

Senate Bill 175

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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**.

Establishes Enterprise Innovation Fund. Continuously appropriates moneys in fund to Oregon Department of Administrative Services for purposes of project funding. Authorizes department to award moneys from fund to state agencies for projects that increase efficiency and effective use of state resources using enterprise or multiagency approach.

Directs department to divert percentage of budget savings realized to Enterprise Innovation Fund and remainder to original source of funding.

Transfers specified amount of moneys from Oregon Department of Administrative Services Operating Fund to Enterprise Innovation Fund.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to enterprise innovation projects; appropriating money; and declaring an emergency.

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

SECTION 1. As used in sections 1 to 4 of this 2013 Act:

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5 (1) **"Agency or unit" has the meaning given that term in ORS 182.365.**

6 (2) **"Enterprise innovation project" means a temporary endeavor, with a defined beginning and end, intended to improve the efficient and effective use of state resources that:**

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8 (a) **Is undertaken by the Oregon Department of Administrative Services on behalf of one or more state agencies;**

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10 (b) **Involves a collaboration between agencies or units; or**

11 (c) **Involves a collaboration between one or more agencies or units and one or more local government jurisdictions.**

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13 (3) **"Project funding" means funds disbursed from the Enterprise Innovation Fund established under section 3 of this 2013 Act by means of a loan, grant, matching funds or cash awarded to an agency or unit for the purpose of implementing an enterprise innovation project.**

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17 **SECTION 2. (1) A state agency that seeks to implement an enterprise innovation project may apply to the Oregon Department of Administrative Services for project funding in accordance with sections 1 to 4 of this 2013 Act.**

18 (2) **The department may award project funding to a state agency if the department determines that the enterprise innovation project will increase the efficient and effective use of state resources using an enterprise or multiagency approach.**

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23 (3) **When the department awards project funding and the enterprise innovation project will result in budget savings, the department shall designate a percentage of the projected budget savings resulting from the enterprise innovation project that will be used to fund future enterprise innovation projects. In making the designation, the department shall con-**

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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 sider the scale of the budget savings and the nature of the budget savings, including whether
2 the budget savings involve funds that are required to be spent according to state or federal
3 law.

4 (4) If the projected budget savings resulting from the enterprise innovation project are
5 realized, the department shall transfer:

6 (a) The amount representing the percentage of the budget savings designated under
7 subsection (3) of this section to the Enterprise Innovation Fund established under section 3
8 of this 2013 Act; and

9 (b) The remainder of the budget savings to the original source of funding.

10 (5) An award of project funding under this section:

11 (a) Is continuously appropriated to the state agency;

12 (b) Does not require an agency or unit to provide budgetary justification before spending
13 the project funding awarded;

14 (c) Is distinct from an appropriation in the agency's or unit's base budget for the
15 biennium;

16 (d) Is not subject to an expenditure limitation established in the agency's or unit's base
17 budget for the biennium; and

18 (e) Is not subject to allotment.

19 (6) The department may terminate or modify an award of project funding based on the
20 performance of the agency or unit in implementing the enterprise innovation project, the
21 unavailability of funds or any other reason the department determines is appropriate.

22 (7) The department shall:

23 (a) Provide oversight of enterprise innovation projects that have been awarded project
24 funding.

25 (b) Ensure wide-ranging participation in enterprise innovation projects by agencies or
26 units and local governments.

27 (c) Create the governance, organizational and process framework required to conduct a
28 sustained enterprise-level innovation effort.

29 (d) Establish the strategic communications and messaging needed to earn broad-based
30 commitment and collaborative support for innovation from citizens and stakeholders.

31 (8) All agencies of state government, as defined in ORS 174.111, are directed to assist the
32 department in carrying out the provisions of sections 1 to 4 of this 2013 Act.

33 (9) No later than the date of the convening of each regular session of the Legislative
34 Assembly as specified in ORS 171.010, the Director of the Oregon Department of Adminis-
35 trative Services shall report to the Legislative Assembly in the manner provided by ORS
36 192.245 on the operation of sections 1 to 4 of this 2013 Act. The report must include a de-
37 scription of:

38 (a) The enterprise innovation projects that have been awarded project funding;

39 (b) The outcomes achieved by the enterprise innovation projects that have been awarded
40 project funding, individually and in aggregate;

41 (c) The budget savings achieved by enterprise innovation projects that have been awarded
42 project funding; and

43 (d) The balance of the Enterprise Innovation Fund, the revenues deposited in the fund
44 and the investments made by the fund.

45 (10) The department shall adopt rules to carry out the provisions of sections 1 to 4 of this

1 **2013 Act. The rules must include:**

2 (a) **Criteria for determining whether an enterprise innovation project may be awarded**
 3 **project funding. The criteria must include a preference for enterprise innovation projects**
 4 **that:**

5 (A) **Align with and promote the overarching goals of government;**

6 (B) **Support the achievement of government-wide target outcomes;**

7 (C) **Fit with other strategic initiatives, long-range plans and strategies;**

8 (D) **Are transferable to multiple agencies or units or local governments; or**

9 (E) **Substantially improve governmental performance, citizen service, cost-effectiveness**
 10 **and process streamlining and integration.**

11 (b) **A description of the process by which an agency or unit may apply for project funding.**

12 (c) **Expectations for enterprise innovation project planning and implementation.**

13 (d) **Mechanisms for determining the funding needs of an enterprise innovation project**
 14 **and for allocating project funding.**

15 (e) **Repayment requirements for loans awarded under sections 1 to 4 of this 2013 Act.**

16 (f) **Criteria for evaluating enterprise innovation projects that have been awarded project**
 17 **funding, for conducting a performance tracking protocol and for monitoring and reporting**
 18 **protocols.**

19 (g) **A description of how budget savings will be measured, achieved and deposited into the**
 20 **funds designated in subsection (4) of this section.**

21 **SECTION 3. (1) The Enterprise Innovation Fund is established separate and distinct from**
 22 **the General Fund. All moneys in the fund are continuously appropriated to the Oregon De-**
 23 **partment of Administrative Services for the purpose of awarding project funding under**
 24 **sections 1 to 4 of this 2013 Act.**

25 (2) **The Enterprise Innovation Fund consists of budget savings realized from the imple-**
 26 **mentation of enterprise innovation projects that are deposited in the fund in accordance with**
 27 **section 2 of this 2013 Act, moneys transferred by the department from the Oregon Depart-**
 28 **ment of Administrative Services Operating Fund established by ORS 283.076 and funds from**
 29 **other sources, including bonds, certificates of participation and private sources.**

30 (3) **Interest earned by the Enterprise Innovation Fund shall be credited to the fund.**

31 **SECTION 4. The Legislative Assembly finds and declares that:**

32 (1) **It is in the public interest to encourage and reward efficiency in government agencies**
 33 **or units and programs, including information-enabled and technology-enabled solutions that**
 34 **are deployed in support of multiple agencies or units that:**

35 (a) **Improve overall efficiency and effectiveness;**

36 (b) **Eliminate redundancy;**

37 (c) **Streamline governmental processes and support systems;**

38 (d) **Strengthen interagency and interjurisdictional alignment; or**

39 (e) **Strengthen strategic capabilities required by state government.**

40 (2) **It is in the public interest to establish a program to promote and facilitate invest-**
 41 **ments in innovative processes and system improvement projects that optimize the overall**
 42 **efficiency and effectiveness of state government operations.**

43 (3) **Deploying a range of innovative solutions throughout state government requires a**
 44 **consistent, coordinated approach including:**

45 (a) **Active leadership, promotion, facilitation and management of interagency and inter-**

1 **governmental innovation efforts.**

2 (b) **Specialized planning, budgeting and funding mechanisms that promote deployment of**
3 **innovative solutions across administrative and jurisdictional boundaries.**

4 (c) **The involvement of, and participation by, citizens, innovators and experts outside of**
5 **state government.**

6 (d) **An evolving enterprise-level design resulting in persistent and progressive refinement**
7 **of governmental operations, processes and supporting technical infrastructure.**

8 (e) **A predictable process that facilitates innovative ideas and ensures that worthy con-**
9 **cepts are implemented to optimize value and progress.**

10 (f) **Integration with, and support of, strategic governmental initiatives and target out-**
11 **comes.**

12 (g) **The means to oversee, manage and conduct a range of innovation efforts occurring**
13 **simultaneously.**

14 (4) **Information and communication technology is a key enabler of process efficiency and**
15 **productivity improvements that, when innovatively deployed, can:**

16 (a) **Create new opportunities;**

17 (b) **Speed the implementation of innovative solutions; and**

18 (c) **Allow interagency and interjurisdictional optimization.**

19 (5) **Sections 1 to 4 of this 2013 Act are intended to provide an enduring bridge of**
20 **enterprise-level action sustained across budget cycles.**

21 **SECTION 5. The Oregon Department of Administrative Services shall transfer funds in**
22 **the amount of \$_____ from the Oregon Department of Administrative Services Operating**
23 **Fund to the Enterprise Innovation Fund established under section 3 of this 2013 Act for the**
24 **purpose of establishing the Enterprise Innovation Fund.**

25 **SECTION 6. This 2013 Act being necessary for the immediate preservation of the public**
26 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
27 **on its passage.**

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