

2008 Special Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3613 **STATUS:** Original
SUBJECT: Establishes Committee on Performance Excellence
GOVERNMENT UNIT AFFECTED: Department of Administrative Service and the Legislative Fiscal Office
PREPARED BY: Dawn Farr
REVIEWED BY: Ken Rocco
DATE: February 5, 2008

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES: Department of Administrative Services		
Personal Services Expenditures – Other Funds	\$ 37,796	\$ 60,678
Services and Supplies – Other Funds	9,633	15,473
	<u>\$ 47,429</u>	<u>\$ 76,151</u>
 POSITIONS / FTE: Department of Administrative Services		
Administrative Specialist 2	1/0.33	1/0.50

EFFECTIVE DATE: On Passage.

INTERIM JOINT COMMITTEE ON WAYS AND MEANS: The budgetary impact of this bill was not reviewed by the Interim Joint Committee on Ways and Means Committee.

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

ANALYSIS: The bill establishes the Committee on Performance Excellence to assist state agencies in reaching performance excellence. The Committee will establish criteria for submission and review of continuous improvement projects and make grant approval recommendations to the Legislative Assembly or Emergency Board. The Legislative Assembly may appropriate moneys to the Emergency Board to fund continuous improvement projects. The Committee shall make periodic public reports. The Department of Administrative Services (DAS) shall provide administrative support, and DAS and the Legislative Fiscal Office (LFO) shall jointly provide professional support to the committee.

DAS indicates that support for implementation of this measure will be coordinated by their Budget and Management Division (BAM). Administrative activities related to the statewide performance measurement system (the KPM system) have transferred from the Oregon Progress Board to BAM. BAM established a new position in the 2007-09 legislatively adopted budget to coordinate performance measurement activities and to provide technical assistance to state agencies related to performance management and improvement activities. BAM indicates that providing administrative support to the Committee will require adding a part-time Administrative Specialist (AS) 2 position, starting in April 2008, to coordinate committee meetings, conduct research, prepare materials, and help support professional staff. BAM anticipates that the Committee will need to meet at least four times during the remainder of the 2007-09 biennium. To hire the AS 2, DAS will need \$47,429 of Other Fund limitation and 0.33 FTE for the remainder of the 2007-09 biennium. Professional support may include activities such as providing the Committee with information on existing agency activities and management

processes, assisting with grant program development, coordination efforts with LFO, and helping with reporting requirements. BAM indicates that professional staffing support will be provided by the existing performance management position.

The 2005 Legislature added a part-time Legislative Analyst in LFO to coordinate with DAS to administer the statewide performance measurement system. LFO anticipates that the Committee's efforts to establish the criteria and parameters for the continuous improvement grant process will require additional upfront workload. Further, LFO anticipates that further workload increases could result from the Committee's efforts to work with agencies to improve performance excellence. The timing and additional workload demands are not known at this time. While LFO can absorb some additional workload, LFO may need to return to the Legislative Assembly or Emergency Board for additional staff resources should actual workload exceed available staffing.

The bill allows the Legislative Assembly to appropriate money to the Emergency Board for continuous improvement activities. SB 5549A (2007) appropriated \$2,500,000 to the Emergency Board to be allocated to state agencies for continuous improvement projects under SB 1039 (2007), which was vetoed by the Governor. These monies could be used to fund the continuous improvement grants program established by this measure.