

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 1039 **STATUS:** Original
SUBJECT: Committee on Performance Excellence regarding state agencies
GOVERNMENT UNIT AFFECTED: Legislative Fiscal Office, all state agencies
PREPARED BY: Adrienne Sexton
REVIEWED BY: Theresa McHugh, Ken Rocco, Dallas Weyand
DATE: June 14, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES: See Comments.		

EFFECTIVE DATE: January 1, 2008

GOVERNOR’S BUDGET: This bill is not anticipated by the Governor’s recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The measure would create a permanent, statutory, 11-member Committee on Performance Excellence consisting of four legislators and seven other individuals appointed by the Governor, three of whom would be public members with experience in the practice of continuous improvement in business.

The purpose of the committee is to assist state agencies in reaching performance excellence. The applicable definition of “state agency” in ORS 291.002 is:

“State agency” or “agency” means every state officer, board, commission, department, institution, branch or agency of the state government, whose costs are paid wholly or in part from funds held in the State Treasury, except:

- (a) The Legislative Assembly, the courts and their officers and committees;
- (b) The Public Defense Services Commission; and
- (c) The Secretary of State and the State Treasurer in the performance of the duties of their constitutional offices.

Scope of work for the committee includes: identifying agencies and services that are important to Oregonians, and using criteria, selecting agencies for performance excellence initiatives; supporting agencies in efforts to acquire methods, tools and skills to achieve excellence; developing a framework of expectations; reviewing agencies’ progress toward excellence; and reporting periodically on achievement of performance excellence. In addition, the committee and an agency would work to obtain independent, third party assessments of the agency’s progress. The measure is not clear on what form this assessment would take, how the independent assessment would be obtained, and how it would be funded.

The committee is directed to meet at least quarterly, and the committee would be supported administratively by the Legislative Fiscal Office (LFO). LFO could seek assistance from the Department of Administrative Services (DAS) or other state agencies as needed to fully support the committee. Throughout a biennium LFO supports the Joint Committee on Ways and Means (or other budget

committees as separately appointed) during regular and special sessions, and during the interim period, the Emergency Board, Joint Legislative Audit Committee, and Joint Legislative Committee on Information Management Technology. Other interim work includes oversight of the execution of state agency budgets and evaluation of performance measures, as well as research and analysis on issues requested by the Joint Legislative Audit Committee, legislators and others.

LFO notes that the quarterly meeting requirement would create a workload issue during sessions of the legislature. And because of the January 1, 2008 effective date, this could include the proposed special session in February 2008, or the periods of time before and after February that are needed for preparation and wrap-up. Until the committee is appointed and it establishes a work plan and schedule, it is not known what level of staff resources, either in LFO or DAS, would be available for administrative start-up of the committee. Continued staffing requirements cannot be determined at this time, for the same reason.

LFO also notes that section 1(6) allows the committee, when a state agency has been selected for a performance excellence initiative, to appoint the agency director and other employees as ex officio members of the committee. The common definition of ex officio is "A member of a governmental body who holds his or her position as the result of holding another governmental position." Ex officio members are allowed to vote on matters before the committee, unless otherwise designated as "non-voting" ex officio members. Therefore, LFO assumes they would be voting on matters relating to the planning and implementation of the initiative affecting their agency.