

House Bill 2160

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Governor John A. Kitzhaber for Oregon Department of Administrative Services)

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**.

Deletes limitation on government infrastructure services that can be provided by Oregon Department of Administrative Services. Clarifies that department may enter into agreements with any public body to provide administrative and other services.

Establishes Oregon Department of Administrative Services Legal Review Task Force. Directs task force to review statutes and rules governing department for purpose of recommending changes necessary to allow department to use entrepreneurial management business model as basis for department's operations.

Sunsets task force on date of convening of 2013 legislative session.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to the Oregon Department of Administrative Services; creating new provisions; amending
3 ORS 184.305 and 184.345; and declaring an emergency.

4 Whereas the Oregon Department of Administrative Services (ODAS) benefits the people of
5 Oregon by providing effective executive branch governance and infrastructure and business services;
6 and

7 Whereas a budget note in Enrolled House Bill 5002 (2009) directed the department to review its
8 organizational structure, the manner in which the department delivers services and the funding
9 mechanisms for those services; and

10 Whereas recovering from the current economic crisis requires an innovative and thoughtful re-
11 form of the business model used by the department; and

12 Whereas the ODAS Structure, Service, and Funding Review Work Group recommended adoption
13 of an entrepreneurial management business model to redefine the organizational structure of the
14 department to create competitive rates for services provided by the department, and to ensure that
15 the funding mechanisms for those services are as transparent as possible; and

16 Whereas the new organizational structure adopted under entrepreneurial management will add
17 to the value of services provided by the department and increase the department's accountability to
18 customers; and

19 Whereas entrepreneurial management uses marketplace principles such as competition and cus-
20 tomer control to cut costs, increase customer satisfaction and increase accountability to customers;
21 and

22 Whereas entrepreneurial management categorizes the services provided by the department as
23 leadership services, utility services, and marketplace services; and

24 Whereas leadership services include, but are not limited to, strategic planning, policy develop-
25 ment, development of standards and regulation; and

26 Whereas utility services include, but are not limited to, leveraging economies of scale by means
27 of a single integrated delivery system and standardizing products and services by means of a central

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 provider administered by the department; and

2 Whereas marketplace services include, but are not limited to, flexible delivery, often on a just-
3 in-time basis, of products and services that are available from multiple providers in a marketplace
4 that is growing and changing; and

5 Whereas adoption of entrepreneurial management will allow greater customer involvement,
6 greater clarity about the types of services being provided and more transparent and equitable
7 funding mechanisms; and

8 Whereas implementation of entrepreneurial management requires fundamental changes in the
9 funding mechanisms for services provided by the department and an increased tolerance of market-
10 place risks for service delivery; and

11 Whereas a successful transition to entrepreneurial management requires legislative support and
12 changes to statutes and administrative rules; and

13 Whereas the Oregon Department of Administrative Services Legal Review Task Force will
14 identify barriers to implementation of entrepreneurial management and make recommendations for
15 change; now, therefore,

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

17 **SECTION 1.** ORS 184.305 is amended to read:

18 184.305. The Oregon Department of Administrative Services is created. The purpose of the
19 Oregon Department of Administrative Services is to improve the efficient and effective use of state
20 resources through the provision of:

21 (1) Government infrastructure services [*that can best be provided centrally*], including but not
22 limited to purchasing, risk management, facilities management, surplus property and motor fleet;

23 (2) Rules and associated performance reviews of agency compliance with statewide policies;

24 (3) Leadership in the implementation of a statewide performance measurement program;

25 (4) State employee workforce development and training;

26 (5) Personnel systems that promote fair, responsive and cost-effective human resource manage-
27 ment;

28 (6) Objective, credible management information for, and analysis of, statewide issues for
29 policymakers;

30 (7) Statewide financial administrative systems; and

31 (8) Statewide information systems and networks to facilitate the reliable exchange of information
32 and applied technology.

33 **SECTION 2.** ORS 184.345 is amended to read:

34 184.345. [(1) *The Oregon Department of Administrative Services shall provide on a reimbursable*
35 *basis administrative and other services, as agreed to, to:]*

36 [(a) *The Department of Corrections;*]

37 [(b) *The Department of Human Services;*]

38 [(c) *The Oregon Health Authority; and*]

39 [(d) *The State Board of Education.*]

40 (1) **The Oregon Department of Administrative Services may enter into agreements with**
41 **public bodies, as defined in ORS 174.109, to provide administrative and other services to those**
42 **public bodies in exchange for reimbursement for the services.**

43 (2) [*In addition to its duties under subsection (1) of this section,*] The Oregon Department of Ad-
44 ministrative Services shall provide clerical support to the Energy Facility Siting Council.

45 **SECTION 3. (1) The Oregon Department of Administrative Services Legal Review Task**

1 Force is established, consisting of 11 members appointed as follows:

2 (a) The President of the Senate shall appoint one member from among members of the
3 Senate.

4 (b) The Speaker of the House of Representatives shall appoint one member from among
5 members of the House of Representatives.

6 (c) The Director of the Oregon Department of Administrative Services shall appoint nine
7 members who represent the department and the department's stakeholders and who are fa-
8 miliar with the department's rules and statutes related to the department.

9 (2) The task force shall review the statutes and rules governing the department for the
10 purpose of recommending changes to those statutes and rules necessary to allow the de-
11 partment to use an entrepreneurial management business model as the basis for the oper-
12 ations of the department.

13 (3) A majority of the voting members of the task force constitutes a quorum for the
14 transaction of business.

15 (4) Official action by the task force requires the approval of a majority of the voting
16 members of the task force.

17 (5) The director shall designate one member of the task force to serve as chairperson.

18 (6) If there is a vacancy for any cause, the appointing authority shall make an appoint-
19 ment to become immediately effective.

20 (7) The task force shall meet at times and places specified by the call of the chairperson
21 or of a majority of the voting members of the task force.

22 (8) The task force may adopt rules necessary for the operation of the task force.

23 (9) The task force shall submit a report to the Legislative Assembly in the manner pro-
24 vided by ORS 192.245 no later than February 28, 2012.

25 (10) The department shall provide staff support to the task force.

26 (11) Members of the task force are not entitled to compensation.

27 **SECTION 4.** Section 3 of this 2011 Act is repealed on the date of the convening of the 2013
28 legislative session.

29 **SECTION 5.** This 2011 Act being necessary for the immediate preservation of the public
30 peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect
31 on its passage.
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