

SB 236 intro. – LC 534
Written Testimony for Hearing on March 30, 2015

Executive Summary

Currently the Department must lease real property for its facilities, including Medical Examiner and Forensics labs. This reduces the Department's opportunities for intergovernmental cooperation and tends to increase costs over the long term.

This concept amends current statute to allow the Department to take and hold title to real property and directly enter into lease agreements

Problem:

The Oregon State Police Divisions' provide very specialized services to the state. The services require facilities which have very specific needs that vary by office and location but are not of a standard business office configuration. Some facilities must pass regular national certification requirements that are mandated for their operation, others are designed based on federal requirements. This specialization makes locating, leasing of, and modification to these facilities very difficult, time consuming, and costly. With Lab facilities OSP employees oversee construction, modification, and construction due to accreditation requirements. DAS, by its operation, also assigns staff to oversee these activities. As DAS staff is not trained in the special requirements of accreditation OSP staff must actively be involved as mentioned above. This duplication of effort is inefficient for the State and both agencies. In these instances though DAS has no training in accreditation requirements review falls to OSP but DAS must approve the activity. In the case of laboratories landlords believe that they are entitled to a rent premium even though the agency supplies and owns all the scientific equipment and pays for all improvements to the buildings that are required for the special use. By not being able to own property, especially Forensic and Medical Examiner facilities, the agency is expending funds at a greater rate than would otherwise be needed.

Fiscal Impact:

None, no negative fiscal impact has been identified. The Department has no plans to purchase property in the 2015-17 biennium.

Potential future savings accrue if the agency begins to strategically replace leased facilities with owned facilities. The current cost for the state to own and operate its buildings is around \$1.50 per square foot per month. In many areas market rates are well over this amount. If we look at two of our larger offices, La Grande and the Oregon State Fire Marshal, the agency pays \$2.43 and \$2.12 per square foot respectively. On these two building alone the agency would expect to realize savings of \$24,180 and \$6,324 per month respectively. Not all offices would yield savings, but with judicious review and prudent management savings could be returned to program operations.

Proposed Solution:

Revise ORS 181.030 allowing the Department of State Police to directly enter into leases and take title to real property.

Supporting Entities:

Jackson County

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