

# Senate Bill 406

Sponsored by Senator GIROD (Pre-session filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act says the state will use zero-based budgeting. The Act tells state agencies to justify proposed expenditures in their budget requests filed with DAS. (Flesch Readability Score: 62.1).

Declares a policy of the state to use zero-based budgeting in developing the biennial budget plan.

Requires state agencies to include information justifying proposed expenditures in agency request budgets filed with the Oregon Department of Administrative Services.

Applies to biennia beginning on or after July 1, 2027.

## A BILL FOR AN ACT

1 Relating to zero-based budgeting.

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

3 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS 291.201 to**  
4 **291.222.**

5 **SECTION 2. (1) As used in this section, "zero-based budgeting" means budgeting that**  
6 **begins with the assumption that initial funding amounts for each component of a budget are**  
7 **zero and that contains justification for each proposed expenditure.**

8 **(2) It is the policy of the state to use zero-based budgeting in developing biennial budget**  
9 **plans.**

10 **(3) Agency request budgets that are filed by or prepared for a state agency under ORS**  
11 **291.208 must contain the following information:**

12 **(a) A description of activities that the agency performs and a justification for the exist-**  
13 **ence of each activity by reference to statute or other legal authority;**

14 **(b) For each activity, a quantitative estimate of any adverse impacts that could reason-**  
15 **ably be expected if the activity were discontinued, together with a full description of the**  
16 **methods by which the adverse impact is estimated;**

17 **(c) For each activity, an itemized account of expenditures that would be required to**  
18 **maintain the activity at the minimum level of service required by the statutory or other legal**  
19 **authority, together with a concise statement of the quantity and quality of service required**  
20 **at that minimum level;**

21 **(d) For each activity, an itemized account of expenditures required to maintain the ac-**  
22 **tivity at the current level of service, together with a concise statement of the quantity and**  
23 **quality of service being provided; and**

24 **(e) A ranking of all activities that shows the relative contribution of each activity to the**  
25 **overall goals and purposes of the agency at the current level of service.**

26 **SECTION 3. Section 2 of this 2025 Act applies to agency request budgets prepared for**  
27

**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 **biennia beginning on or after July 1, 2027.**

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