacted and currently serves, including an analysis of the persons
11 that are benefited by the expenditure; and

12 [(h)] (g) Categorize each tax expenditure according to the programs or functions each tax ex-
13 penditure supports.

14 **SECTION 14.** ORS 291.204 is amended to read:

15 291.204. (1) The Oregon Department of Administrative Services, by July 1 of each even-
16 numbered year, shall furnish every state agency with [*a sufficient number of forms*] **instructions** for
17 [*its use in*] preparing for submission to the Governor the information required by the Governor in
18 the preparation of the **Governor's** budget [*report of the Governor*].

19 (2) The Governor shall prescribe the [*forms*] **instructions** to be used by the agencies in sub-
20 mitting their [*budget estimates and requests for appropriations*] **agency request budgets** as required
21 by ORS 291.208.

22 **SECTION 15.** ORS 291.206 is amended to read:

23 291.206. (1) The Governor shall [*prescribe such rules and regulations as the Governor deems*]
24 **prescribe rules the Governor considers** necessary for the guidance of agencies in the preparation
25 of [*the budget estimates and requests*] **agency request budgets**. The Governor[, *with the approval of*
26 *the Secretary of State,*] **shall use the classifications of expenditures provided in ORS 291.216**
27 **(6)(a) and** shall prepare and prescribe classifications of [*expenditures and*] revenue for the purpose
28 of budget-making and accounting.

29 (2) In so far as practicable, agency [*budget estimates and requests*] **request budgets** and appro-
30 priation measures shall be prepared in a manner that reflects state governmental organization and
31 state agency duties, functions and powers under the law in effect on January 1 of the following year.
32 The Oregon Department of Administrative Services shall maintain agency [*budget estimates and re-*
33 *quests*] **request budgets** in the form in which they are submitted.

34 (3) **As supplemental information, each agency request budget shall include options for a**
35 **10 percent reduction from the estimate of the projected costs of continuing currently au-**
36 **thorized activities or programs for the next biennium, excluding debt service. Each state**
37 **agency shall describe the 10 percent reduction in terms of the activities or programs that**
38 **the agency will not undertake. The activities or programs must be ranked in order of im-**
39 **portance and priority on the basis of lowest cost for benefit obtained.**

40 **SECTION 16.** ORS 291.208 is amended to read:

41 291.208. Each state agency shall file with the Oregon Department of Administrative Services,
42 before September 1 in each even-numbered year[, *on the form and*] in the manner required, [*its budget*
43 *forms*] **an agency request budget** containing the information required. The department shall pre-
44 pare [*budget estimates and requests for appropriations*] **agency request budgets** for all agencies that
45 fail to file [*requests*] **budgets**.

1 **SECTION 17.** ORS 291.210 is amended to read:

2 291.210. [(1) *The Oregon Department of Administrative Services, in connection with its direct*
3 *studies of the operations, plans and needs of state agencies and of the existing and prospective sources*
4 *of income, shall prepare a tentative budget plan and tentative tax expenditure report for the two fiscal*
5 *years for which a budget report and tax expenditure report are required to be prepared.*]

6 [(2) *The Department of Revenue shall advise and assist in the preparation of the tentative tax ex-*
7 *penditure report.*]

8 **The Oregon Department of Administrative Services and the Legislative Fiscal Officer**
9 **shall prepare a tentative budget for the next biennium for which the Governor's budget is**
10 **prepared. The tentative budget shall consist of the estimated revenues under ORS 291.342 for**
11 **the next biennium and a preliminary estimate of the projected costs of continuing currently**
12 **authorized programs for the next biennium.**

13 **SECTION 18.** ORS 291.214 is amended to read:

14 291.214. (1) The Governor, during the preparation of the **Governor's** budget [*report*] and before
15 its submission to the Legislative Assembly, shall[:]

16 [(1)(a) *Examine the budget forms filed by the various agencies and may make or cause to be made*
17 *such further investigations by the Oregon Department of Administrative Services, with such hearings*
18 *before the Governor or any state agency, as the Governor deems advisable, and may make such changes*
19 *or revisions in policy and program and in specific details of the tentative budget report or tentative tax*
20 *expenditure report as the Governor finds warranted; and]*

21 [(b)] identify each tax expenditure that has a full or partial sunset that, if allowed to take effect,
22 will have a fiscal impact on the state or on school districts for the next biennium, and shall prepare
23 a recommendation as to each tax expenditure identified under this paragraph that indicates the
24 Governor's opinion on whether the full or partial sunset of the tax expenditure should be allowed
25 to take effect as scheduled or should be revised to a different date.

26 (2) As used in this section:

27 (a) "Full sunset" means any provision that completely eliminates an existing tax expenditure on
28 a specified date.

29 (b) "Partial sunset" means any provision that reduces the amount of an existing tax expenditure
30 or that alters the eligibility requirements for the expenditure as of a specified date.

31 **SECTION 19.** ORS 291.216 is amended to read:

32 291.216. [(1) *Not later than November 10 of each even-numbered year the Governor shall cause the*
33 *budget report to be compiled and prepared for printing.*]

34 [(2)] (1) The [*budget report*] **Governor's budget** shall include a budget message prepared by the
35 Governor, including recommendations of the Governor with reference to the fiscal policy of the state
36 government for the coming biennium, describing the important features of the budget [*plan*], em-
37 bracing a general budget summary setting forth the aggregate figures of the budget [*report*] so as
38 to show a balanced relation between the total proposed expenditures and the total anticipated in-
39 come, with the basis and factors on which the estimates are made, the amount to be borrowed, and
40 other means of financing the estimated expenditures for the ensuing biennium, compared with the
41 corresponding figures for at least the last completed biennium and the current biennium.

42 [(3)] (2) The **Governor's** budget [*plan*] shall be supported by explanatory schedules or state-
43 ments, classifying the expenditures reported [*therein*] **in the budget**, both past and proposed, by or-
44 ganization units, objects and funds, and the income by organization units, sources and funds, and the
45 proposed amount of new borrowing as well as proposed new tax or revenue sources, including a

1 single comprehensive list of all proposed increases in fees, licenses and assessments assumed in the
2 budget [*plan*].

3 [(4)] (3) The **Governor's** budget [*plan*] shall be submitted for all dedicated funds, as well as the
4 state General Fund, and shall include the estimated amounts of federal and other aids or grants to
5 state agencies or activities provided for any purpose whatever, together with estimated expenditures
6 therefrom.

7 [(5)] (4) The **Governor's** budget [*report*] shall embrace the detailed estimates of expenditures
8 and revenues. It shall include:

9 (a) Statements of the bonded indebtedness of the state government, showing the actual amount
10 of the debt service for at least the past biennium, and the estimated amount for the current
11 biennium and the ensuing biennium, the debt authorized and unissued, the condition of the sinking
12 funds and the borrowing capacity. [*It shall contain*]

13 (b) The Governor's recommendations concerning tax expenditures identified under ORS 291.214.
14 [*It shall also contain*]

15 (c) Any statements relative to the financial plan which the Governor may [*deem*] **consider** de-
16 sirable or which may be required by the [*legislature*] **Legislative Assembly**.

17 [(6)] (5) The **Governor's** budget [*plan*] shall use the estimated revenues under ORS 291.342 for
18 the fiscal year in which the [*plan*] **budget** is submitted as the basis for total anticipated income
19 under subsection [(2)] (1) of this section, subject to [*such*] adjustment as may be necessary to reflect
20 accurately projections for the next biennium.

21 [(7) *As supplemental information to the budget report, the Governor shall publish an existing level*
22 *tentative budget plan for the two fiscal years for which the budget report is required. This summary*
23 *budget shall reflect only existing revenues estimated under subsection (6) of this section; subject to such*
24 *adjustment as may be necessary to reflect accurately projections for the next biennium. The supple-*
25 *mental information to the budget report shall be submitted at the same time as the budget report.*]

26 [(8)(a)] (6)(a) The **Governor's** budget [*report*] shall present information regarding the expenses
27 of the state in the following categories:

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

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

31 (C) **Special payments.**

32 [(C)] (D) Capital construction.

33 [(D)] (E) Capital outlay.

34 [(E)] (F) Debt service.

35 (b) For each category described in paragraph (a) of this subsection, the [*report*] **budget** shall
36 show actual expenditures [*to date*] **for the prior biennium and estimated expenditures for the**
37 **current biennium.**

38 (c) **As supplemental information to the budget, the Governor shall include an estimate**
39 **of the projected costs of continuing currently authorized programs in the next biennium. The**
40 **estimate shall include, but is not limited to the projected costs of:**

41 (A) **Removing one-time expenditures;**

42 (B) **Program phase-ins and phase-outs;**

43 (C) **Personnel expenses compared to existing compensation plan agreements, including**
44 **position vacancy experience calculations;**

45 (D) **Inflation for services, supplies and medical costs;**

1 **(E) Transfers between state funds or accounts;**

2 **(F) Mandated caseload changes; and**

3 **(G) Debt service for previously issued debt.**

4 *[(c) For each category described in paragraph (a) of this subsection, the report shall show:]*

5 *[(A) The amount of merit increases for the existing workforce.]*

6 *[(B) Increases for the cost of replacement and repair of supplies and equipment.]*

7 *[(C) Increases for the costs of new construction or major remodeling.]*

8 *[(D) Increases for the cost of inflation.]*

9 (d) The *[report]* **budget** shall show the total increase in the cost of salaries and benefits for all
10 state positions.

11 *[(9)]* **(7)** The **Governor's** budget *[report]* shall include:

12 (a) The total number of positions **and full-time equivalent positions** included in the budget.

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

14 (c) The number of permanent, full-time equivalent vacancies¹, *excluding academics,* as of July 1
15 of even-numbered years.

16 *[(10)]* **(8)** The **Governor's** budget *[report]* shall include computations showing budget figures as
17 a percentage of the total General Fund, federal fund, fee or other source category, as may be ap-
18 propriate.

19 *[(11)]* **(9)** The **Governor's** budget *[report]* shall include, in a format that provides side-by-side
20 comparison with the State Debt Policy Advisory Commission report of net debt capacity, a six-year
21 forecast, by debt type and repayment source, of:

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

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

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

27 *[(12)]* **(10)** The **Governor's** budget *[report]* shall include the outcomes-based budgeting informa-
28 tion required by ORS 291.217 (2) and (3).

29 *[(13) As supplemental information to the budget report, the Governor shall prepare an alternative*
30 *budget plan for the two fiscal years for which the budget report is required and shall provide the al-*
31 *ternative budget plan to the President of the Senate, the Speaker of the House of Representatives and*
32 *the majority and minority leaders in the Senate and the House of Representatives. The alternative*
33 *budget plan shall establish funding for each state agency's programs and activities at 90 percent of the*
34 *appropriations requested for the state agency in the budget report, excluding appropriations that are*
35 *not made to fund recurring activities. For each state agency, the Governor shall describe the 10 percent*
36 *reduction in appropriated moneys in terms of the activities or programs that the agency will not*
37 *undertake. The activities or programs that are not undertaken as a result of the reductions in appro-*
38 *priated moneys made in the alternative budget plan shall be ranked in order of importance and priority*
39 *on the basis of lowest cost for benefit obtained.]*

40 **SECTION 20.** ORS 291.217 is amended to read:

41 291.217. (1) As used in this section:

42 (a) "Continuous improvement" means a set of actions designed to permanently improve state
43 agency performance, either in a specific targeted area or across all levels of an agency, through the
44 use of structured process analysis and problem solving.

45 (b) "Outcomes-based budget" means a budget that allocates government resources to those uses

1 of taxpayer moneys and fee revenues that will best produce the outcomes most important to the
2 residents of this state, that generates options for funding, that uses service redesign, competition,
3 collaboration and prioritization to drive continuous improvement and innovations, and that can be
4 used to align government, nonprofit and private resources to help produce the desired outcomes.

5 (c) "Performance management" means a formal, comprehensive set of business processes, in-
6 cluding strategic planning, performance measurement, leadership, process management and human
7 resources that help ensure more efficient and effective management operations and practices and
8 reduce costs.

9 (d) "Performance measurement" means a process of assessing progress toward achieving prede-
10 termined program objectives, including information on the efficiency with which resources are
11 transformed into goods and services, the quality of those goods and services, the results of a pro-
12 gram activity compared to its intended purpose and the effectiveness of state agency operations in
13 terms of their specific contributions to program objectives.

14 (e) "State agency" means every state officer, board, commission, department, institution, branch
15 or agency of the state government whose costs are paid wholly or in part from funds held in the
16 State Treasury.

17 (f) "State government" has the meaning given that term in ORS 174.111.

18 (2) As part of [*the tentative budget plan and*] the **Governor's** budget [*report*] required under ORS
19 [*291.210 and*] 291.216, the Oregon Department of Administrative Services and the Governor shall
20 submit an outcomes-based budget. The outcomes-based budget shall be based on the **desired** results
21 of state agency continuous improvement actions, performance management and performance meas-
22 urement, shall describe and measure state agency efforts to implement process improvements and
23 shall reflect state agency efforts to achieve, through process improvements, quality service delivery
24 at a lower cost.

25 (3) The budget for each state agency shall:

26 (a) Identify how the agency is addressing continuous improvement, performance management and
27 performance measurement; and

28 (b) For each agency program, state the number of persons served, or other units of service
29 provided, by the program.

30 (4) The Joint Committee on Ways and Means, the Emergency Board, the Joint Interim Commit-
31 tee on Ways and Means and the Legislative Fiscal Office may review performance management and
32 performance measurement processes for services provided by contract by state agencies or by school
33 districts.

34 **SECTION 21.** ORS 291.218 is amended to read:

35 291.218. Except when the Governor under whose supervision the **Governor's** budget [*report*] and
36 the tax expenditure report have been prepared will be succeeded in office in January next following:

37 (1) The Oregon Department of Administrative Services shall have as many copies of the [*ap-*
38 *proved*] **Governor's** budget [*report*] and the tax expenditure report printed as the Governor directs.

39 (2) Not later than December 1 of each even-numbered year, the Governor shall transmit a copy
40 of [*each report*] **the Governor's budget and the tax expenditure report** to each member of the
41 [*legislature*] **Legislative Assembly** who is to serve during the next regular session of the Legislative
42 Assembly.

43 (3) Upon request, the Governor shall distribute copies **of the Governor's budget and the tax**
44 **expenditure report** free of charge[, *under such regulations as the Governor may establish,*] to public
45 libraries, schools and state officials. The Governor shall make copies available to the general public

1 at a reasonable charge for each copy.

2 **SECTION 22.** ORS 291.220 is amended to read:

3 291.220. (1) The Governor, upon request, shall furnish the Legislative Assembly any further in-
4 formation required concerning the **Governor's** budget *[report]* and the tax expenditure report.

5 (2) The Oregon Department of Administrative Services, upon request, shall furnish a represen-
6 tative to assist the Legislative Assembly, *[its]* **the** Joint Committee on Ways and Means, *[appointed*
7 *under ORS 171.555,]* and the Legislative Revenue Officer in the consideration of the budget
8 *[report]*, the tax expenditure report and any accompanying measures.

9 **SECTION 23.** ORS 291.222 is amended to read:

10 291.222. If the Governor under whose supervision the **Governor's** budget *[report]* and tax ex-
11 penditure report have been prepared will be succeeded in office in January next following:

12 (1) The Oregon Department of Administrative Services shall make available to the Governor-
13 elect so much as the Governor-elect requests of the information upon which the *[tentative]*
14 **Governor's** budget *[report and tentative]* **and** tax expenditure report are based, and upon completion
15 of *[each report]* **the budget and tax expenditure report**, shall supply the Governor-elect with a
16 copy of *[each report but shall not cause the tentative budget report or tentative tax expenditure report*
17 *to be printed and distributed]* **the budget and report, but may not print or distribute the budget**
18 **or report.** The department shall also make available to the Governor-elect all facilities of the de-
19 partment reasonably necessary to permit the Governor-elect to review and become familiar with the
20 *[tentative budget report or tentative]* **budget or** tax expenditure report.

21 (2) After a review of the *[tentative]* **Governor's** budget *[report or tentative]* **and** tax expenditure
22 report, the Governor-elect may prepare revisions and additions *[thereto]* **to the budget or report.**
23 The Oregon Department of Administrative Services and the Department of Revenue shall assist,
24 upon request, in the preparation of *[such]* **any** revisions or additions.

25 (3) The Oregon Department of Administrative Services shall have printed as many copies of the
26 revised **Governor's** budget *[report]* and revised tax expenditure report as the Governor-elect re-
27 quests.

28 *[(4)(a) Not later than the convening of the next Legislative Assembly the Oregon Department of*
29 *Administrative Services shall transmit a copy of a summary of the revised budget report containing the*
30 *revenue and expenditure recommendations of the Governor-elect and a summary of the revised tax ex-*
31 *penditure report estimating the amount of revenue loss caused by each tax expenditure.]*

32 *[(b)]* (4) Not later than February 1 **of each odd-numbered year**, the Oregon Department of
33 Administrative Services shall transmit a copy of the revised **Governor's** budget *[report]* and revised
34 tax expenditure report to each member of the Legislative Assembly.

35 (5) Upon request, the department shall distribute copies of the revised **Governor's** budget *[re-*
36 *port]* and revised tax expenditure report free of charge, *[under such regulations as it may establish]*
37 **under any rules the department may adopt**, to public libraries, schools and state officials. *[It]*
38 **The department** shall make copies of the revised budget *[report]* and revised tax expenditure report
39 available to the general public at a reasonable charge for each copy.

40 **SECTION 24.** ORS 291.223 is amended to read:

41 291.223. (1) Not later than November 10 of each even-numbered year the Governor shall cause
42 the *[agency budget estimates and requests as described in ORS 291.206]* **Governor's budget esti-**
43 **mates** to be made available to the Legislative Fiscal Officer and to the Legislative Revenue Officer.

44 (2) Before December 1 of the year in which they were made available under subsection (1) of this
45 section, the Legislative Fiscal Officer or staff and the Legislative Revenue Officer or staff *[shall]*

1 **may** not reveal to any other person the contents or nature of the **Governor's** budget [*reports and*]
2 **or** other materials, except with the written consent of the Governor.

3 **SECTION 25.** ORS 291.224 is amended to read:

4 291.224. (1) A capital construction program containing estimated capital construction needs, ir-
5 respective of how financed, must be included with the **Governor's** budget [*report required by ORS*
6 *291.216*]. The capital construction program must contain the estimated physical construction re-
7 quirements for each biennium of a period to be determined by the Governor, which period may not
8 be less than six years. The Oregon Department of Administrative Services shall assist the Governor
9 in the preparation of the capital construction program.

10 (2) In accordance with regulations prescribed by the department, state agencies shall submit to
11 the department their anticipated capital construction requirements for the period specified by the
12 Governor. The department shall prescribe the basic assumptions relating to population changes,
13 economic trends and other factors which might generally affect capital construction requirements
14 and these basic assumptions must be used by the state agencies in preparing their anticipated cap-
15 ital construction requirements. Each state agency is responsible for the basic assumptions that af-
16 fect only its own program. The department shall prepare estimated capital construction
17 requirements for necessary capital construction not covered by the capital construction require-
18 ments submitted by the state agencies under this section.

19 (3) In accordance with regulations prescribed by the department, each state agency shall sepa-
20 rately submit its estimated office space requirements for the period specified by the Governor, and
21 the department shall consolidate those needs and make an estimate for all state office buildings to
22 be included in the capital construction program.

23 (4) The Governor shall consolidate the estimates, review the estimates and make revisions the
24 Governor finds warranted.

25 (5) The **Governor's** budget [*report*] must include the proposed expenditures for the capital con-
26 struction program for the ensuing biennium and the proposed expenditures for preliminary planning
27 of the construction projects included in the capital construction program for the biennium following
28 the ensuing biennium. The budget [*report*] also must include dollar estimates of the cost of the cap-
29 ital construction projects included in the capital construction program for the succeeding years of
30 the period determined by the Governor under subsection (1) of this section.

31 (6) Each state agency, including the department, required under subsection (2) of this section to
32 submit or prepare anticipated or estimated capital construction requirements, shall submit a copy
33 of the requirements that relate to construction or improvements within the areas described in ORS
34 276.054 to the Capitol Planning Commission at a time specified by the commission, but not later than
35 August 1 of each even-numbered year. The commission shall review the capital construction re-
36 quirements and, not later than November 1 of each even-numbered year, make recommendations to
37 the department with respect to the requirements.

38 (7) As used in this section, "capital construction program" does not include:

39 (a) The acquisition, repair, improvement, enlargement, construction or maintenance of highways
40 and highway bridges by the Department of Transportation;

41 (b) Park improvements by the State Parks and Recreation Department; or

42 (c) Road infrastructure work performed under timber sale contracts entered into by the State
43 Forester.

44 **SECTION 26.** ORS 291.258 is amended to read:

45 291.258. A new personnel position or classification, not provided in the budget of an agency upon

1 which appropriations have been based, [shall] **may** not be established without prior approval of the
2 Oregon Department of Administrative Services. **The department shall notify the Legislative Fiscal**
3 **Office of establishment of any new personnel position or classification.**

4 **SECTION 27.** ORS 291.260 is amended to read:

5 291.260. *[Every state agency, when making requests or preparing budgets to be submitted to the*
6 *federal government for funds, equipment, materials or services, other than for highway purposes, and*
7 *purposes for which the state was legally committed on August 2, 1951, shall, upon completion of such*
8 *request or budget, first submit it to the Oregon Department of Administrative Services.]*

9 **(1) At the request of the Oregon Department of Administrative Services, before a state**
10 **agency makes requests or prepares budgets to be submitted to the federal government for**
11 **funds, equipment, material or services, other than for highway purposes, the agency shall**
12 **submit the request or budget to the department.**

13 **(2)** The department *[shall have authority to]* **may** approve, disapprove, modify or amend *[any*
14 *such]* **the** request or budget before it is submitted to the proper federal authority.

15 **(3) The requirements of this section are in addition to the requirements of ORS 291.375**
16 **and 293.550.**

17 **SECTION 28.** ORS 291.272 is amended to read:

18 291.272. As used in ORS 291.272 to 291.278, unless the context requires otherwise:

19 *[(1) "Administrative expenses" has the meaning defined by ORS 291.305.]*

20 *[(2) "Department" means the Oregon Department of Administrative Services.]*

21 *[(3)]* **(1)** "Governmental service expenses" means the expenses of state government that are at-
22 tributable to the operation, maintenance, administration and support of state government generally,
23 and includes the following:

24 (a) Administrative *[expenses]* **expenditures** of the Oregon Department of Administrative Services
25 supported out of the General Fund.

26 (b) Sixty percent of the **administrative** expenditures of the Legislative Assembly out of moneys
27 appropriated from the General Fund, and all of the expenditures incurred in the administration of
28 the duties of the Emergency Board.

29 (c) Sixty percent of the **administrative** expenditures incurred by the Legislative Fiscal Office
30 **out of moneys appropriated from the General Fund** in the administration of the duties of the
31 Joint Committee on Ways and Means and the Emergency Board.

32 (d) Sixty percent of the **administrative** expenditures incurred out of moneys appropriated from
33 the General Fund in the administration of the duties of the Legislative Counsel Committee.

34 (e) Seventy-five percent of the administrative *[expenses]* **expenditures** of the Office of the Gov-
35 ernor incurred out of moneys appropriated from the General Fund.

36 *[(4)]* **(2)** "State agency" means every state officer, board, commission, department, institution,
37 branch or agency of the state government, whose costs are paid wholly or in part from funds held
38 in the State Treasury, and includes the Legislative Assembly, the courts and their officers and
39 committees.

40 **SECTION 29.** ORS 291.276 is amended to read:

41 291.276. (1) With respect to each biennium beginning on July 1 of an odd-numbered year, the
42 Oregon Department of Administrative Services shall allocate among all state agencies the govern-
43 mental service expenses, as determined by the department in accordance with ORS 291.272, for the
44 biennium ending two years prior to the beginning of the biennium for which the allocation is made.

45 (2) The department, in accordance with the procedures and methods prescribed under subsection

1 (3) of this section, shall determine and may at any time redetermine the reasonable share of gov-
 2 ernmental service expenses to be assessed against any fund or appropriation. Such expenses shall
 3 be a charge against any fund so designated and be considered an administrative [*expense*] **expendi-**
 4 **ture** of the agency administering the fund or appropriation.

5 (3) The department, with the approval of the Governor, shall prepare and prescribe the proce-
 6 dures and methods used in determining and redetermining the reasonable share of governmental
 7 service expenses assessed against any fund or appropriation.

8 (4) The department, with the approval of the Governor, may make rules necessary or proper to
 9 carry out the duties imposed upon it by ORS 291.272 to 291.278.

10 (5) The computation required by subsection (1) of this section shall be made by the department
 11 in advance of the biennium with respect to which the allocation is to be made.

12 **SECTION 30.** ORS 291.328 is amended to read:

13 291.328. (1) Before the Emergency Board makes any allocation, grants any authorization or ap-
 14 proves any budget under ORS 291.326, [*it*] **the board** may require [*the state agency in question*] **a**
 15 **state agency** to submit written evidence to justify the allocation, authorization or approval [*and*]
 16 **or** may require the head of the agency to appear before it in support thereof.

17 (2) The Emergency Board may [*also*] require the Director of the Oregon Department of Admin-
 18 istrative Services to submit a written report [*as to*] **regarding** the need and justification for the al-
 19 location, authorization or approval.

20 (3) Upon making an allocation, granting an authorization or approving a budget, the Emergency
 21 Board shall file with the department[,] **and** the Secretary of State [*and the state agency in question*]
 22 a copy of the order of allocation, grant of authorization or approved budget.

23 **SECTION 31.** ORS 291.332 is amended to read:

24 291.332. (1) The Emergency Board shall meet immediately upon adjournment sine die of each
 25 odd-numbered year regular session of the Legislative Assembly [*and elect a chairperson from their*
 26 *number*]. The board shall meet thereafter at such times as it may determine, except that the activ-
 27 ities of the board are suspended during the period beginning at the convening of [*an even-numbered*
 28 *year*] **a** regular session of the Legislative Assembly and ending at the adjournment of that session.

29 (2)(a) **The President of the Senate and the Speaker of the House of Representatives shall**
 30 **serve as cochairpersons of the board.**

31 (b) **The President of the Senate shall appoint members of the board from among members**
 32 **of the Senate. The Speaker of the House of Representatives shall appoint members from**
 33 **among members of the House of Representatives.**

34 [(2)] (3) The board may not transact business unless a quorum is present. A quorum consists of
 35 a majority of board members from the House of Representatives and a majority of board members
 36 from the Senate.

37 [(3)] (4) Action by the board requires the affirmative vote of a majority of board members from
 38 the House of Representatives and a majority of board members from the Senate.

39 [(4)] (5) The term of members of the board shall run from the adjournment of one odd-numbered
 40 year regular session to the convening of the next odd-numbered year regular session.

41 [(5)] (6) If a vacancy occurs in the board, either the Speaker, if the legislator previously filling
 42 the position was a member of the House, or the President, if the legislator previously filling the
 43 position was a member of the Senate, shall fill [*such*] **the** vacancy by an appointment for the unex-
 44 pired term. [*However, such appointment, before becoming effective, shall be confirmed by the remaining*
 45 *members of the board, sitting as such board.*]

1 **SECTION 32.** ORS 291.334 is amended to read:

2 291.334. (1) The *[Director of the Oregon Department of Administrative Services]* **Legislative Fiscal Office**, upon request of the **Emergency Board**, shall furnish necessary assistance to the board[, *or the board may employ such assistance as they may deem necessary*].

3 (2) The expenses of the board, the cost of employed assistance, and other necessary expenses of the board shall be paid out of funds appropriated to the board specially for *[such]* **that** purpose or, if no *[such]* appropriation is made, out of any emergency fund that may be appropriated to the board. All claims for those expenses and cost *[shall]* **must** be approved by the *[chairperson]* **cochairpersons of the board** or other person authorized to approve claims, and warrants shall be drawn on the State Treasurer for the payment *[thereof]* in the same manner as other expenses are paid.

4 **SECTION 33.** ORS 291.348 is amended to read:

5 291.348. (1) The Oregon Department of Administrative Services, *[with the assistance of the Secretary of State,]* as soon as possible after June 30[, 1966, and each even-numbered year thereafter] **of each even-numbered year**, shall ascertain the total of General Fund revenues obtained from all sources during the preceding fiscal year, so far as is practicable.

6 (2) The Director of the Oregon Department of Administrative Services shall certify to the total of General Fund and State Lottery Fund revenues during the preceding fiscal year as determined under subsection (1) of this section.

7 (3) As used in this section:

8 (a) "General Fund revenues" means all payments of money credited to the State Treasury that are placed or to be placed by the State Treasurer to the credit of the General Fund of the State of Oregon for general governmental purposes.

9 (b) "State Lottery Fund revenues" means the net proceeds of the state lottery authorized by section 4, Article XV of the Oregon Constitution.

10 **SECTION 34.** ORS 291.371 is amended to read:

11 291.371. (1) As used in this section[,]:

12 (a) "Legislative review agency" means the Joint Committee on Ways and Means during the period when the Legislative Assembly is in session and the Emergency Board or the Joint Interim Committee on Ways and Means during the interim period between sessions.

13 **(b) "State agency" has the meaning given that term in ORS 291.002.**

14 (2) Prior to making any changes in a *[salary]* **compensation** plan, the Oregon Department of Administrative Services shall submit the proposed changes, including step pay increases, to the legislative review agency.

15 (3)(a) The Oregon Department of Administrative Services may approve the reallocation of positions or the establishment of new positions not specifically provided for in the budget of the affected **state** agency if it finds that the proposed change:

16 (A) Can be financed by the **state** agency within the limits of its biennial budget and legislatively approved program;

17 (B) Will not produce future budgetary increases; and

18 (C) Conforms to legislatively approved salary policies.

19 (b) Proposed changes not meeting the requirements of paragraph (a) of this subsection shall be presented to the legislative review agency.

20 (4) **State** agencies *[within the Department of Human Services, the Oregon Health Authority and the Department of Corrections]* shall report on a biennial basis to the legislative review agency.

1 Each report shall include the number of vacant budgeted positions, including all job categories and
2 classifications, within the **state** agency. The legislative review agency shall order the reporting
3 **state** agency to show cause why the budgeted positions have not been filled and shall assess fully
4 the impact the vacancies have on:

5 (a) The **state** agency's delivery of services, accounting for any seasonal fluctuation in the need
6 for those services;

7 (b) The **state** agency's budget due to increased use of overtime;

8 (c) The **state** agency's use of temporary employees; and

9 (d) Employee workload.

10 *[(5) It is declared to be the policy of this state that the total personal services, budget and full-time
11 equivalent positions approved for any state agency shall be the maximum amount necessary to meet the
12 requirements of the agency for the biennium. Notwithstanding ORS 291.232 to 291.260, the Governor
13 and the Oregon Department of Administrative Services may transfer vacant position authority among
14 and within state agencies to achieve maximum utilization of authorized positions within agencies.]*

15 **SECTION 35.** ORS 291.373 is amended to read:

16 291.373. (1) As used in this section[,]:

17 (a) **"Legislatively approved budget" has the meaning given that term in ORS 291.002.**

18 (b) **"Program" means an activity or a series of related activities that a state agency
19 performs to fulfill its constitutional or statutory duties and that is identified, by name or
20 otherwise with particularity, in the Oregon Constitution, statutory law, a budget report or
21 a staff measure summary for a bill prepared by the Legislative Assembly for a state agency
22 budget that is part of the legislatively approved budget, a performance measure developed
23 under ORS 291.110 or any other manner specified by the Legislative Assembly.**

24 (c) "State agency" has the meaning given that term in ORS 291.002.

25 *[(2) A state agency shall report, as provided in this section, to the appropriate committee of the
26 Legislative Assembly if the agency makes substantive changes in programs after the agency's budget
27 is approved by the Legislative Assembly.]*

28 *[(3) The Oregon Department of Administrative Services shall adopt rules defining what constitutes
29 a substantive program change for purposes of this section. When an agency has made a substantive
30 program change as defined by the department, the agency shall notify the department of the change.
31 The department shall notify the Speaker of the House of Representatives and the President of the
32 Senate of substantive program changes made by state agencies.]*

33 *[(4) Based upon information submitted by the Oregon Department of Administrative Services under
34 subsection (3) of this section, the Speaker of the House of Representatives and the President of the
35 Senate shall determine which committee is appropriate for each report that is to be made under sub-
36 section (2) of this section.]*

37 *[(5) A committee to which a report is to be made under subsection (2) of this section may request
38 that the report be made orally or in writing.]*

39 **(2) A state agency shall report to the Director of the Oregon Department of Adminis-
40 trative Services, and the director shall report to the Legislative Assembly as provided in this
41 section, any substantive change made in a program administered by the state agency.**

42 **(3) For purposes of this section, a state agency is considered to have made a substantive
43 change in a program if the state agency:**

44 **(a) Establishes a new program, unless the Legislative Assembly provided for establish-
45 ment of the program by law or anticipated establishment of the program in the legislatively**

1 approved budget or in a budget report or staff measure summary relating to the legislatively
2 approved budget.

3 (b) Eliminates an existing program, unless the Legislative Assembly provided for elimi-
4 nation of the program by law or anticipated elimination of the program in the legislatively
5 approved budget or in a budget report or staff measure summary relating to the legislatively
6 approved budget.

7 (c) Delays by six months or longer the establishment or elimination of a program pre-
8 scribed by the Legislative Assembly by law or in a budget report on a bill.

9 (d) Makes changes to the operation or financing of a program by:

10 (A) Redesigning the program so as to affect a class of client benefit levels or provider
11 reimbursement levels, unless the redesign consists solely of adjustments of an ongoing na-
12 ture or processes that were described in written materials provided to the Legislative As-
13 sembly by the state agency during the most recent legislative session;

14 (B) Implementing an executive order; or

15 (C) Redirecting more than 10 percent of the program's funding to another purpose as
16 allowed by an appropriation or expenditure limitation.

17 (e) Otherwise reorganizes or makes changes to the operation or financing of a program
18 and the Legislative Fiscal Officer or the director determines that the changes affect one or
19 more essential aspects of the program.

20 (4) Not later than 14 days after the end of each calendar quarter, a state agency shall
21 report to the director any substantive change in a program made during the preceding cal-
22 endar quarter. A state agency is not required to report under this subsection if the agency
23 has not made a substantive change in a program during the preceding calendar quarter.

24 (5) Not later than 35 days after the end of each calendar quarter, the director shall report
25 on all substantive program changes made by state agencies during the preceding calendar
26 quarter to the President of the Senate, the Speaker of the House of Representatives and the
27 Legislative Fiscal Officer. The director is not required to report under this subsection if no
28 state agencies have made a substantive change in a program during the preceding calendar
29 quarter.

30 (6) If a state agency or the director fails to report a substantive program change as re-
31 quired under subsections (4) and (5) of this section, the state agency immediately shall report
32 the substantive program change to the director. The director immediately shall report to the
33 President of the Senate, the Speaker of the House of Representatives and the Legislative
34 Fiscal Officer. The report shall identify the program change, describe why the report was
35 not made as required by subsection (4) or (5) of this section and describe how the failure to
36 report was identified.

37 [(6)] (7) [An] A state agency need not report to [a committee under subsection (2)] the director
38 under subsection (4) of this section on any matter that the agency is required by ORS 291.371 or
39 291.375 to report or present to the Emergency Board, to the Joint Interim Committee on Ways and
40 Means or to the Joint Committee on Ways and Means.

41 **SECTION 36.** ORS 291.405 is amended to read:

42 291.405. (1) This section and ORS 291.407 allow the Oregon Department of Administrative Ser-
43 vices to assess state agencies and to provide moneys from the assessments to mass transit districts,
44 established under ORS 267.010 to 267.390, transportation districts, established under ORS 267.510 to
45 267.650, and service districts, established under ORS 451.410 to 451.610 to provide public transpor-

1 tation services, as reimbursement for the benefit that state government receives from the districts.

2 (2) State agencies subject to assessment under this section include every state officer, board,
3 commission, department, institution, branch or agency of the state whose costs are paid wholly or
4 in part from funds held in the State Treasury, and include the Legislative Assembly, the state courts
5 and their officers and committees.

6 (3) If the Oregon Department of Administrative Services elects to pay moneys to districts under
7 this section and ORS 291.407, the department shall do the following:

8 (a) Determine what services performed for subject state agencies will be subject to assessment
9 under this section;

10 (b) Determine which subject agencies have employees within each district who are performing
11 the subject services;

12 (c) Determine the amount of wages paid to the agency employees for performing the subject
13 services within each district; and

14 (d) Establish a rate of assessment of not more than six-tenths of one percent of the total amount
15 of the wages determined under this subsection.

16 (4) When determining under subsection (3)(c) of this section the total amount of wages paid to
17 agency employees for performing subject services within each district, the Oregon Department of
18 Administrative Services shall include wages that are paid from federal funds only to the extent the
19 assessment on those wages is authorized to be paid under federal regulations.

20 (5) Notwithstanding any other provision of this section, the Oregon Department of Administra-
21 tive Services shall not establish rates or impose assessments under this section that exceed the fol-
22 lowing:

23 (a) The Oregon Department of Administrative Services shall not assess more from an agency
24 than the Legislative Assembly provides the agency for purposes of this section, either directly or
25 indirectly through its approval of budgets or through the Emergency Board, if the agency budget is
26 approved by the Legislative Assembly from General Fund moneys.

27 (b) If an agency is an agency other than one described in paragraph (a) of this subsection, the
28 Oregon Department of Administrative Services shall not assess moneys from the agency at a greater
29 rate than the rate applicable to an agency described in paragraph (a) of this subsection.

30 (6) At any time it determines appropriate, the Oregon Department of Administrative Services
31 may:

32 (a) Redetermine any factors necessary to perform its duties under this section; or

33 (b) Vary the rate under this section within the limits established under this section.

34 (7) After making determinations and establishing a rate under this section, the Oregon Depart-
35 ment of Administrative Services may direct the assessment against the payrolls of subject agencies
36 at the rate established by the department. All moneys assessed under this section shall be promptly
37 forwarded to the Oregon Department of Administrative Services. [*Assessments under this section are*
38 *administrative expenses of an agency, as defined in ORS 291.305.*]

39 (8) The Oregon Department of Administrative Services shall pay any moneys it receives under
40 this section to the State Treasurer for deposit in the account established under ORS 291.407 for use
41 as provided in that section.

42 **SECTION 37.** ORS 171.557 is amended to read:

43 171.557. (1) The Legislative Assembly finds that there is a need for a comprehensive, specific
44 budget format available to all members of the Legislative Assembly so that:

45 (a) Effective policy decisions can be made;

1 (b) Line items in agency budgets can be identified by program function;

2 (c) Decisions to increase or decrease agency budgets can be made with knowledge as to policy
3 and programmatic impact; and

4 (d) A more objective comparison can be made to the Governor's budget.

5 (2) The Legislative Assembly also finds that the goal of the legislative budgeting process is to
6 afford members a thorough understanding of:

7 (a) The policies of state government regarding the definition and delivery of state services;

8 (b) What program functions are necessary to state operations and the cost of these functions;
9 and

10 (c) The means whereby these policies and programs are administered.

11 (3) The goal of the Legislative Assembly is to decide, as a body, which policies and programs
12 are necessary to discharge its public responsibilities. Consequently, the Legislative Assembly finds
13 that there is a need to examine the legislative budgeting process so that:

14 (a) Policy decisions are made by the Legislative Assembly as a whole;

15 (b) Program functions are more closely identified with line items in agency budgets;

16 (c) Funding options and priorities are defined in terms of policies; and

17 (d) Legislative budgeting identifies programs which are necessary in terms of policies and state
18 responsibilities, as opposed to the need to maintain existing program activities.

19 **(4) The Legislative Fiscal Officer may provide information related to the preparation and**
20 **adoption of the legislatively adopted budget, or to measures considered by the Joint Com-**
21 **mittee on Ways and Means during any session of the Legislative Assembly, to the Oregon**
22 **Department of Administrative Services. Staff of the Oregon Department of Administrative**
23 **Services may not reveal to any other person the contents or nature of the information pro-**
24 **vided under this subsection, except with the written consent of the Legislative Fiscal Officer.**

25
26 **CONFORMING AMENDMENTS**

27
28 **SECTION 38.** ORS 171.130 is amended to read:

29 171.130. (1) At any time in advance of any regular or special session of the Legislative Assembly
30 fixed by the Legislative Counsel Committee, or at any time in advance of a special session as may
31 be fixed by joint rules of both houses of the Legislative Assembly, the following may file a proposed
32 legislative measure with the Legislative Counsel:

33 (a) Members who will serve in the session and members-elect.

34 (b) Interim and statutory committees of the Legislative Assembly.

35 (2) On or before December 15 of an even-numbered year, or at any time in advance of a special
36 session as may be fixed by joint rules of both houses of the Legislative Assembly, the following may
37 file a proposed legislative measure with the Legislative Counsel:

38 (a) The Oregon Department of Administrative Services, to implement the fiscal recommendations
39 of the Governor contained in the **Governor's** budget [*report of the Governor*].

40 (b) The person who will serve as Governor during the session.

41 (c) The Secretary of State, the State Treasurer, the Attorney General and the Commissioner of
42 the Bureau of Labor and Industries.

43 (d) The Judicial Department.

44 (3) Notwithstanding subsection (2) of this section, a statewide elected official who initially as-
45 sumes office in January of an odd-numbered year may submit proposed measures for introduction

1 by members or committees of the Legislative Assembly until the calendar day designated by rules
2 of either house of the Legislative Assembly. The exemption granted by this subsection to a newly
3 elected Governor does not apply to state agencies in the executive branch.

4 (4) On or before December 15 of an even-numbered year, a state agency may file a proposed
5 legislative measure with the Legislative Counsel through a member or committee of the Legislative
6 Assembly.

7 (5) The Legislative Counsel shall order each measure filed pursuant to subsections (1) to (4) of
8 this section prepared for printing and may order the measure printed. If the person filing a measure
9 specifically requests in writing that the measure be made available for distribution, the Legislative
10 Counsel shall order the measure printed and shall make copies of the printed measure available for
11 distribution before the beginning of the session to members and members-elect and to others upon
12 request.

13 (6) Copies of all measures filed and prepared for printing or printed pursuant to this section
14 shall be forwarded by the Legislative Counsel to the chief clerk of the house designated by the
15 person filing the measure for introduction.

16 (7) The costs of carrying out this section shall be paid out of the money appropriated for the
17 expenses of that session of the Legislative Assembly for which the measure is to be printed.

18 (8) The Legislative Counsel Committee may adopt rules or policies to accomplish the purpose
19 of this section.

20 (9) This section does not affect any law or any rule of the Legislative Assembly or either house
21 thereof relating to the introduction of legislative measures.

22 **SECTION 39.** ORS 173.420 is amended to read:

23 173.420. (1) Pursuant to the policies and directions of the appointing authority, the Legislative
24 Fiscal Officer shall:

25 (a) Ascertain facts and make recommendations to the Legislative Assembly concerning the
26 Governor's budget [*report*].

27 (b) Ascertain facts concerning state expenditures and make estimates concerning state expen-
28 ditures.

29 (c) Ascertain facts and make recommendations concerning the fiscal implications of the organ-
30 ization and functions of the state and its agencies.

31 (d) Ascertain facts and make recommendations on such other matters as may be provided for
32 by joint or concurrent resolution.

33 (e) Furnish such assistance in the performance of their duties as is requested by the House Re-
34 venue Committee, the Senate Revenue Committee, the Legislative Revenue Officer and other legis-
35 lative standing and interim committees and members of the Legislative Assembly.

36 (2) Pursuant to the policies and directions of the appointing authority, the Legislative Fiscal
37 Officer may enter into contracts to carry out the functions of the Legislative Fiscal Officer.

38 **SECTION 40.** ORS 181A.265 is amended to read:

39 181A.265. (1) The Department of State Police or another criminal justice agency that the State
40 Chief Information Officer designates shall operate a Criminal Justice Information Standards program
41 that coordinates information among state criminal justice agencies. The program must:

42 (a) Ensure that in developing new information systems, data can be retrieved to support evalu-
43 ating criminal justice planning and programs, including, but not limited to, evaluating the ability
44 of the programs to reduce future criminal conduct;

45 (b) Ensure that maximum effort is made for the safety of public safety officers;

1 (c) Establish methods and standards for data interchange and information access between crim-
2 inal justice information systems, in compliance with information technology rules, policies and
3 standards that the State Chief Information Officer adopts;

4 (d) Design and implement improved applications for exchange of agency information; and

5 (e) Implement the capability to exchange images between criminal justice agencies.

6 (2) The program shall develop a plan to accelerate data sharing and information integration
7 among criminal justice agencies. The plan must include, but is not limited to including, priorities,
8 timelines, development costs, resources needed, the projected ongoing cost of support, critical suc-
9 cess factors and any known barriers to accomplishing the plan. The plan must align with and sup-
10 port the Enterprise Information Resources Management Strategy described in ORS 291.039.
11 Representatives of criminal justice agencies and public safety agencies, including but not limited to
12 local law enforcement agencies, courts of criminal jurisdiction, district attorneys, city attorneys
13 with criminal prosecutive functions, public defender organizations established under ORS chapter
14 151, community corrections directors, jail managers and county juvenile departments, shall be in-
15 vited to participate in the planning process. The program shall present the plan to the State Chief
16 Information Officer no later than May 30 of each even-numbered year for development of the
17 Governor's budget [*report*]. The program shall submit the plan to the Joint Legislative Committee
18 on Information Management and Technology no later than December 31 of each even-numbered year.

19 (3) Notwithstanding the meaning given "criminal justice agency" in ORS 181A.010, as used in
20 this section and ORS 181A.270, "criminal justice agency" includes, but is not limited to:

21 (a) The Judicial Department;

22 (b) The Attorney General;

23 (c) The Department of Corrections;

24 (d) The Department of State Police;

25 (e) Any other state agency with law enforcement authority designated by order of the Governor;

26 (f) The Department of Transportation;

27 (g) The State Board of Parole and Post-Prison Supervision;

28 (h) The Department of Public Safety Standards and Training;

29 (i) The State Department of Fish and Wildlife;

30 (j) The Oregon Liquor Control Commission;

31 (k) The Oregon Youth Authority;

32 (L) The Youth Development Division; and

33 (m) A university that has established a police department under ORS 352.121 or 353.125.

34 **SECTION 41.** ORS 181A.270 is amended to read:

35 181A.270. (1) State criminal justice agencies, as part of their [*biennial budget requests*] **agency**
36 **request budget** and information resource management plans, shall address the goals of the Criminal
37 Justice Information Standards program with particular attention to:

38 (a) Data access, availability and information sharing among criminal justice agencies; and

39 (b) The plan developed under ORS 181A.265.

40 (2) Information resource management plans must be based on industry standards for open sys-
41 tems to the greatest extent possible.

42 (3) A state criminal justice agency shall submit a copy of its information resource management
43 plan to the Criminal Justice Information Standards Advisory Board.

44 **SECTION 42.** ORS 181A.410 is amended to read:

45 181A.410. (1) In accordance with any applicable provision of ORS chapter 183, to promote

1 enforcement of law and fire services by improving the competence of public safety personnel and
2 their support staffs, and in consultation with the agencies for which the Board on Public Safety
3 Standards and Training and Department of Public Safety Standards and Training provide standards,
4 certification, accreditation and training:

5 (a) The department shall recommend and the board shall establish by rule reasonable minimum
6 standards of physical, emotional, intellectual and moral fitness for public safety personnel and in-
7 structors.

8 (b) The department shall recommend and the board shall establish by rule reasonable minimum
9 training for all levels of professional development, basic through executive, including but not limited
10 to courses or subjects for instruction and qualifications for public safety personnel and instructors.
11 Training requirements shall be consistent with the funding available in the department's
12 legislatively approved budget.

13 (c) The department, in consultation with the board, shall establish by rule a procedure or pro-
14 cedures to be used by law enforcement units, public or private safety agencies or the Oregon Youth
15 Authority to determine whether public safety personnel meet minimum standards or have minimum
16 training.

17 (d) Subject to such terms and conditions as the department may impose, the department shall
18 certify instructors and public safety personnel, except youth correction officers, as being qualified
19 under the rules established by the board.

20 (e) The department shall deny applications for training and deny, suspend and revoke certifica-
21 tion in the manner provided in ORS 181A.630, 181A.640 and 181A.650 (1).

22 (f) The department shall cause inspection of standards and training for instructors and public
23 safety personnel, except youth correction officers, to be made.

24 (g) The department may recommend and the board may establish by rule accreditation stan-
25 dards, levels and categories for mandated and nonmandated public safety personnel training or ed-
26 ucational programs. The department and board, in consultation, may establish to what extent
27 training or educational programs provided by an accredited university, college, community college
28 or public safety agency may serve as equivalent to mandated training or as a prerequisite to man-
29 dated training. Programs offered by accredited universities, colleges or community colleges may be
30 considered equivalent to mandated training only in academic areas.

31 (2) The department may:

32 (a) Contract or otherwise cooperate with any person or agency of government for the procure-
33 ment of services or property;

34 (b) Accept gifts or grants of services or property;

35 (c) Establish fees for determining whether a training or educational program meets the accred-
36 itation standards established under subsection (1)(g) of this section;

37 (d) Maintain and furnish to law enforcement units and public and private safety agencies infor-
38 mation on applicants for appointment as instructors or public safety personnel, except youth cor-
39 rection officers, in any part of the state; and

40 (e) Establish fees to allow recovery of the full costs incurred in providing services to private
41 entities or in providing services as experts or expert witnesses.

42 (3) The department, in consultation with the board, may:

43 (a) Upon the request of a law enforcement unit or public safety agency, conduct surveys or aid
44 cities and counties to conduct surveys through qualified public or private agencies and assist in the
45 implementation of any recommendations resulting from such surveys.

1 (b) Upon the request of law enforcement units or public safety agencies, conduct studies and
2 make recommendations concerning means by which requesting units can coordinate or combine their
3 resources.

4 (c) Conduct and stimulate research to improve the police, fire service, corrections, adult parole
5 and probation, emergency medical dispatch and telecommunicator professions.

6 (d) Provide grants from funds appropriated or available therefor, to law enforcement units,
7 public safety agencies, special districts, cities, counties and private entities to carry out the pro-
8 visions of this subsection.

9 (e) Provide optional training programs for persons who operate lockups. The term "lockup" has
10 the meaning given it in ORS 169.005.

11 (f) Provide optional training programs for public safety personnel and their support staffs.

12 (g) Enter into agreements with federal, state or other governmental agencies to provide training
13 or other services in exchange for receiving training, fees or services of generally equivalent value.

14 (h) Upon the request of a law enforcement unit or public safety agency employing public safety
15 personnel, except youth correction officers, grant an officer, fire service professional, telecommu-
16 nicator or emergency medical dispatcher a multidiscipline certification consistent with the minimum
17 requirements adopted or approved by the board. Multidiscipline certification authorizes an officer,
18 fire service professional, telecommunicator or emergency medical dispatcher to work in any of the
19 disciplines for which the officer, fire service professional, telecommunicator or emergency medical
20 dispatcher is certified. The provisions of ORS 181A.500, 181A.520 and 181A.530 relating to lapse of
21 certification do not apply to an officer or fire service professional certified under this paragraph as
22 long as the officer or fire service professional maintains full-time employment in one of the certified
23 disciplines and meets the training standards established by the board.

24 (i) Establish fees and guidelines for the use of the facilities of the training academy operated
25 by the department and for nonmandated training provided to federal, state or other governmental
26 agencies, private entities or individuals.

27 (4) Pursuant to ORS chapter 183, the board, in consultation with the department, shall adopt
28 rules necessary to carry out the board's duties and powers.

29 (5) Pursuant to ORS chapter 183, the department, in consultation with the board, shall adopt
30 rules necessary to carry out the department's duties and powers.

31 (6) For efficiency, board and department rules may be adopted jointly as a single set of combined
32 rules with the approval of the board and the department.

33 (7) The department shall obtain approval of the board before submitting its legislative concepts,
34 Emergency Board request or [*budget requests*] **agency request budget** to the Oregon Department
35 of Administrative Services.

36 (8) The Department of Public Safety Standards and Training shall develop a training program
37 for conducting investigations required under ORS 181A.790.

38 **SECTION 43.** ORS 184.656 is amended to read:

39 184.656. The Governor shall submit to the Legislative Assembly a proposed biennial [*program*]
40 budget for the Department of Transportation that specifies how existing revenues from all sources
41 will be spent. The [*program*] budget shall include proposed expenditures for each program or item
42 specifically listed in the budget bills for the department enacted during the preceding odd-numbered
43 year regular session of the Legislative Assembly.

44 **SECTION 44.** ORS 276.429 is amended to read:

45 276.429. (1) The Oregon Department of Administrative Services may enter into, as appropriate,

1 leases, including lease with option to purchase, installment purchases and rental agreements, as
 2 lessee, for office quarters for state agencies. In determining which method of acquiring office quar-
 3 ters is most appropriate under the circumstances, the department shall consider cost and the long-
 4 term best interests of the state. It is the policy of the state, in fulfilling the objectives set forth in
 5 ORS 276.426, to acquire office quarters in the most cost-effective manner feasible.

6 (2) The costs to the department incurred for the purpose of making such office space ready for
 7 occupancy, including professional services, remodeling, equipment acquisition and other similar
 8 costs paid to others or incurred by the department, may be advanced out of the Oregon Department
 9 of Administrative Services Operating Fund. The fund shall be reimbursed for costs so advanced from
 10 charges paid to the department by the agency leasing the space as a tenant. Where more than one
 11 agency occupies the space, the charges shall be assessed and collected from the agencies in the
 12 manner determined by the department.

13 (3) Immediately following each monthly rental period, the department shall bill each state
 14 agency occupying office quarters leased under subsection (1) of this section, a sum equal to such
 15 part of the total amount required for the rent of such quarters as the rental value of the space oc-
 16 cupied by each of the state agencies bears to the whole amount of the rental value of such space
 17 so leased by the state. Such sums and rental values shall be determined by the department. Moneys
 18 collected therefor shall be placed in the Oregon Department of Administrative Services Operating
 19 Fund established in ORS 283.076 and used for the payment of the rental and operating expenses of
 20 such office quarters.

21 (4) Prior to entering into any lease purchase or installment purchase agreement or before ex-
 22 ercising any purchase option in agreements made under subsection (1) of this section, the depart-
 23 ment shall report to the legislative review agency [*established*] **as defined** in ORS 291.371. However,
 24 the department shall not enter into any lease purchase or installment purchase agreement in excess
 25 of \$100,000 under any provision of law other than ORS 283.085 to 283.092.

26 (5) The title to properties acquired through lease-purchase options authorized in subsection (1)
 27 of this section shall vest automatically in the Oregon Department of Administrative Services in the
 28 name of the state. Properties so acquired shall be operated as office buildings as provided in ORS
 29 276.004.

30 **SECTION 45.** ORS 276.625 is amended to read:

31 276.625. The Oregon Department of Administrative Services may acquire options, enter into
 32 earnest money agreements and enter into similar arrangements to obtain the right to acquire real
 33 property, any improvements erected upon the property and any appurtenances connected with the
 34 property. However, the department's exercise of any rights under such an option, agreement or ar-
 35 rangement, shall be made contingent upon the department first obtaining the approval of the legis-
 36 lative review agency [*established*] **as defined** in ORS 291.371. Before removing the contingency, the
 37 department shall first obtain the approval of the proposed purchase from the legislative review
 38 agency [*established*] **as defined** in ORS 291.371.

39 **SECTION 46.** ORS 283.091 is amended to read:

40 283.091. The Oregon Department of Administrative Services shall include in the Governor's
 41 budget [*request to the Legislative Assembly*] for each fiscal period amounts sufficient to permit the
 42 payment of all amounts which will be due on unpaid financing agreements during that fiscal period.

43 **SECTION 47.** ORS 286A.035 is amended to read:

44 286A.035. (1) Each related agency shall report the plans of the related agency for the issuance
 45 of bonds during the next biennium. The related agency shall submit the related agency's report to

1 the Governor by a date determined by the Governor and shall include in the report a description
2 of bonds that the related agency intends to retire or defease during the next biennium.

3 (2) On or before a date determined by the Governor, the State Treasurer shall advise the Gov-
4 ernor on the prudent maximum amount of bonds to be issued for each bond program. The State
5 Treasurer shall consider available economic and financial data in preparing advice to be given to
6 the Governor.

7 (3) As part of the Governor's budget [*report*] described in ORS 291.216, the Governor shall:

8 (a) Consider the prudent maximum amounts advised by the State Treasurer pursuant to sub-
9 section (2) of this section to determine the Governor's total recommended amount; and

10 (b) Recommend to the Legislative Assembly the total amount of bonds the State Treasurer may
11 issue for each bond program for a biennium.

12 (4) The Legislative Assembly shall determine the amount of bonds the State Treasurer may issue
13 for each state agency for a biennium. If the Legislative Assembly fails to make the determination
14 described in this subsection by the first day of the biennium, the unused portion of the authorization
15 the Legislative Assembly made for the preceding biennium is deemed to carry forward for the cur-
16 rent biennium at the amount authorized for the preceding biennium until the earlier of:

17 (a) The date on which legislation authorizing the amount of bonds for the current biennium is
18 enacted; or

19 (b) The date on which the Legislative Assembly adjourns sine die.

20 (5) The amount of bonds that may be issued under bond programs may be modified by the Gov-
21 ernor. However, the Governor may not modify the amount of bonds that may be issued under bond
22 programs in a way that would cause the maximum amount established by the Legislative Assembly
23 for a category of bond programs to be exceeded if the Legislative Assembly:

24 (a) Has categorized the bonds that may be issued under bond programs as general obligation,
25 direct revenue and pass-through revenue bonds; and

26 (b) Assigned a maximum amount to each category.

27 (6) This section applies to bonds:

28 (a) Unless the bonds are expressly exempted from the requirements of this section.

29 (b) Except refunding bonds.

30 **SECTION 48.** ORS 286A.720 is amended to read:

31 286A.720. For each biennium in which Article XI-D bonds will be outstanding, the Oregon De-
32 partment of Administrative Services shall include in the Governor's budget [*request to the Legislative*
33 *Assembly*] an amount that, when added to the amount on deposit in the Article XI-D Bond Fund and
34 the Article XI-D Bond Administration Fund, is sufficient to pay the bond-related costs that are
35 scheduled to come due in the biennium.

36 **SECTION 49.** ORS 286A.772 is amended to read:

37 286A.772. For each biennium in which Article XI-M bonds will be outstanding, the Oregon De-
38 partment of Administrative Services shall include in the Governor's budget [*request to the Legislative*
39 *Assembly*] an amount that, when added to the amount on deposit in the Article XI-M Bond Fund and
40 the Article XI-M Bond Administration Fund, is sufficient to pay the bond-related costs that are
41 scheduled to come due in the biennium.

42 **SECTION 50.** ORS 286A.792 is amended to read:

43 286A.792. For each biennium in which Article XI-N bonds will be outstanding, the Oregon De-
44 partment of Administrative Services shall include in the Governor's budget [*request to the Legislative*
45 *Assembly*] an amount that, when added to the amount on deposit in the Article XI-N Bond Fund and

1 the Article XI-N Bond Administration Fund, is sufficient to pay the bond-related costs that are
2 scheduled to come due in the biennium.

3 **SECTION 51.** ORS 286A.826 is amended to read:

4 286A.826. A project agency shall request that the Governor include in the Governor's budget
5 [*request to the Legislative Assembly*] for each biennium amounts that are sufficient to pay:

6 (1) The costs of a project financed or to be financed by the issuance of Article XI-Q bonds during
7 the biennium;

8 (2) Amounts billed during the biennium by the Oregon Department of Administrative Services
9 under ORS 286A.824; and

10 (3) The bond-related costs associated with the projects financed or to be financed with Article
11 XI-Q bonds.

12 **SECTION 52.** ORS 293.462 is amended to read:

13 293.462. (1) It is the policy of the State of Oregon to pay any overdue account charges incurred
14 by state agencies which do not promptly pay for goods and services provided by private businesses.

15 (2) The overdue account charges to be paid under this section shall be the same as the usual
16 overdue account charges to the general clientele of the vendor.

17 (3) Moneys appropriated from the General Fund to an agency or the establishment of maximum
18 limits for expenditures of an agency authorized to procure goods or services from private businesses
19 shall be used to pay overdue account charges incidental to procurement of the goods or services at
20 the rate of two-thirds of one percent per month, but not more than eight percent per annum on
21 overdue claims.

22 (4) Overdue claims shall be those that have not been paid within 45 days from the latest of the
23 following dates: The date of the receipt of the invoice, the date of the initial billing statement if no
24 invoice is received, or the date the claim is made certain by agreement of the parties or by opera-
25 tion of law. However, overdue account charges shall not accrue on any purchases made by any
26 state agency during time of civil emergency or in the event of a natural disaster which prevents the
27 timely payment of accounts. In such instances accounts shall be paid in as timely a manner as pos-
28 sible.

29 (5) Where claims have been paid, the date of the check or warrant in payment of the claims shall
30 be used to determine if the claim has been paid in a timely manner. It shall be rebuttably presumed
31 that the check or warrant was correctly dated.

32 (6) Moneys for payment of overdue account charges shall not be provided in [*the biennial budget*
33 *of a state agency*] **any agency request budget**, but agencies may make special requests to provide
34 moneys for such charges, separately from other budget requests in accordance with rules adopted
35 by the Oregon Department of Administrative Services.

36 (7) In the event overdue account charges cannot lawfully be paid from federal funds, then such
37 charges shall be paid from any moneys available to the agency for payment of administrative ex-
38 penses. If other moneys are not available to pay overdue account charges, the agency shall submit
39 to the Legislative Assembly during a legislative session or to the Emergency Board during the in-
40 terim between legislative sessions a request for moneys to pay these charges.

41 **SECTION 53.** ORS 297.110 is amended to read:

42 297.110. As used in this section and ORS [*291.226 and*] 297.120:

43 (1) "Public official" means any person who is serving a state agency as an officer, employee,
44 member, agent or otherwise, regardless of whether the person is compensated for the person's ser-
45 vices.

1 (2) "State agency" means any state department, division, bureau or other agency or body headed
2 by an elected or appointed state officer or member of a board or commission.

3 **SECTION 54.** ORS 341.937 is amended to read:

4 341.937. In preparing [*budget requests*] **an agency request budget** for each biennium, after
5 consultation with the community colleges and their respective representatives of the community of
6 persons with disabilities at the colleges, the Higher Education Coordinating Commission shall in-
7 clude amounts for capital improvements that will be applied to the substantial reduction and even-
8 tual elimination of barriers to access by persons with disabilities.

9 **SECTION 55.** ORS 350.075 is amended to read:

10 350.075. (1) As used in this section, "student access programs" means scholarship, loan, grant
11 and access programs described in ORS chapter 348.

12 (2) The Higher Education Coordinating Commission shall be guided by the legislative findings
13 in ORS 341.009, 350.001 and 350.005 and the goals and mission of post-secondary education set forth
14 in ORS 350.009 and 350.014.

15 (3) The Higher Education Coordinating Commission shall:

16 (a) Develop state goals for the state post-secondary education system, including community col-
17 leges and public universities listed in ORS 352.002, and for student access programs.

18 (b) Determine strategic investments in the state's community colleges, public universities and
19 student access programs necessary to achieve state post-secondary education goals.

20 (c) Coordinate the post-secondary elements of data collection and structure, with the advice and
21 recommendation of the state's independent institutions, community colleges and public universities,
22 as appropriate, in order to construct a state longitudinal data system.

23 (d) Adopt a strategic plan for achieving state post-secondary education goals, taking into con-
24 sideration the contributions of this state's independent institutions, philanthropic organizations and
25 other organizations dedicated to helping Oregonians reach state goals. State post-secondary educa-
26 tion goals as described in this section should include, but need not be limited to:

27 (A) Increasing the educational attainment of the population;

28 (B) Increasing this state's global economic competitiveness and the quality of life of its resi-
29 dents;

30 (C) Ensuring affordable access for qualified Oregon students at each college or public university;

31 (D) Removing barriers to on-time completion; and

32 (E) Tracking progress toward meeting the state's post-secondary education goals established in
33 the strategic plan described in this paragraph.

34 (e)(A) Each biennium, after receiving funding requests from the state's community colleges and
35 public universities as authorized by law, recommend to the Governor a consolidated higher educa-
36 tion [*budget request*] **agency request budget** aligned with the strategic plan described in paragraph
37 (d) of this subsection, including appropriations for:

38 (i) Student access programs;

39 (ii) Public universities listed in ORS 352.002, including but not limited to education and general
40 operations, statewide public services and state-funded debt service;

41 (iii) Community colleges, including but not limited to education and general operations and
42 state-funded debt service;

43 (iv) New facilities or programs;

44 (v) Capital improvements and deferred maintenance; and

45 (vi) Special initiatives and investments.

1 (B) In the development of the consolidated higher education [*budget request*] **agency request**
2 **budget:**

3 (i) Determine the costs necessary to provide quality post-secondary education;

4 (ii) Solicit input from educators, education policy experts, appropriate legislative committees,
5 students and other persons interested in the development of the funding model; and

6 (iii) Solicit public input regarding educational priorities.

7 (f) Adopt rules governing the distribution of appropriations from the Legislative Assembly to
8 community colleges, public universities listed in ORS 352.002 and student access programs. These
9 rules must be based on allocation formulas developed in consultation with the state's community
10 colleges and public universities, as appropriate.

11 (g) Approve or disapprove any significant change to the academic program of a community col-
12 lege or a public university listed in ORS 352.002. In reaching a decision under this paragraph, the
13 commission shall consider the recommendation from the community college or public university
14 seeking to make the change to an academic program that is issued pursuant to the obligation of the
15 governing board of a community college or public university to review and approve academic pro-
16 grams. The commission shall ensure that approved programs:

17 (A) Are consistent with the mission statement of the community college or public university;

18 (B) Do not unnecessarily duplicate academic programs offered by Oregon's other community
19 colleges or public universities;

20 (C) Are not located in a geographic area that will cause undue hardship to Oregon's other
21 community colleges or public universities; and

22 (D) Are allocated among Oregon's community colleges and public universities to maximize the
23 achievement of statewide needs and requirements.

24 (h) For public universities listed in ORS 352.002:

25 (A) Approve the mission statement adopted by a governing board of a public university.

26 (B) Review and determine whether a proposed annual increase of resident undergraduate en-
27 rollment fees of greater than five percent is appropriate.

28 (C) Advise the Governor and the Legislative Assembly on issues of university governance.

29 (D) Approve and authorize degrees.

30 (E) Perform the evaluation and certification required by ORS 350.095.

31 (i) Authorize degrees to be offered by independent post-secondary institutions in this state under
32 ORS 348.594 to 348.615.

33 (j) Oversee the licensing of career schools under ORS 345.010 to 345.450.

34 (k) Have the authority to enter into and administer interstate agreements regarding the pro-
35 vision of post-secondary distance education. The participation by an educational institution that is
36 not based in this state in distance learning courses or programs that are part of an interstate
37 agreement entered into and administered under this paragraph does not constitute operating in this
38 state for purposes of ORS 348.594 to 348.615. The commission, by rule, may impose a fee on any
39 educational institution that seeks to operate under or participate in such interstate agreements. The
40 fee amount shall be established to recover designated expenses incurred by the commission in par-
41 ticipating in such agreements.

42 (L) Coordinate and collaborate with the Chief Education Office as provided by section 1, chapter
43 519, Oregon Laws 2011.

44 (4)(a) The Higher Education Coordinating Commission shall implement a process to resolve stu-
45 dent complaints against any school operating in this state. As part of the process implemented under

1 this subsection, the commission may:

2 (A) Receive student complaints from students regarding a school;

3 (B) Specify the type of information that must be included in a student complaint;

4 (C) Investigate any student complaint filed against a school;

5 (D) Establish a process to review and resolve student complaints against a school, including but
6 not limited to reviewing school records, holding administrative hearings and issuing final orders;

7 (E) Assess a fee to cover the costs of any proceeding brought under this subsection, including
8 but not limited to the costs of an investigation or administrative hearing;

9 (F) Require a school to make full or partial restitution to a student or to cease an act or prac-
10 tice that is challenged in a student complaint;

11 (G) Adopt rules to implement the provisions of this subsection; and

12 (H) Enter into agreements to implement the provisions of this subsection.

13 (b) Any hearing held under this subsection is subject to the provisions of ORS chapter 183.

14 (c) As used in this subsection:

15 (A) "School" means a school that meets the requirements of ORS 348.597 (2)(d); and

16 (B) "Student" means a person who is enrolled or accepted for enrollment at a school for the
17 purpose of obtaining a degree, certificate or other recognized educational credential offered by that
18 school.

19 (5) In addition to the duties described in subsections (2) to (4) of this section, the Higher Edu-
20 cation Coordinating Commission shall advise the Legislative Assembly, the Governor, community
21 colleges, public universities and other state boards and commissions on policies in order to:

22 (a) Ensure or improve access to higher education by diverse and underserved populations.

23 (b) Encourage student success and completion initiatives.

24 (c) Improve the coordination of the provision of educational services, including:

25 (A) Transfers and coenrollment throughout the higher education system;

26 (B) Accelerated college credit programs for high school students;

27 (C) Applied baccalaureate and other transfer degrees;

28 (D) Programs and grants that span multiple institutions; and

29 (E) Reciprocity agreements with other states.

30 (d) In coordination with the State Board of Education, enhance the use and quality of dual
31 credit, career and technical pathways and efforts to create a culture of college attendance in this
32 state.

33 (e) In coordination with the State Workforce Investment Board, local workforce investment
34 boards, the Oregon Health and Science University and independent institutions, ensure that the
35 state's colleges and universities offer programs in high-demand occupations that meet Oregon's
36 workforce needs.

37 (f) Improve economies of scale by encouraging and facilitating the use of the shared services
38 among post-secondary institutions in this state.

39 (6) The Higher Education Coordinating Commission, in a manner consistent with ORS chapter
40 183, may adopt administrative rules.

41 (7) With the exception of the rulemaking authority granted in subsection (6) of this section, the
42 Higher Education Coordinating Commission may delegate any of its powers, duties or functions to
43 a committee of the commission or to the executive director of the commission.

44 (8) The Higher Education Coordinating Commission may establish technical or advisory com-
45 mittees to assist the commission in exercising its powers, duties and functions.

1 (9) The Higher Education Coordinating Commission may exercise only powers, duties and func-
2 tions expressly granted by the Legislative Assembly. Except as otherwise expressly provided by law,
3 all other authorities reside at the institutional level with the respective boards of the post-secondary
4 institutions.

5 **SECTION 56.** ORS 350.075, as amended by section 61, chapter 774, Oregon Laws 2015, is
6 amended to read:

7 350.075. (1) As used in this section, “student access programs” means scholarship, loan, grant
8 and access programs described in ORS chapter 348.

9 (2) The Higher Education Coordinating Commission shall be guided by the legislative findings
10 in ORS 341.009, 350.001 and 350.005 and the goals and mission of post-secondary education set forth
11 in ORS 350.009 and 350.014.

12 (3) The Higher Education Coordinating Commission shall:

13 (a) Develop state goals for the state post-secondary education system, including community col-
14 leges and public universities listed in ORS 352.002, and for student access programs.

15 (b) Determine strategic investments in the state’s community colleges, public universities and
16 student access programs necessary to achieve state post-secondary education goals.

17 (c) Coordinate the post-secondary elements of data collection and structure, with the advice and
18 recommendation of the state’s independent institutions, community colleges and public universities,
19 as appropriate, in order to construct a state longitudinal data system.

20 (d) Adopt a strategic plan for achieving state post-secondary education goals, taking into con-
21 sideration the contributions of this state’s independent institutions, philanthropic organizations and
22 other organizations dedicated to helping Oregonians reach state goals. State post-secondary educa-
23 tion goals as described in this section should include, but need not be limited to:

24 (A) Increasing the educational attainment of the population;

25 (B) Increasing this state’s global economic competitiveness and the quality of life of its resi-
26 dents;

27 (C) Ensuring affordable access for qualified Oregon students at each college or public university;

28 (D) Removing barriers to on-time completion; and

29 (E) Tracking progress toward meeting the state’s post-secondary education goals established in
30 the strategic plan described in this paragraph.

31 (e)(A) Each biennium, after receiving funding requests from the state’s community colleges and
32 public universities as authorized by law, recommend to the Governor a consolidated higher educa-
33 tion [*budget request*] **agency request budget** aligned with the strategic plan described in paragraph

34 (d) of this subsection, including appropriations for:

35 (i) Student access programs;

36 (ii) Public universities listed in ORS 352.002, including but not limited to education and general
37 operations, statewide public services and state-funded debt service;

38 (iii) Community colleges, including but not limited to education and general operations and
39 state-funded debt service;

40 (iv) New facilities or programs;

41 (v) Capital improvements and deferred maintenance; and

42 (vi) Special initiatives and investments.

43 (B) In the development of the consolidated higher education [*budget request*] **agency request**
44 **budget:**

45 (i) Determine the costs necessary to provide quality post-secondary education;

1 (ii) Solicit input from educators, education policy experts, appropriate legislative committees,
2 students and other persons interested in the development of the funding model; and

3 (iii) Solicit public input regarding educational priorities.

4 (f) Adopt rules governing the distribution of appropriations from the Legislative Assembly to
5 community colleges, public universities listed in ORS 352.002 and student access programs. These
6 rules must be based on allocation formulas developed in consultation with the state's community
7 colleges and public universities, as appropriate.

8 (g) Approve or disapprove any significant change to the academic program of a community col-
9 lege or a public university listed in ORS 352.002. In reaching a decision under this paragraph, the
10 commission shall consider the recommendation from the community college or public university
11 seeking to make the change to an academic program that is issued pursuant to the obligation of the
12 governing board of a community college or public university to review and approve academic pro-
13 grams. The commission shall ensure that approved programs:

14 (A) Are consistent with the mission statement of the community college or public university;

15 (B) Do not unnecessarily duplicate academic programs offered by Oregon's other community
16 colleges or public universities;

17 (C) Are not located in a geographic area that will cause undue hardship to Oregon's other
18 community colleges or public universities; and

19 (D) Are allocated among Oregon's community colleges and public universities to maximize the
20 achievement of statewide needs and requirements.

21 (h) For public universities listed in ORS 352.002:

22 (A) Approve the mission statement adopted by a governing board of a public university.

23 (B) Review and determine whether a proposed annual increase of resident undergraduate en-
24 rollment fees of greater than five percent is appropriate.

25 (C) Advise the Governor and the Legislative Assembly on issues of university governance.

26 (D) Approve and authorize degrees.

27 (E) Perform the evaluation and certification required by ORS 350.095.

28 (i) Authorize degrees to be offered by independent post-secondary institutions in this state under
29 ORS 348.594 to 348.615.

30 (j) Oversee the licensing of career schools under ORS 345.010 to 345.450.

31 (k) Have the authority to enter into and administer interstate agreements regarding the pro-
32 vision of post-secondary distance education. The participation by an educational institution that is
33 not based in this state in distance learning courses or programs that are part of an interstate
34 agreement entered into and administered under this paragraph does not constitute operating in this
35 state for purposes of ORS 348.594 to 348.615. The commission, by rule, may impose a fee on any
36 educational institution that seeks to operate under or participate in such interstate agreements. The
37 fee amount shall be established to recover designated expenses incurred by the commission in par-
38 ticipating in such agreements.

39 (4)(a) The Higher Education Coordinating Commission shall implement a process to resolve stu-
40 dent complaints against any school operating in this state. As part of the process implemented under
41 this subsection, the commission may:

42 (A) Receive student complaints from students regarding a school;

43 (B) Specify the type of information that must be included in a student complaint;

44 (C) Investigate any student complaint filed against a school;

45 (D) Establish a process to review and resolve student complaints against a school, including but

1 not limited to reviewing school records, holding administrative hearings and issuing final orders;

2 (E) Assess a fee to cover the costs of any proceeding brought under this subsection, including
3 but not limited to the costs of an investigation or administrative hearing;

4 (F) Require a school to make full or partial restitution to a student or to cease an act or prac-
5 tice that is challenged in a student complaint;

6 (G) Adopt rules to implement the provisions of this subsection; and

7 (H) Enter into agreements to implement the provisions of this subsection.

8 (b) Any hearing held under this subsection is subject to the provisions of ORS chapter 183.

9 (c) As used in this subsection:

10 (A) "School" means a school that meets the requirements of ORS 348.597 (2)(d); and

11 (B) "Student" means a person who is enrolled or accepted for enrollment at a school for the
12 purpose of obtaining a degree, certificate or other recognized educational credential offered by that
13 school.

14 (5) In addition to the duties described in subsections (2) to (4) of this section, the Higher Edu-
15 cation Coordinating Commission shall advise the Legislative Assembly, the Governor, community
16 colleges, public universities and other state boards and commissions on policies in order to:

17 (a) Ensure or improve access to higher education by diverse and underserved populations.

18 (b) Encourage student success and completion initiatives.

19 (c) Improve the coordination of the provision of educational services, including:

20 (A) Transfers and coenrollment throughout the higher education system;

21 (B) Accelerated college credit programs for high school students;

22 (C) Applied baccalaureate and other transfer degrees;

23 (D) Programs and grants that span multiple institutions; and

24 (E) Reciprocity agreements with other states.

25 (d) In coordination with the State Board of Education, enhance the use and quality of dual
26 credit, career and technical pathways and efforts to create a culture of college attendance in this
27 state.

28 (e) In coordination with the State Workforce Investment Board, local workforce investment
29 boards, the Oregon Health and Science University and independent institutions, ensure that the
30 state's colleges and universities offer programs in high-demand occupations that meet Oregon's
31 workforce needs.

32 (f) Improve economies of scale by encouraging and facilitating the use of the shared services
33 among post-secondary institutions in this state.

34 (6) The Higher Education Coordinating Commission, in a manner consistent with ORS chapter
35 183, may adopt administrative rules.

36 (7) With the exception of the rulemaking authority granted in subsection (6) of this section, the
37 Higher Education Coordinating Commission may delegate any of its powers, duties or functions to
38 a committee of the commission or to the executive director of the commission.

39 (8) The Higher Education Coordinating Commission may establish technical or advisory com-
40 mittees to assist the commission in exercising its powers, duties and functions.

41 (9) The Higher Education Coordinating Commission may exercise only powers, duties and func-
42 tions expressly granted by the Legislative Assembly. Except as otherwise expressly provided by law,
43 all other authorities reside at the institutional level with the respective boards of the post-secondary
44 institutions.

45 **SECTION 57.** ORS 350.090 is amended to read:

1 350.090. (1)(a) On or before April 1 of each even-numbered year, each public university listed in
2 ORS 352.002 must submit to an office designated by the Higher Education Coordinating Commission
3 as being responsible for university coordination a funding request applicable to the biennium be-
4 ginning on July 1 of the following year; and

5 (b) On or before May 1 of each even-numbered year, the office designated under paragraph (a)
6 of this subsection shall consolidate the funding requests from public universities listed in ORS
7 352.002 and submit the consolidated funding requests to the Higher Education Coordinating Com-
8 mission.

9 (2) On or before September 1 of each even-numbered year, the Higher Education Coordinating
10 Commission shall submit a funding request to the Governor on behalf of all the public universities
11 listed in ORS 352.002.

12 (3) The Governor's [*biennial*] budget [*submitted to the Legislative Assembly*] may include the
13 Higher Education Coordinating Commission's funding request for public universities listed in ORS
14 352.002. Any funding request approved by the Legislative Assembly must specify that the moneys
15 be appropriated to the Higher Education Coordinating Commission for allocation to the public uni-
16 versities listed in ORS 352.002.

17 **SECTION 58.** ORS 350.160 is amended to read:

18 350.160. (1) The executive director of the Higher Education Coordinating Commission shall ap-
19 point a Director of the Office of Community Colleges and Workforce Development who shall serve
20 at the pleasure of the executive director.

21 (2) The director shall be a person who by training and experience is well qualified to perform
22 the duties of the office and to assist in carrying out the functions of the Higher Education Coordi-
23 nating Commission under this section and ORS 341.015, 341.440, 341.455, 341.626, 341.655 and 341.933.

24 (3) The director shall:

25 (a) Be the executive head of the Office of Community Colleges and Workforce Development.

26 (b) Direct and supervise all activities of the Office of Community Colleges and Workforce De-
27 velopment.

28 (c) Hire staff, as authorized by the executive director of the Higher Education Coordinating
29 Commission to assist in carrying out the duties of the director. The staff shall be considered em-
30 ployees of the Office of Community Colleges and Workforce Development for purposes of ORS
31 chapters 240 and 243.

32 (d) Be responsible directly to the executive director of the Higher Education Coordinating
33 Commission for those duties enumerated in ORS chapter 341.

34 (4) The director, with approval of the executive director of the Higher Education Coordinating
35 Commission, shall be responsible for the representation of community college interests to the Gov-
36 ernor, the Legislative Assembly, state agencies and others.

37 (5) The executive director of the Higher Education Coordinating Commission shall be responsi-
38 ble for submitting community college budget requests [*and budget reports*] for the Office of Commu-
39 nity Colleges and Workforce Development to the Legislative Assembly. The Higher Education
40 Coordinating Commission shall ensure that the budget request for community colleges and for the
41 Office of Community Colleges and Workforce Development are separate and distinct from the
42 commission's other requests to the Legislative Assembly.

43 **SECTION 59.** ORS 352.089 is amended to read:

44 352.089. (1) A university with a governing board shall adopt a mission statement for the uni-
45 versity, and shall forward the statement to an office designated by the Higher Education Coordi-

1 nating Commission as being responsible for university coordination.

2 (2) A university with a governing board shall submit any significant change in the university's
3 academic programs to an office designated by the Higher Education Coordinating Commission as
4 being responsible for university coordination. The office shall establish a process for reviewing the
5 program change and submitting it to the Higher Education Coordinating Commission for approval.
6 The commission shall establish, by rule, what constitutes a significant change to a university's ac-
7 ademic program. The commission shall further ensure that approved programs:

8 (a) Are consistent with the mission statement of the university;

9 (b) Do not unnecessarily duplicate academic programs offered by Oregon's other public univer-
10 sities;

11 (c) Are not located in a geographic area that will cause undue hardship to Oregon's other public
12 universities; and

13 (d) Are allocated among Oregon's public universities to maximize the achievement of statewide
14 needs and requirements.

15 (3)(a) On or before April 1 of each even-numbered year, each university listed in ORS 352.002
16 must submit to an office designated by the Higher Education Coordinating Commission as being re-
17 sponsible for university coordination a funding request applicable to the biennium beginning on July
18 1 of the following year. On or before May 1 of each even-numbered year, the office shall consolidate
19 the funding requests from public universities listed in ORS 350.090 and submit the consolidated
20 funding requests to the commission.

21 (b) Pursuant to ORS 350.090, the Higher Education Coordinating Commission shall submit a
22 funding request to the Governor on behalf of all public universities listed in ORS 352.002.

23 (c) The Governor's *biennial* budget *[submitted to the Legislative Assembly]* may include funding
24 requests from public universities, including universities with governing boards.

25 (4) As part of a funding request submitted under subsection (3) of this section, a university with
26 a governing board may request, and appropriations may include, funding for education and general
27 operations, statewide public services, state-funded debt service, capital improvements, deferred
28 maintenance, special initiatives and investments. Any moneys appropriated to pay debt service for
29 state bonds must be held by the State Treasurer pursuant to an agreement entered into by the State
30 Treasurer and a university with a governing board under ORS 352.135 (2).

31 (5) A public university listed in ORS 352.002 that wishes to request the issuance of state bonds,
32 including a university with a governing board that elects to remain eligible to receive proceeds of
33 state bonds under ORS 352.402, must make a request to this effect to an office designated by the
34 Higher Education Coordinating Commission as being responsible for university coordination. The
35 office shall establish a process for reviewing the request to issue state bonds and submit the request
36 to the commission. The commission shall decide whether, and in what manner, to make a request for
37 the issuance of state bonds to the Legislative Assembly.

38 (6)(a) Each public university listed in ORS 352.002, including universities with governing boards,
39 shall respond to a request for data from the Legislative Assembly or other state body by submitting
40 the requested information to an office designated by the Higher Education Coordinating Commission
41 as being responsible for university coordination. The office shall consolidate the data received from
42 public universities and provide the data to the commission. The commission shall be responsible for
43 providing the data to the Legislative Assembly or other requesting entity.

44 (b) As used in this subsection, "data" means any information that, as of August 14, 2013, is
45 collected by an office designated by the Higher Education Coordinating Commission as being re-

1 sponsible for university coordination from each university and reported to the Legislative Assembly
2 or any other state entity, including but not limited to retention and graduation rates and demo-
3 graphic information on students.

4 **SECTION 60.** ORS 353.140 is amended to read:

5 353.140. (1) By September 1 of each even-numbered year the Oregon Health and Science Uni-
6 versity shall submit to the Oregon Department of Administrative Services a funding request for each
7 biennium. The Oregon Department of Administrative Services shall include and submit a university
8 funding request to the Legislative Assembly as part of the Governor's *[biennial]* budget. Any such
9 request approved by the Legislative Assembly shall be appropriated to the Higher Education Coor-
10 dinating Commission for direct allocation to the university. The *[budget]* **university funding** request
11 to the Legislative Assembly shall include a presentation on tuition and student fee levels.

12 (2) The university *[budget]* **funding request** shall be prepared in accordance with generally ac-
13 cepted accounting principles and adopted by the Oregon Health and Science University Board of
14 Directors in accordance with ORS 192.610 to 192.690.

15 **SECTION 61.** ORS 403.455 is amended to read:

16 403.455. The State Interoperability Executive Council created under ORS 403.450 shall:

17 (1) Develop, annually update and monitor implementation of the Oregon Statewide Communi-
18 cation Interoperability Plan, the goal of which is to achieve statewide interoperability of public
19 safety communications systems. To the maximum extent possible, the Oregon Statewide Communi-
20 cation Interoperability Plan shall align with and support the Enterprise Information Resources
21 Management Strategy described in ORS 291.039. As part of the executive council's duties under this
22 subsection, the executive council shall:

23 (a) Recommend strategies to improve public safety communications interoperability among state,
24 local, tribal and federal public safety agencies;

25 (b) Develop standards to promote consistent design and development of public safety communi-
26 cations infrastructures and recommend changes in existing public safety infrastructures that are
27 necessary or appropriate for implementation of the interoperability plan;

28 (c) Identify immediate short-term technological and policy solutions to tie existing public safety
29 communications infrastructures together into an interoperable communications system;

30 (d) Develop long-term technological and policy recommendations to establish a statewide public
31 safety communications system to improve emergency response and day-to-day public safety oper-
32 ations; and

33 (e) Develop recommendations for legislation and for the development of state and local policies
34 that promote public safety communications interoperability in this state.

35 (2) Recommend to the Governor, for inclusion in the Governor's *[recommended]* budget, invest-
36 ments by the State of Oregon in public safety communications systems.

37 (3) Coordinate state, local and, as appropriate, tribal and federal activities related to obtaining
38 federal grants for support of interoperability and request technical assistance related to interoper-
39 ability.

40 (4) Conduct and submit an annual update of the interoperability plan to the United States De-
41 partment of Homeland Security, Office of Emergency Communications, aligning the update with
42 standards established in the National Emergency Communications Plan and by the federal office.

43 (5) Coordinate statewide interoperability activities among state, local and, as appropriate, tribal
44 and federal agencies.

45 (6) Advise the State Chief Information Officer, the Governor and the Legislative Assembly on

1 implementation of the interoperability plan.

2 (7) Serve as the Governor's Public Safety Broadband Advisory Group.

3 (8) Report to the Joint Committee on Ways and Means or to the Joint Interim Committee on
4 Ways and Means, and to the Joint Legislative Committee on Information Management and Tech-
5 nology, on or before February 1 of each odd-numbered year, on the development of the interoper-
6 ability plan and the executive council's other activities.

7 (9) Adopt rules necessary to carry out the executive council's duties and powers.

8 **SECTION 62.** ORS 409.160 is amended to read:

9 409.160. (1) The Director of Human Services shall require from the personnel within the de-
10 partment such information, reports and documentation, as the director, in the discretion of the di-
11 rector, determines will be necessary to enable the director to:

12 (a) Execute responsibilities pursuant to law.

13 (b) Develop and report to the Governor from time to time on legislative, budgetary and admin-
14 istrative programs to accomplish comprehensive, long-range, coordinated planning and policy for-
15 mulation in the matters of public interest related to the department.

16 (c) File with the Oregon Department of Administrative Services, for purposes of ORS 291.208,
17 [*a budget report*] **an agency request budget** for the department.

18 (2) Where such information, reports or documentation is confidential in the hands of depart-
19 mental personnel, it shall be confidential in the hands of the director.

20 **SECTION 63.** ORS 409.161 is amended to read:

21 409.161. (1) The Department of Human Services shall report to all relevant committees of the
22 Legislative Assembly at each odd-numbered year regular session with respect to department em-
23 ployees in the classified service who directly provide:

24 (a) Child welfare services under ORS 418.005;

25 (b) Temporary assistance for needy families under ORS 412.006;

26 (c) Nutritional assistance under ORS 411.816;

27 (d) Medical assistance eligibility determinations under ORS 411.404;

28 (e) Services to elderly persons and to persons with disabilities under ORS 410.070 and 412.014;

29 and

30 (f) Vocational rehabilitation services under ORS 344.530.

31 (2) The report of the department under this section shall address each of the following:

32 (a) Workload increases or decreases over the current biennium.

33 (b) Workload efficiencies achieved during the current biennium.

34 (c) [*Notwithstanding ORS 291.371 (5),*] Additional staffing needs or decreases in staffing needs
35 that exist for the current biennium or that are projected for the next biennium, including a state-
36 ment of the number of full-time equivalent positions that are vacant on the date the report is pre-
37 pared or that can be double filled in order to meet any needs for additional staffing.

38 (3) As used in this section, "double filled" means that the department is using one budgeted
39 full-time equivalent position to employ more than one employee.

40 **SECTION 64.** ORS 410.072 is amended to read:

41 410.072. The Department of Human Services shall:

42 (1) Adopt by rule a methodology for determining biennial budget levels for type B area agencies
43 for planning and administering programs for elderly persons and persons with disabilities that:

44 (a) Includes both direct and indirect costs; and

45 (b) Results in a budget level for each type B area agency that is not less than 95 percent of the

1 amount that would otherwise be budgeted for a local department office serving elderly persons and
2 persons with disabilities;

3 (2) Determine biennial budget levels for planning and administering programs for elderly persons
4 and persons with disabilities for type B area agencies using the methodology adopted under sub-
5 section (1) of this section; and

6 (3) Submit [*a budget request*] **an agency request budget** based on budget levels determined un-
7 der this section to the Oregon Department of Administrative Services in accordance with ORS
8 291.201 to 291.222.

9 **SECTION 65.** ORS 410.555 is amended to read:

10 410.555. (1) The Department of Human Services shall submit to the Medicaid Long Term Care
11 Quality and Reimbursement Advisory Council, for the council's review and recommendation, any
12 proposed change or modification to the Oregon Medicaid reimbursement system for long term care
13 services and community-based care services.

14 (2) Upon review of any proposed change or modification under subsection (1) of this section, the
15 council shall issue a written advisory recommendation to the department. The recommendation shall
16 state whether the council supports or opposes the proposed change or modification and whether the
17 council believes the proposed change or modification will have an adverse or positive effect on the
18 quality of long term care services and community-based care services provided under the Oregon
19 Medicaid program.

20 (3) Prior to implementing any change or modification to the reimbursement system for long term
21 care services and community-based care services, the Department of Human Services shall submit
22 the council's written recommendation to the Legislative Assembly or to the Emergency Board if the
23 Legislative Assembly is not in session. Before instituting the proposed change or modification, the
24 department shall obtain the approval of the Legislative Assembly or the Emergency Board if the
25 Legislative Assembly is not in session. A proposed change or modification with an estimated fiscal
26 impact of \$100,000 or less shall be exempt from the provisions of this subsection.

27 (4) At the beginning of each legislative session, the Medicaid Long Term Care Quality and Re-
28 imbursement Advisory Council shall review the Governor's [*proposed*] budget for the Department of
29 Human Services.

30 (5) The Department of Human Services shall adopt such rules as are reasonably necessary for
31 the enforcement of this section. The department shall submit to the council any proposed rule that
32 directly or indirectly affects payment rates prior to proceeding with the notice requirements pro-
33 vided for in ORS 183.335. The department shall consider the comments of the council that pertain
34 to the proposed rule.

35 **SECTION 66.** ORS 410.625 is amended to read:

36 410.625. (1) In carrying out its duties under ORS 410.595 to 410.625, the Home Care Commission
37 may:

38 (a) Enter into an interagency agreement or a contract with any state agency for the perform-
39 ance of the commission's duties or the leasing of office space;

40 (b) Provide nonemployee compensation to home care workers or prospective home care workers
41 who attend training sessions approved or sponsored by the commission;

42 (c) On behalf of an elderly person or a person with a disability who hires a home care worker
43 through the home care registry, elect workers' compensation coverage or arrange for health insur-
44 ance coverage, including group coverage, for the person's home care workers; and

45 (d) As prescribed by rule, charge fees to and collect fees from persons who attend training ses-

1 sions sponsored by the commission and who currently are not home care workers.

2 (2) The commission and the Department of Human Services shall confer as to the amount of
3 funds necessary to carry out the duties and activities of the commission, and the department shall
4 include the agreed upon amount in the Governor's budget [*request to the Legislative Assembly*].

5 (3) The commission may apply for and receive gifts and grants from any public or private source.

6 (4) The commission may award grants from funds appropriated by the Legislative Assembly to
7 the department for allocation to the commission or from funds otherwise available from any other
8 source for the purpose of carrying out the duties of the commission under ORS 410.595 to 410.625.

9 **SECTION 67.** ORS 423.525 is amended to read:

10 423.525. (1) A county, group of counties or intergovernmental corrections entity shall apply to
11 the Director of the Department of Corrections in a manner and form prescribed by the director for
12 funding made available under ORS 423.500 to 423.560. The application shall include a community
13 corrections plan. The Department of Corrections shall provide consultation and technical assistance
14 to counties to aid in the development and implementation of community corrections plans.

15 (2)(a) From July 1, 1995, until June 30, 1999, a county, group of counties or intergovernmental
16 corrections entity may make application requesting funding for the construction, acquisition, ex-
17 pansion or remodeling of correctional facilities to serve the county, group of counties or intergov-
18 ernmental corrections entity. The department shall review the application for funding of
19 correctional facilities in accordance with criteria that consider design, cost, capacity, need, operat-
20 ing efficiency and viability based on the county's, group of counties' or intergovernmental cor-
21 rections entity's ability to provide for ongoing operations.

22 (b)(A) If the application is approved, the department shall present the application with a request
23 to finance the facility with financing agreements to the State Treasurer and the Director of the
24 Oregon Department of Administrative Services. Except as otherwise provided in subparagraph (B)
25 of this paragraph, upon approval of the request by the State Treasurer and the Director of the
26 Oregon Department of Administrative Services, the facility may be financed with financing agree-
27 ments, and certificates of participation issued pursuant thereto, as provided in ORS 283.085 to
28 283.092. All decisions approving or denying applications and requests for financing under this sec-
29 tion are final. No such decision is subject to judicial review of any kind.

30 (B) If requests to finance county correctional facility projects are submitted after February 22,
31 1996, and the requests have not been approved by the department on the date a session of the
32 Legislative Assembly convenes, the requests are also subject to the approval of the Legislative As-
33 sembly.

34 (c) After approval but prior to the solicitation of bids or proposals for the construction of a
35 project, the county, group of counties or intergovernmental corrections entity and the department
36 shall enter into a written agreement that determines the procedures, and the parties responsible, for
37 the awarding of contracts and the administration of the construction project for the approved
38 correctional facility. If the parties are unable to agree on the terms of the written agreement, the
39 Governor shall decide the terms of the agreement. The Governor's decision is final.

40 (d) After approval of a construction project, the administration of the project shall be conducted
41 as provided in the agreement required by paragraph (c) of this subsection. The agreement must re-
42 quire at a minimum that the county, group of counties or intergovernmental corrections entity shall
43 submit to the department any change order or alteration of the design of the project that, singly or
44 in the aggregate, reduces the capacity of the correctional facility or materially changes the services
45 or functions of the project. The change order or alteration is not effective until approved by the

1 department. In reviewing the change order or alteration, the department shall consider whether the
2 implementation of the change order or alteration will have any material adverse impact on the
3 parties to any financing agreements or the holders of any certificates of participation issued to fund
4 county correctional facilities under this section. In making its decision, the department may rely on
5 the opinions of the Department of Justice, bond counsel or professional financial advisers.

6 (3) Notwithstanding ORS 283.085, for purposes of this section, “financing agreement” means a
7 lease purchase agreement, an installment sale agreement, a loan agreement or any other agreement
8 to finance a correctional facility described in this section, or to refinance a previously executed fi-
9 nancing agreement for the financing of a correctional facility. The state is not required to own or
10 operate a correctional facility in order to finance it under ORS 283.085 to 283.092 and this section.
11 The state, an intergovernmental corrections entity, county or group of counties may enter into any
12 agreements, including, but not limited to, leases and subleases, that are reasonably necessary or
13 generally accepted by the financial community for purposes of acquiring or securing financing as
14 authorized by this section. In financing county correctional facilities under this section, “property
15 rights” as used in ORS 283.085 includes leasehold mortgages of the state’s rights under leases of
16 correctional facilities from counties.

17 (4) Notwithstanding any other provision of state law, county charter or ordinance, a county may
18 convey or lease to the State of Oregon, acting by and through the Department of Corrections, title
19 to interests in, or a lease of, any real property, facilities or personal property owned by the county
20 for the purpose of financing the construction, acquisition, expansion or remodeling of a correctional
21 facility. Upon the payment of all principal and interest on, or upon any other satisfaction of, the
22 financing agreement used to finance the construction, acquisition, expansion or remodeling of a
23 correctional facility, the state shall reconvey its interest in, or terminate and surrender its leasehold
24 of, the property or facilities, including the financed construction, acquisition, expansion or remod-
25 eling, to the county. In addition to any authority granted by ORS 283.089, for the purposes of ob-
26 taining financing, the state may enter into agreements under which the state may grant to trustees
27 or lenders leases, subleases and other security interests in county property conveyed or leased to
28 the state under this subsection and in the property or facilities financed by financing agreements.

29 (5) In connection with the financing of correctional facilities, the Director of the Oregon De-
30 partment of Administrative Services may bill the Department of Corrections, and the Department
31 of Corrections shall pay the amounts billed, in the same manner as provided in ORS 283.089. As
32 required by ORS 283.091, the Department of Corrections and the Oregon Department of Adminis-
33 trative Services shall include in the Governor’s budget [*request to the Legislative Assembly*] all
34 amounts that will be due in each fiscal period under financing agreements for correctional facilities.
35 Amounts payable by the state under a financing agreement for the construction, acquisition, ex-
36 pansion or remodeling of a correctional facility are limited to available funds as defined in ORS
37 283.085, and no lender, trustee, certificate holder or county has any claim or recourse against any
38 funds of the state other than available funds.

39 (6) The director shall adopt rules that may be necessary for the administration, evaluation and
40 implementation of ORS 423.500 to 423.560. The standards shall be sufficiently flexible to foster the
41 development of new and improved supervision or rehabilitative practices and maximize local control.

42 (7) When a county assumes responsibility under ORS 423.500 to 423.560 for correctional services
43 previously provided by the department, the county and the department shall enter into an inter-
44 governmental agreement that includes a local community corrections plan consisting of program
45 descriptions, budget allocation, performance objectives and methods of evaluating each correctional

1 service to be provided by the county. The performance objectives must include in dominant part
2 reducing future criminal conduct. The methods of evaluating services must include, to the extent
3 of available information systems resources, the collection and analysis of data sufficient to deter-
4 mine the apparent effect of the services on future criminal conduct.

5 (8) All community corrections plans shall comply with rules adopted pursuant to ORS 423.500
6 to 423.560, and shall include but need not be limited to an outline of the basic structure and the
7 supervision, services and local sanctions to be applied to offenders convicted of felonies who are:

8 (a) On parole;

9 (b) On probation;

10 (c) On post-prison supervision;

11 (d) Sentenced, on or after January 1, 1997, to 12 months or less incarceration;

12 (e) Sanctioned, on or after January 1, 1997, by a court or the State Board of Parole and Post-
13 Prison Supervision to 12 months or less incarceration for a violation of a condition of parole, pro-
14 bation or post-prison supervision; and

15 (f) On conditional release under ORS 420A.206.

16 (9) All community corrections plans shall designate a community corrections manager of the
17 county or counties and shall provide that the administration of community corrections under ORS
18 423.500 to 423.560 shall be under such manager.

19 (10) No amendment to or modification of a county-approved community corrections plan shall
20 be placed in effect without prior notice to the director for purposes of statewide data collection and
21 reporting.

22 (11) The obligation of the state to provide funding and the scheduling for providing funding of
23 a project approved under this section is dependent upon the ability of the state to access public
24 security markets to sell financing agreements.

25 (12) No later than January 1 of each odd-numbered year, the Department of Corrections shall:

26 (a) Evaluate the community corrections policy established in ORS 423.475, 423.478, 423.483 and
27 423.500 to 423.560; and

28 (b) Assess the effectiveness of local revocation options.

29 **SECTION 68.** ORS 461.140 is amended to read:

30 461.140. The Oregon State Lottery Commission shall:

31 (1) Prepare and provide an annual [*budget*] report **on the state lottery budget** to the Governor,
32 the Legislative Fiscal Officer and the Legislative Revenue Officer in a manner and within a time
33 frame established by the Legislative Fiscal Officer.

34 (2) Furnish the Legislative Assembly with any further information about the state lottery budget
35 requested by the Legislative Fiscal Officer.

36 (3) Upon request, make available a representative to assist the Legislative Assembly, its Joint
37 Committee on Ways and Means, appointed under ORS 171.555, and the Legislative Revenue Officer
38 in the consideration of the state lottery budget and any accompanying measures.

39 **SECTION 69.** ORS 462.265 is amended to read:

40 462.265. (1) The Oregon Racing Commission is subject to the provisions of ORS 291.201 to
41 291.222, including but not limited to the provisions of those sections relating to changes and re-
42 visions by the Governor in [*budget estimates and requests*] **agency request budgets**.

43 (2) The commission and its officers and employees are subject to the provisions of ORS 291.232
44 to 291.260 and 291.990.

45 **SECTION 70.** ORS 463.195 is amended to read:

1 463.195. (1) The Oregon State Athletic Commission is subject to the provisions of ORS 291.201
2 to 291.222, including but not limited to the provisions of those sections relating to changes and re-
3 visions by the Governor in [*budget estimates and requests*] **agency request budgets**.

4 (2) The commission and its officers and employees are subject to the provisions of ORS 291.232
5 to 291.260 and 291.990.

6 **SECTION 71.** ORS 469.421 is amended to read:

7 469.421. (1) Subject to the provisions of ORS 469.441, any person submitting a notice of intent,
8 a request for exemption under ORS 469.320, a request for an expedited review under ORS 469.370,
9 a request for an expedited review under ORS 469.373, a request for the State Department of Energy
10 to approve a pipeline under ORS 469.405 (3), an application for a site certificate or a request to
11 amend a site certificate shall pay all expenses incurred by the Energy Facility Siting Council and
12 the department related to the review and decision of the council. Expenses under this subsection
13 may include:

14 (a) Legal expenses;

15 (b) Expenses incurred in processing and evaluating the application;

16 (c) Expenses incurred in issuing a final order or site certificate;

17 (d) Expenses incurred in commissioning an independent study under ORS 469.360;

18 (e) Compensation paid to a state agency, a tribe or a local government pursuant to a written
19 contract or agreement relating to compensation as provided for in ORS 469.360; or

20 (f) Expenses incurred by the council in making rule changes that are specifically required and
21 related to the particular site certificate.

22 (2) Every person submitting a notice of intent to file for a site certificate, a request for ex-
23 emption or a request for expedited review shall pay the fee required under the fee schedule estab-
24 lished under ORS 469.441 to the department prior to submitting the notice or request to the council.
25 To the extent possible, the full cost of the evaluation shall be paid from the fee paid under this
26 subsection. However, if costs of the evaluation exceed the fee, the person submitting the notice or
27 request shall pay any excess costs shown in an itemized statement prepared by the council. In no
28 event shall the council incur evaluation expenses in excess of 110 percent of the fee initially paid
29 unless the council provides prior notification to the applicant and a detailed projected budget the
30 council believes necessary to complete the project. If costs are less than the fee paid, the excess
31 shall be refunded to the person submitting the notice or request.

32 (3) Before submitting a site certificate application, the applicant shall request from the depart-
33 ment an estimate of the costs expected to be incurred in processing the application. The department
34 shall inform the applicant of that amount and require the applicant to make periodic payments of
35 the costs pursuant to a cost reimbursement agreement. The cost reimbursement agreement shall
36 provide for payment of 25 percent of the estimated costs when the applicant submits the application.
37 If costs of the evaluation exceed the estimate, the applicant shall pay any excess costs shown in an
38 itemized statement prepared by the council. In no event shall the council incur evaluation expenses
39 in excess of 110 percent of the fee initially estimated unless the council provided prior notification
40 to the applicant and a detailed projected budget the council believes is necessary to complete the
41 project. If costs are less than the fee paid, the council shall refund the excess to the applicant.

42 (4) Any person who is delinquent in the payment of fees under subsections (1) to (3) of this
43 section shall be subject to the provisions of subsection (11) of this section.

44 (5) Subject to the provisions of ORS 469.441, each holder of a certificate shall pay an annual fee,
45 due every July 1 following issuance of a site certificate. For each fiscal year, upon approval of the

1 department's budget authorization by an odd-numbered year regular session of the Legislative As-
 2 sembly or as revised by the Emergency Board meeting in an interim period or by the Legislative
 3 Assembly meeting in special session or in an even-numbered year regular session, the Director of
 4 the State Department of Energy promptly shall enter an order establishing an annual fee based on
 5 the amount of revenues that the director estimates is needed to fund the cost of ensuring that the
 6 facility is being operated consistently with the terms and conditions of the site certificate, any order
 7 issued by the department under ORS 469.405 (3) and any applicable health or safety standards. In
 8 determining this cost, the director shall include both the actual direct cost to be incurred by the
 9 council and the department to ensure that the facility is being operated consistently with the terms
 10 and conditions of the site certificate, any order issued by the department under ORS 469.405 (3) and
 11 any applicable health or safety standards, and the general costs to be incurred by the council and
 12 the department to ensure that all certificated facilities are being operated consistently with the
 13 terms and conditions of the site certificates, any orders issued by the department under ORS 469.405
 14 (3) and any applicable health or safety standards that cannot be allocated to an individual, licensed
 15 facility. Not more than 35 percent of the annual fee charged each facility shall be for the recovery
 16 of these general costs. The fees for direct costs shall reflect the size and complexity of the facility,
 17 the anticipated costs of ensuring compliance with site certificate conditions, the anticipated costs
 18 of conducting site inspections and compliance reviews as described in ORS 469.430, and the antic-
 19 ipated costs of compensating state agencies and local governments for participating in site in-
 20 spection and compliance enforcement activities at the request of the council.

21 (6) Each holder of a site certificate executed after July 1 of any fiscal year shall pay a fee for
 22 the remaining portion of the year. The amount of the fee shall be set at the cost of regulating the
 23 facility during the remaining portion of the year determined in the same manner as the annual fee.

24 (7) When the actual costs of regulation incurred by the council and the department for the year,
 25 including that portion of the general regulation costs that have been allocated to a particular fa-
 26 cility, are less than the annual fees for that facility, the unexpended balance shall be refunded to
 27 the site certificate holder. When the actual regulation costs incurred by the council and the de-
 28 partment for the year, including that portion of the general regulation costs that have been allo-
 29 cated to a particular facility, are projected to exceed the annual fee for that facility, the director
 30 may issue an order revising the annual fee.

31 (8)(a) In addition to any other fees required by law, each energy resource supplier shall pay to
 32 the department annually its share of an assessment to fund the programs and activities of the
 33 council and the department.

34 (b) Prior to filing [*budget forms*] **an agency request budget** under ORS 291.208 for purposes
 35 related to the compilation and preparation of the Governor's budget under ORS 291.216, the director
 36 shall determine the projected aggregate amount of revenue to be collected from energy resource
 37 suppliers under this subsection that will be necessary to fund the programs and activities of the
 38 council and the department for each fiscal year of the upcoming biennium. After making that de-
 39 termination, the director shall convene a public meeting with representatives of energy resource
 40 suppliers and other interested parties for the purpose of providing energy resource suppliers with
 41 a full accounting of:

42 (A) The projected revenue needed to fund each department program or activity; and

43 (B) The projected allocation of moneys derived from the assessment imposed under this sub-
 44 section to each department program or activity.

45 (c) Upon approval of the budget authorization of the council and the department by an odd-

1 numbered year regular session of the Legislative Assembly, the director shall promptly enter an
2 order establishing the amount of revenues required to be derived from an assessment pursuant to
3 this subsection in order to fund programs and activities that the council and the department are
4 charged with administering and authorized to conduct under the laws of this state, including those
5 enumerated in ORS 469.030, for the first fiscal year of the forthcoming biennium. On or before June
6 1 of each even-numbered year, the director shall enter an order establishing the amount of revenues
7 required to be derived from an assessment pursuant to this subsection in order to fund the programs
8 and activities that the council and the department are charged with administering and authorized
9 to conduct under the laws of this state, including those enumerated in ORS 469.030, for the second
10 fiscal year of the biennium. The order shall take into account any revisions to the biennial budget
11 of the council and the department made by the Emergency Board meeting in an interim period or
12 by the Legislative Assembly meeting in special session or in an even-numbered year regular session.

13 (d) Each order issued by the director pursuant to paragraph (c) of this subsection shall allocate
14 the aggregate assessment set forth in the order to energy resource suppliers in accordance with
15 paragraph (e) of this subsection.

16 (e) The amount assessed to an energy resource supplier shall be based on the ratio which that
17 supplier's annual gross operating revenue derived within this state in the preceding calendar year
18 bears to the total gross operating revenue derived within this state during that year by all energy
19 resource suppliers. The assessment against an energy resource supplier shall not exceed 0.375 per-
20 cent of the supplier's gross operating revenue derived within this state in the preceding calendar
21 year. The director shall exempt from payment of an assessment any individual energy resource
22 supplier whose calculated share of the annual assessment is less than \$250.

23 (f) The director shall send each energy resource supplier subject to assessment pursuant to this
24 subsection a copy of each order issued by registered or certified mail or through use of an electronic
25 medium with electronic receipt verification. The amount assessed to the energy resource supplier
26 pursuant to the order shall be considered to the extent otherwise permitted by law a government-
27 imposed cost and recoverable by the energy resource supplier as a cost included within the price
28 of the service or product supplied.

29 (g) The amounts assessed to individual energy resource suppliers pursuant to paragraph (e) of
30 this subsection shall be paid to the department as follows:

31 (A) Amounts assessed for the first fiscal year of a biennium shall be paid not later than 90 days
32 following adjournment sine die of the odd-numbered year regular session of the Legislative Assem-
33 bly; and

34 (B) Amounts assessed for the second fiscal year of a biennium shall be paid not later than July
35 1 of each even-numbered year or 90 days following adjournment sine die of the even-numbered year
36 regular session of the Legislative Assembly, whichever is later.

37 (h) An energy resource supplier shall provide the director, on or before May 1 of each year, a
38 verified statement showing its gross operating revenues derived within the state for the calendar
39 or fiscal year that was used by the energy resource supplier for the purpose of reporting federal
40 income taxes for the preceding calendar or fiscal year. The statement must be in the form prescribed
41 by the director and is subject to audit by the director. The statement must include an entry showing
42 the total operating revenue derived by petroleum suppliers from fuels sold that are subject to the
43 requirements of Article IX, section 3a, of the Oregon Constitution, and ORS 319.020 with reference
44 to aircraft fuel and motor vehicle fuel, and ORS 319.530. The director may grant an extension of not
45 more than 15 days for the requirements of this subsection if:

1 (A) The energy supplier makes a showing of hardship caused by the deadline;

2 (B) The energy supplier provides reasonable assurance that the energy supplier can comply with
3 the revised deadline; and

4 (C) The extension of time does not prevent the council or the department from fulfilling its
5 statutory responsibilities.

6 (i) As used in this section:

7 (A) "Energy resource supplier" means an electric utility, natural gas utility or petroleum sup-
8 plier supplying, generating, transmitting or distributing electricity, natural gas or petroleum pro-
9 ducts in Oregon.

10 (B) "Gross operating revenue" means gross receipts from sales or service made or provided
11 within this state during the regular course of the energy supplier's business, but does not include
12 either revenue derived from interutility sales within the state or revenue received by a petroleum
13 supplier from the sale of fuels that are subject to the requirements of Article IX, section 3a, of the
14 Oregon Constitution, or ORS 319.020 or 319.530.

15 (C) "Petroleum supplier" has the meaning given that term in ORS 469.020.

16 (j) In determining the amount of revenues that must be derived from any class of energy re-
17 source suppliers by assessment pursuant to this subsection, the director shall take into account all
18 other known or readily ascertainable sources of revenue to the council and department, including,
19 but not limited to, fees imposed under this section and federal funds, and may take into account any
20 funds previously assessed pursuant to ORS 469.420 (1979 Replacement Part) or section 7, chapter
21 792, Oregon Laws 1981.

22 (k) Orders issued by the director pursuant to this section shall be subject to judicial review
23 under ORS 183.484. The taking of judicial review shall not operate to stay the obligation of an en-
24 ergy resource supplier to pay amounts assessed to it on or before the statutory deadline.

25 (9)(a) In addition to any other fees required by law, each operator of a nuclear fueled thermal
26 power plant or nuclear installation within this state shall pay to the department annually on July
27 1 an assessment in an amount determined by the director to be necessary to fund the activities of
28 the state and the counties associated with emergency preparedness for a nuclear fueled thermal
29 power plant or nuclear installation. The assessment shall not exceed \$461,250 per year. Moneys
30 collected as assessments under this subsection are continuously appropriated to the department for
31 this purpose.

32 (b) The department shall maintain and cause other state agencies and counties to maintain time
33 and billing records for the expenditure of any fees collected from an operator of a nuclear fueled
34 thermal power plant under paragraph (a) of this subsection.

35 (10) Reactors operated by a college, university or graduate center for research purposes and
36 electric utilities not connected to the Northwest Power Grid are exempt from the fee requirements
37 of subsections (5), (8) and (9) of this section.

38 (11)(a) All fees assessed by the director against holders of site certificates for facilities that have
39 an installed capacity of 500 megawatts or greater may be paid in several installments, the schedule
40 for which shall be negotiated between the director and the site certificate holder.

41 (b) Energy resource suppliers or applicants or holders of a site certificate who fail to pay a fee
42 provided under subsections (1) to (9) of this section after it is due and payable shall pay, in addition
43 to that fee, a penalty of two percent of the fee a month for the period that the fee is past due. Any
44 payment made according to the terms of a schedule negotiated under paragraph (a) of this sub-
45 section shall not be considered past due. The director may bring an action to collect an unpaid fee

1 or penalty in the name of the State of Oregon in a court of competent jurisdiction. The court may
2 award reasonable attorney fees to the director if the director prevails in an action under this sub-
3 section. The court may award reasonable attorney fees to a defendant who prevails in an action
4 under this subsection if the court determines that the director had no objectively reasonable basis
5 for asserting the claim or no reasonable basis for appealing an adverse decision of the trial court.

6 **SECTION 72.** ORS 477.777 is amended to read:

7 477.777. (1) As part of the preparation of the [*budget forms*] **agency request budget** submitted
8 to the Oregon Department of Administrative Services pursuant to ORS 291.208 for the State
9 Forestry Department, the State Forester shall prepare, in addition to any amounts budgeted for
10 forest protection districts pursuant to ORS 477.205 to 477.281, a [*budget*] request for a General Fund
11 appropriation for the following purposes:

12 (a) Providing funds for the purchase of emergency fire suppression costs insurance under ORS
13 477.775.

14 (b) Acquiring and placing centrally managed fire suppression resources for statewide use.

15 (c) Acquiring fast-mobilizing, short-term contingency resources to be used based on predictions
16 of severe fire weather, widespread lightning events or serious resource shortage due to a heavy fire
17 season in this state, in the western region of the United States or nationally.

18 (d) Enhancing forest protection district resources in cases where land productivity or other
19 economic factors seriously limit the ability of the forester to perform fire protection responsibilities.

20 (e) Mitigating forest patrol assessment rates in cases where land productivity or other economic
21 factors seriously limit the ability of the owners of forestlands in the forest protection district to
22 comply with ORS 477.210 (1).

23 (2) The State Forester shall utilize critical discretion in the expenditure of the funds provided
24 to the State Forestry Department pursuant to the separate [*budget*] request required under sub-
25 section (1) of this section.

26 (3) The State Forester shall report to the Emergency Board, each year, after the close of the fire
27 season, on:

28 (a) The nature and severity of the fire season;

29 (b) The moneys expended on fire suppression;

30 (c) The balance remaining from the biennial appropriation; and

31 (d) Any matters arising out of the fire season that may require attention or warrant future
32 consideration by the board or the Legislative Assembly.

33 (4) When reporting the nature and severity of the fire season under subsection (3) of this section,
34 for each fire consuming 1,000 or more acres, the State Forester shall provide information regarding
35 the resulting losses on private lands of timber, buildings, fencing and livestock and of grazing land
36 capacity if the land is expected to be unavailable for two or more grazing seasons.

37 **SECTION 73.** ORS 496.138 is amended to read:

38 496.138. (1) Consistent with the policy of ORS 496.012, the State Fish and Wildlife Commission
39 shall implement the policies and programs of this state for the management of wildlife. These poli-
40 cies and programs shall consider the uses of public and private lands and utilize voluntary part-
41 nerships with private and public landowners to protect and enhance wildlife habitat and effectively
42 manage wildlife. In addition, the commission shall perform any other duty vested in it by law.

43 (2) In accordance with the applicable provisions of ORS chapter 183, the commission shall adopt
44 such rules and standards as it considers necessary and proper to implement the policy and objec-
45 tives of ORS 496.012 and perform the functions vested by law in the commission.

1 (3) Except as provided in ORS 183.335 (5), the commission shall cause a public hearing to be held
2 on any proposed rule or standard prior to its adoption. The hearing may be before the commission,
3 any designated member thereof or any person designated by and acting for the commission.

4 (4) Before submitting [*budget requests*] **an agency request budget** or information to the Gov-
5 ernor pursuant to ORS 291.201 to 291.222, the commission shall hold a public hearing on proposals
6 for planned expenditures and enhancement packages that the commission intends to recommend to
7 the Governor for inclusion in the Governor's budget.

8 **SECTION 74.** Section 23, chapter 121, Oregon Laws 2014, is amended to read:

9 **Sec. 23.** (1) For each biennium in which any part of the OHSU Cancer Challenge Article XI-G
10 Bonds remain outstanding, the Oregon Department of Administrative Services shall request that the
11 Governor include in the Governor's [*recommended*] budget to the Legislative Assembly an amount
12 that is sufficient to pay the bond-related costs that become due in the biennium.

13 (2) The Legislative Assembly shall appropriate to the Oregon Department of Administrative
14 Services any moneys made available to pay bond-related costs.

15 (3) Oregon Health and Science University is not obligated to pay the bond-related costs of the
16 OHSU Cancer Challenge Article XI-G Bonds.

17
18 **REPEALS**

19
20 **SECTION 75.** **ORS 171.559, 184.354, 291.212, 291.226, 291.228, 291.305 and 291.336 are re-**
21 **pealed.**

22
23 **UNIT CAPTIONS**

24
25 **SECTION 76.** **The unit captions used in this 2016 Act are provided only for the conven-**
26 **ience of the reader and do not become part of the statutory law of this state or express any**
27 **legislative intent in the enactment of this 2016 Act.**

28
29 **EMERGENCY CLAUSE**

30
31 **SECTION 77.** **This 2016 Act being necessary for the immediate preservation of the public**
32 **peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect**
33 **on its passage.**