

BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Rep. Smith

**Joint Committee On Ways and Means**

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**Action:** Do Pass.

**Action Date:** 06/16/15

**Vote:**

**House**

**Yeas:** 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson

**Senate**

**Yeas:** 11 - Burdick, Devlin, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters

**Exc:** 1 - Girod

**Prepared By:** Janet Savarro, Department of Administrative Services

**Reviewed By:** Paul Siebert, Legislative Fiscal Office

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**Agency:** Department of Administrative Services

**Biennium:** 2015-17

## **Budget Summary\***

|                                  | 2013-15 Legislatively<br>Approved Budget <sup>(1)</sup> | 2015-17 Current Service<br>Level | 2015-17 Committee<br>Recommendation | Committee Change from 2013-15<br>Leg. Approved |          |
|----------------------------------|---|----------------------------------|-------------------------------------|--|----------|
|                                  |   |                                  |                                     | \$ Change                                      | % Change |
| General Fund                     | \$ 6,445,703  | \$ 1,529,942                     | \$ 3,170,241                        | \$ (3,275,462)                                 | -50.8%   |
| General Fund Debt Service        | \$ 6,815,736  | \$ 6,804,217                     | \$ 6,804,217                        | \$ (11,519)                                    | -0.2%    |
| Lottery Funds                    | \$ 3,669,380  | \$ 3,648,000                     | \$ 3,864,000                        | \$ 194,620                                     | 5.3%     |
| Lottery Funds Debt Service       | \$ 8,892,390  | \$ 16,682,821                    | \$ 12,777,096                       | \$ 3,884,706                                   | 43.7%    |
| Other Funds Limited              | \$ 529,339,098  | \$ 457,157,790                   | \$ 465,594,828                      | \$ (63,744,270)                                | -12.0%   |
| Other Funds Capital Improvements | \$ 5,992,008  | \$ 4,403,176                     | \$ 4,403,176                        | \$ (1,588,832)                                 | -26.5%   |
| Other Funds Debt Service         | \$ 393,925,441  | \$ 379,307,447                   | \$ 379,307,447                      | \$ (14,617,994)                                | -3.7%    |
| Other Funds Nonlimited           | \$ 122,552,277  | \$ 126,229,653                   | \$ 126,229,653                      | \$ 3,677,376                                   | 3.0%     |
| Total                            | \$ 1,077,632,033  | \$ 995,763,046                   | \$ 1,002,150,658                    | \$ (75,481,375)                                | -7.0%    |

## **Position Summary**

|                                      |        |        |        |       |
|--------------------------------------|--------|--------|--------|-------|
| Authorized Positions                 | 810    | 785    | 815    | 5     |
| Full-time Equivalent (FTE) positions | 793.90 | 783.71 | 805.70 | 11.80 |

<sup>(1)</sup> Includes adjustments through December 2014

\* Excludes Capital Construction expenditures

## **Revenue Summary**

The Department of Administrative Services' (DAS) Other Funds operating revenue comes primarily through two sources: fees billed to state agencies for direct services (90.0 percent) and assessments to state agencies for indirect services (10.0 percent). Fees for services are billed to agencies based on usage. Assessments are generally calculated based on budgeted full-time equivalent (FTE) positions and recovered through the State Government Service Charges line item in agency budgets. Examples of services covered by assessments include those provided by the Chief Operating Office, Chief Financial Office, and Chief Human Resources Office. In addition, agencies benefiting from appropriation and pension obligation bonds are assessed their share of debt service and debt management costs.

DAS will need to update its beginning balances based on the department's monthly budget status report as of March 2015 month-end close and reconcile assessments and charges for services revenue accounts to align with expenditure changes in the DAS budget. These changes are expected to reduce state agency costs through lowering assessments and service charges paid by state agencies.

## **Summary of General Government Subcommittee Action**

DAS provides management oversight and technical and administrative support to state government. As the central administrative arm of state government, DAS has three primary roles: to help the Governor and Legislature make and implement policy and financial decisions; to make state government accountable by creating and maintaining a consistent management framework; and to provide a strong, stable infrastructure by delivering to state agencies those support services that can most effectively and efficiently be provided centrally.

The General Government Subcommittee approved a budget of \$1,002,150,658 total funds including 815 positions (805.70 FTE). The total funds budget includes \$9,974,458 General Fund, \$16,641,096 Lottery Funds, \$849,305,451 Other Funds, and \$126,229,653 Other Funds Nonlimited. The 2015-17 total funds budget is a 7.0 percent decrease from the agency's 2013-15 Legislatively Approved Budget.

The Subcommittee recommended the following budget note.

### **Budget Note:**

#### Use of accounting mechanisms to circumvent the limiting of Other Funds expenditures:

The Subcommittee was concerned over the use of accounting mechanisms by the Department of Administrative Services and other state agencies which have the effect of undermining legislatively established Other Funds expenditure limitations. The Department of Administrative Services (DAS) shall limit the use of reduction of expenses or reduction of revenues accounting mechanisms and entries during the 2015-17 biennium and report any use of either mechanism to the Legislative Fiscal Office in a timely manner. If DAS determines that Other Funds expenditure limitation is insufficient during 2015-17 budget execution, the Department shall request from the Legislative Assembly an Other Funds expenditure limitation adjustment, rather than use reduction of expenditures or reduction of revenues accounting entries. DAS shall report to the appropriate subcommittee of the Joint Ways and Means Committee during the 2016 session on the general usage of Other Funds reduction of expenses or reduction of revenues accounting mechanisms by executive branch agencies, including DAS but excluding the Secretary of State and the State Treasurer, during the 2013-15 biennium. DAS shall report by agency, what the mechanisms were used for, how much money was involved in each use or group of similar uses, and the reason reduction of expenses or reduction of revenues accounting mechanisms and entries were used.

### **Chief Operating Office**

The Chief Operating Office (COO) leads the Department of Administrative Services and provides statewide operations and policy leadership. COO coordinates work teams and initiatives that cross jurisdictional and agency boundaries with a goal of achieving transformative, long-term change and developing an agile organization that is able to meet current and future challenges. The Subcommittee recommended a total funds budget of \$8,225,663 (\$279,942 General Fund and \$7,945,721 Other Funds), including 22 positions (22.00 FTE). This is a 2.9 percent decrease from the division's 2013-15 LAB.

The Subcommittee recommended approval of Package 101: Support Enterprise Initiatives Projects. This package continues two full-time limited duration Project Manager 1 positions (2.00 FTE), originally established in the 2013-15 biennium, to work on statewide initiatives. This package provides \$331,385 Other Funds.

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package makes a revenue only change to subsidize revenue from assessments and rates charged to state agencies and other customers by \$400,000 with direction to use beginning fund balances instead. This will provide only a temporary reduction to assessments and rates since revenues will need to increase in 2017-19 once fund balances are exhausted.

The Subcommittee recommended approval of Package 802: Vacant Positions. This package reclassifies a long-term vacant Economist 4 position downward to an Economist 2. The position had not been filled due to a mismatch in program needs with the original position classification. This package reduces Other Funds by \$114,233.

#### Chief Financial Office

The Chief Financial Office (CFO) establishes and enforces statewide budget standards and monitors agencies to ensure that funds are spent within legal and budgetary constraints. The CFO instructs agencies on how to prepare budget requests and works directly with the Governor and agencies to produce the Governor's Budget for submission to the Legislature. The office also helps to coordinate statewide bonded debt programs, is responsible for reporting actual state expenditures in the Comprehensive Annual Financial Report, and has primary responsibility for maintaining the state's procurement policies. The Subcommittee recommended an Other Funds budget of \$15,101,719 and 41 positions (40.76 FTE). This is a 4.6 percent increase from the division's 2013-15 Legislatively Approved Budget.

The Subcommittee recommended approval of Package 102: Support Statewide Audit and Budget Reporting. This package restores one of two permanent positions that were eliminated from the Statewide Audit and Budget Reporting Section (SABRS) in the 2011-13 biennium. CFO has found that reduced staffing levels are insufficient to ensure adequate audits of agency budget information and processes. This package adds \$220,533 Other Funds and establishes one permanent full-time Policy and Budget Analyst position (0.88 FTE) with an effective start date of October 1, 2015.

The Subcommittee recommended approval of Package 103: Strengthen Capital Investment Section. This package establishes a permanent full-time Policy and Budget Analyst position (0.88 FTE), effective start date of October 1, 2015, to the Capital Finance and Planning Section to assist with management of growing outstanding debt and responsibility of managing sales of bonds. The package provides \$219,051 Other Funds.

The Subcommittee recommended approval of Package 104: Capital Facility Planning. This package adds one-time \$2,000,000 Other Funds in Professional Services account to conduct condition assessments of state-owned facilities. The funds will be used in 2015-17 biennium to complete reviews of capital facilities operated by the Department of Corrections, Forestry Department, and the Department of Fish and Wildlife.

The Subcommittee recommended approval of Package 140: Recombine Procurement Staff. This package reverses some of the decisions on agency reorganization which split program staff based on policy or service functions. This reversal will recombine the two components

of the procurement program into a single comprehensive unit as they operated before the agency reorganization. This package transfers \$1,595,563 Other Funds and four permanent full-time positions (4.00 FTE) from CFO to Enterprise Goods and Services.

The Subcommittee recommended approval of Package 142: Recombine ORBITS Staff. This package reverses some of the decisions on agency reorganization which split program staff based on policy or service functions. This reversal will recombine the two components of SABRS into a single comprehensive unit as they operated before the agency reorganization. This package transfers \$612,269 Other Funds and two permanent full-time positions (2.00 FTE) from Enterprise Technology Services to CFO.

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package makes a revenue only change to subsidize revenue from assessments and rates charged to state agencies and other customers by \$600,000 with direction to use beginning fund balances instead. This will provide only a temporary reduction to assessments and rates since revenues will need to increase in 2017-19 once fund balances are exhausted.

The Subcommittee recommended approval of Package 802: Vacant Positions. This package eliminates a vacant permanent full-time Administrative Specialist 2 position (1.00 FTE) and reduces Other Funds by \$144,088.

#### Chief Information Office

The Chief Information Office (CIO) provides enterprise policy leadership, planning and oversight to state government in enterprise information resource management. The Subcommittee recommended an Other Funds budget of \$20,725,732 and 34 positions (34.00 FTE). This is a 95.0 percent increase from the division's 2013-15 Legislatively Approved Budget.

The Subcommittee recommended approval of Package 105: Develop New Governance Structure for IT. This package adds \$3,423,178 and 12 permanent full-time positions (12.00 FTE) to supplement current staffing in the office of the State CIO to facilitate the strategic, coordinated investment, acquisition and deployment of information technology resources to meet the business needs of state agencies. Five Information Technology (IT) Analyst 2 positions (5.00 FTE) will act as Strategic Technology Officers (STOs) and will be assigned a portfolio of agencies, one Information Systems Specialist 8 position will serve as an Enterprise Project Manager (1.00 FTE), and an Executive Support Specialist 2 position (1.00 FTE) to provide administrative support to the STOs was added. The package also adds two Information Systems Specialist 7 positions (2.00 FTE) to the current Enterprise Architecture and Design Team and three Information Technology (IT) Analyst 1 positions (3.00 FTE) to staff the new Stagegate Review Process for IT projects.

The Subcommittee recommended approval of Package 106: Statewide Interoperability Program. This package adds \$708,531 Other Funds and continues a full-time limited duration Principal Exec Manager F position (1.00 FTE) to support the Statewide Interoperability Executive Council (SWIC) and implement FirstNet, which is a broadband network designed to improve public safety data communications. The position is funded 60.0 percent by the FirstNet grant and 40.0 percent through CIO assessments through July 2016. DAS is directed to work with ODOT on a FirstNet grant extension that would continue to fund 60.0 percent of the SWIC position through June 2017 by switching some of the \$327,989 remaining grant amount from Services and Supplies to Personal Services. Approval of this package increases assessments only for the 40.0 percent portion of the SWIC position funded by DAS.

The Subcommittee recommended approval of Package 141: Recombine Geospatial Staff. This package reverses some of the decisions on agency reorganization which split program staff based on policy or service functions. This reversal will recombine the two components of the program into a single comprehensive unit as they operated before the agency reorganization. This package transfers \$530,907 Other Funds and two permanent full-time positions (2.00 FTE) from Enterprise Technology Services to CIO.

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package provides \$4,650,000 Other Funds for pass-through payments for contracts for the following items:

- \$2,400,000 for the Geospatial contract with the service provider.
- \$2,000,000 for Quality Assurance (QA) contracts that under state policy will be held by CIO. Funds for the QA contracts will come from the project agency.
- \$250,000 on a one-time basis to complete the purchase of the new Project Portfolio Management (PPM) software. The initial costs for this software were approved at the December 2014 meeting of the Emergency Board but delays in finalizing the purchase of the PPM software will shift some of the purchase costs into 2015-17 biennium but will use revenues collected for the purchase in the 2013-15 biennium.

Approval of this package does not increase CIO assessments as the expenditure limitation is considered pass-through and one-time only.

The Subcommittee recommended approval of Package 803: LFO Technical Adjustments. This package adds \$1,003,803 Other Funds for the following items:

- \$372,203 to pay for the maintenance costs of the new Project Portfolio Management (PPM) software.
- \$131,600 for on-going costs of the Tenable Security Solutions software purchased in 13-15 biennium.
- \$500,000 for the CIO's use of the Geospatial software costs that will be paid through assessments.

#### Chief Human Resource Office

The Chief Human Resources Office provides enterprise-wide policy leadership necessary to maintain a reliable and qualified workforce for the state of Oregon. The Office's centralized policy functions enable executive branch agencies to share resources and expertise with which to manage their human resource assets and capital in a cost-effective way. The Subcommittee recommended an Other Funds budget of \$9,423,301 and 30 positions (28.76 FTE). This is a 7.9 percent decrease from the division's 2013-15 Legislatively Approved Budget.

The Subcommittee recommended approval of Package 110: Develop Workforce Planning Strategies. This package provides \$197,058 Other Funds and establishes a permanent full-time Operations and Policy Analyst 4 position (0.88 FTE), effective start date of October 1, 2015, to develop workforce strategies that include establishing career development programs, improve recruitment and retention, and expand internship opportunities.

The Subcommittee recommended approval of Package 111: Develop Information Management Capacity. This package adds \$197,058 Other Funds and establishes one permanent full-time Operations and Policy Analyst 4 position (0.88 FTE), effective start date of October 1, 2015, to improve the management of human resource (HR) information to better identify current and future HR trends and needs in state government.

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package continues two full-time limited duration Human Resource Consultant 2 positions for 12 months (1.00 FTE) to continue to work on The Oregon Management Project. The purpose of this project is to redesign/reconfigure the state's workforce systems (compensation, classification, performance management); the project will initially focus on management positions. The Personal Services costs of \$231,064 will be funded through a Services and Supplies reduction of the same amount as a temporary shift for the 2015-17 biennium.

#### Enterprise Technology Services

Enterprise Technology Services (ETS) focuses on maximizing the value of the state's information technology (IT) investments so the business of government runs efficiently, securely, and reliably. ETS is the leading supplier and expert in managed computing technology for Oregon state government. The State Data Center (SDC) was the original service operation that the new ETS has been built upon. The Subcommittee recommended an Other Funds budget of \$198,918,461 and 225 positions (219.00 FTE). This is a 5.9 percent increase from the division's 2013-15 Legislatively Approved Budget.

The Subcommittee recommended approval of Package 112. Security and I.T. Operations Audit Support. This package adds \$12,286,008 Other Funds and 12 full-time limited duration positions (6.00 FTE) to implement recent Secretary of State and independent auditor findings, as well as accommodate growth in agency usage of IT services. Based on the uncertainty about which services ETS will offer in the future given the "I.T. Common Service Delivery" review currently underway and concerns over management of ETS, which have led to numerous reviews and audits, the positions are approved as limited duration for 12 months only. DAS will return during the 2016 legislative session with recommendations on service lines provided, operational changes, and a revised funding methodology for ETS for the second year of the biennium as detailed in the budget note for ETS.

#### **Budget Note:**

##### Enterprise Technology Services:

“Given the uncertainty involving which services Enterprise Technology Services will offer in the future due to the ongoing IT Common Service Delivery review currently underway and concerns over management of ETS which have led to numerous outside reviews and audits, the Subcommittee agreed to only partially fund the Enterprise Technology Services budget requests for 2015-17. The State Chief Information Officer (SCIO), through the Department of Administrative Services (DAS), shall return during the 2016 legislative session to the appropriate subcommittee of the Joint Ways and Means Committee with recommendations on changes to ETS information technology services provided, which services it will no longer offer and state agencies will then be responsible, the budgetary impact of these decisions on state agencies, as well as DAS, changes in ETS operations implemented or considered as a result of outside reviews and audits completed by the time of the report, and timelines for additional changes to ETS services or operations being contemplated and how those could affect budgets. In addition, SCIO shall recommend a new funding formula for ETS that refocuses charges to state agencies on

fees for service and deemphasizes the use of assessments which fund all positions regardless of reductions in services delivered, show how reductions in services purchased by state agencies would be reflected in reductions in operating expenses, and include price list adjustments needed for implementation of a new revenue formula at the start of second year of the biennium.”

The Subcommittee recommended approval of Package 141: Recombine Geospatial Staff. This package reverses some of the decisions on agency reorganization which split program staff based on policy or service functions. This reversal will recombine the two components of the program into a single comprehensive unit as they operated before the agency reorganization. This package transfers \$530,907 Other Funds and two permanent full-time positions (2.00 FTE) from Enterprise Technology Services to CIO.

The Subcommittee recommended approval of Package 142: Recombine ORBITS Staff. This package reverses some of the decisions on agency reorganization which split program staff based on policy or service functions. This reversal will recombine the two components of SABRS into a single comprehensive unit as they operated before the agency reorganization. This package transfers \$612,269 Other Funds and two permanent full-time positions (2.00 FTE) from Enterprise Technology Services to CFO.

The Subcommittee recommended approval of Package 144: Recombine P&D Staff. This package reverses some of the decisions on agency reorganization which split program staff based on policy or service functions. This reversal will recombine the two components of the program into a single comprehensive unit as they operated before the agency reorganization. This package transfers \$468,450 Other Funds and two permanent full-time positions (2.00 FTE) from Enterprise Technology Services to Enterprise Goods and Services.

The Subcommittee recommended approval of Package 801: Legislative Fiscal Office Analyst Adjustments. This package adds nine full-time limited duration positions (9.00 FTE) at the request of the State CIO to assist in that office’s review of ETS operations, management, and funding structures. The requested position classification are one Information Systems Specialist 8 (1.00 FTE), one Information Systems Specialist 6 (1.00 FTE), one Information Systems Specialist 5 (1.00 FTE), two Information Systems Specialist 3 (2.00 FTE), one Information Systems Specialist 1 (1.00 FTE), one Operations and Policy Analyst 4 (1.00 FTE), one Fiscal Analyst 1 (1.00 FTE), and one Office Specialist 2 (1.00 FTE). The positions are funded through an equal reduction in Services and Supplies; there is no overall increase in expenditure limitation.

This package also reduces ETS assessments by \$10,146,095 Other Funds through elimination of the depreciation costs component included in the assessment funding model. Inclusion of this assessment, when added on top of 2013-15 actions to increase ETS funding for equipment replacement by \$18.7 million for 2015-17 biennium, effectively required agencies to be billed by DAS for replacement costs twice. There is also a budget note related to ETS and its rates and assessments for the second year of the 2015-17 biennium.

The Subcommittee recommended approval of Package 802: Vacant Positions. This package reduces Other Funds by \$4,320,355 and eliminates 19 permanent full-time positions (19.00 FTE) as follows:

- One Principal Executive Manager E
- One Information Systems Specialist 2
- Two Information Systems Specialist 6



- Three Information Systems Specialist 7
- 12 Information Systems Specialist 8

The Subcommittee recommended approval of Package 803: LFO Technical Adjustments. This package reduces \$13,329,013 Other Funds related to services previously provided to the Oregon Lottery. During the 2013-15 biennium Lottery stopped using almost all ETS services. Only \$393,864 Other Funds related to service for some remote locations remains in the ETS budget after this adjustment.

#### Enterprise Asset Management

Enterprise Asset Management (EAM) is comprised of Facilities Services, the Statewide Fleet Administration and Parking Services Program, and the Oregon Surplus Property Program. The core focus of these programs is property management, both real and personal, for the benefit and optimal use of state government enterprise-wide to support agencies' space, travel, and operational needs. The Subcommittee recommended an Other Funds budget of \$100,973,430 and 193 positions (192.50 FTE). This is a 0.3 percent increase from the division's 2013-15 Legislative Approved Budget.

The Subcommittee recommended approval of Package 120: Purchase of Fleet Vehicles. This package authorizes \$2,039,152 Other Funds to purchase about 75 new vehicles along with maintenance and fuel costs. This package is funded with ending balance from vehicle sales, so there is no increase in the 2015-17 rates. The Customer Utility Board recommended using funds to replace about 150 vehicles rather than issue refunds in 2013-15 biennium or lower 2015-17 rates. Instead EAM is directed to use the \$2,039,152 reduced from this package to lower rates for the 2015-17 biennium.

The Subcommittee recommended approval of Package 123: Transfer Custodial Position to PERS. Changes in DAS custodial services from past practices led Public Employee Retirement System (PERS) to determine their custodial needs could best be met through direct provision of service through PERS employees and contract. This package reduces Other Funds by \$121,804 and transfers one permanent full-time position (1.00 FTE) to PERS.

The Subcommittee recommended approval of Package 124: Governor's Office Regional Solution Centers. This package adds \$432,900 Other Funds to pay the cost of the Governor's Office decision to have DAS rent space for the regional Solution Centers around the state. Participating agencies are then billed for the rent costs. No Other Funds expenditure limitation was initially provided to accommodate this expense in the DAS budget, which has reduced limitation for Real Estate Services' other programs. This is pass-through limitation only and approval of this package will not increase DAS rates or assessments.

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package adds \$48,764 Other Funds for the reclassification of three Procurement and Contract Specialist positions to Operations and Policy Analyst 4, due to the increased responsibilities these positions are taking on in the Real Estate program's efforts to save the state money on property leases. This change increases Personal Services by \$48,764.

The Subcommittee recommended approval of Package 802: Vacant Positions. This package reduces Other Funds by \$186,001 and eliminates one vacant Program Analyst 1 position (1.00 FTE).

#### Enterprise Goods & Services

Enterprise Goods & Services (EGS) provides cost-effective services to state agencies and, in some cases, to local government. Specifically, EGS supports its customers by providing services in publishing and distribution, risk management, procurement services, share financial services, and financial business systems. The Subcommittee recommended an Other Funds budget of \$93,116,209 Other Funds, \$101,513,146 Other Funds Nonlimited and 230 positions (229.28 FTE). This is a combined 4.6 percent increase from the division's 2013-15 Legislatively Approved Budget.

The Subcommittee recommended approval of Package 126: Support Shared Payroll Services and OSPS. This package adds \$130,277 Other Funds and establishes one permanent full-time Operations and Policy Analyst 1 position (0.88 FTE), effective start date of October 1, 2015, because staffing has not kept pace with growth in the number of agencies using Shared Payroll Services.

The Subcommittee recommended approval of Package 127: Support Workload–Centralized PERS Service. This package adds \$130,277 Other Funds and establishes one permanent full-time Operations and Policy Analyst 1 position (0.88 FTE), effective start date of October 1, 2015, that will serve as a contact between state agencies, PERS, and employees to resolve account discrepancies. The position will also reconcile retirement contributions to employee earnings, which has not happened since 2004. This reconciliation is required by PERS.

The Subcommittee recommended approval of Package 129: Strengthen Shuttle Delivery Service. This package adds \$198,647 Other Funds and establishes two permanent full-time Mail Delivery Driver positions (1.76 FTE), effective start date of October 1, 2015, to add shuttle stops as requested by customers. This package would also allow expansion of DAS's secure package tracking service, PacTrac, which is cheaper than third party shippers. One limited duration position was approved in the 2013-15 biennium to help with increased workload.

The Subcommittee recommended approval of Package 130: Strengthen Risk Management. This package adds \$153,389 Other Funds and establishes one permanent full-time Operations and Policy Analyst 2 position (0.88 FTE), effective start date of October 1, 2015, to provide additional training, claims management, and analytical work for Risk Management. Agency outreach on means to reduce risk would be the main focus of this position.

The Subcommittee recommended approval of Package 132: Support Additional Client Agencies. This package adds \$155,294 Other Funds and continues a current limited duration full-time Accountant 3 (0.88 FTE) as a permanent position, effective start date of October 1, 2015. The position will support the additional workload of Treasury as a shared fiscal services client.

The Subcommittee recommended approval of Package 140: Recombine Procurement Staff. This package reverses some of the decisions on agency reorganization which split program staff based on policy or service functions. This reversal will recombine the two components of the procurement program into a single comprehensive unit as they operated before the agency reorganization. This package transfers \$1,595,563 Other Funds and four permanent full-time positions (4.00 FTE) from CFO to Enterprise Goods and Services.

The Subcommittee recommended approval of Package 144: Recombine P&D Staff. This package reverses some of the decisions on agency reorganization which split program staff based on policy or service functions. This reversal will recombine the two components of the program into a single comprehensive unit as they operated before the agency reorganization. This package transfers \$468,450 Other Funds and two permanent full-time positions (2.00 FTE) from Enterprise Technology Services to Enterprise Goods and Services.

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package makes a revenue only change to subsidize revenue from assessments and rates charged to state agencies and other customers by \$9,000,000 with direction to use beginning fund balances instead. This will provide only a temporary reduction to assessments and rates since revenues will need to increase in 2017-19 once fund balances are exhausted. The package also rebalances Services and Supplies expenditures in the Risk Management base budget to reflect actual spending including increasing the Attorney General account while reducing other Services and Supplies accounts. These actions will result in no overall increase to Services and Supplies expenditures in Risk Management.

The Subcommittee recommended approval of Package 802: Vacant Positions. This package reduces Other Funds by \$139,324 and eliminates one vacant Information Systems Specialist 1 position (1.00 FTE).

#### Enterprise Human Resource Services

Enterprise Human Resource Services (EHRS) consists of the HR Client Agency Program and Statewide HR Systems and Operations. The purpose of the Client Agency Program is to provide HR management services to agencies that do not have staff to perform HR functions. Systems and Operations administers and maintains three statewide HR systems: Position and Personnel Database, iLearnOregon, and eRecruit. The Subcommittee recommended an Other Funds budget of \$7,195,842 and 25 positions (24.64 FTE). This is a 13.1 percent increase from the division's 2013-15 Legislatively Approved Budget.

The Subcommittee recommended approval of Package 133: Strengthen Human Resource Client Services. This package adds \$602,249 Other Funds to meet service level agreements reached with the Customer Utility Board for shared client services. The increased workload has been addressed in the 2013-15 biennium through the use of limited duration positions and temporary employees. This package also establishes three permanent full-time positions (Human Resource Assistant, Human Resource Analyst 2, and Human Resource Consultant 1) with an effective start date of October 1, 2015 and adds months to an existing Human Resource Analyst 2 position (0.50 FTE) and Human Resource Consultant 1 position (0.29 FTE). Even with the increase in staffing, DAS would still be below human resource-to-employee ratio benchmarks.

#### **Budget Note:**

##### Agencies other than DAS providing administrative services to state agencies:

“The Department of Administrative Services shall compile a list of all state agencies receiving administrative support services from an agency other than itself, or the Department of Administrative Services. DAS shall collect information on what services are being provided, how much agencies getting services have agreed to pay and how much the providing agencies expect provision of these services will cost them to provide for provision of each service identified, how long the agency has been using that particular agency for services, and how

long those services have been outsourced to any state agency including DAS. The Department shall report on information collected during the 2016 legislative session to the appropriate subcommittee of the Joint Ways and Means Committee.”

#### DAS Business Services

DAS Business Services provides budget, business continuity, performance management and data analysis services to the divisions and programs of the Department of Administrative Services. This division is responsible for managing all internal aspects of the agency’s operations. The Subcommittee recommended an Other Funds budget of \$6,633,952 and 15 positions (14.76 FTE). This is a 3.4 percent increase from the division’s 2013-15 Legislative Approve Budget.

The Subcommittee recommended approval of Package 134: Strengthen DBS Business Support. This package adds \$155,198 Other Funds and establishes one permanent full-time Operations and Policy Analyst 2 position (0.88 FTE), effective start date of October 1, 2015, to assist with workload increases associated with assistance to Customer Utility Boards. This additional workload was performed in the 2013-15 biennium by limited duration staff.

The Subcommittee recommended approval of Package 135: Support Increased Budget Workload. This package adds \$155,198 Other Funds and establishes one permanent full-time Fiscal Analyst 2 position (0.88 FTE), effective start date of October 1, 2015, to assist with workload increases associated with DAS policy office budgets, as well as, processing and tracking numerous special governmental payment distributions.

The Subcommittee recommended approval of Package 143: Mass Ingenuity Master Contract. This package would continue \$2.0 million Other Funds expenditure limitation for the Mass Ingenuity Master Contract approved at the December 2014 meeting of the Emergency Board. Mass Ingenuity provides process improvement software including the NOW Management System being offered to state agencies. The expenditure increase is considered pass-through limitation, since state agencies will pay DAS for use of the contracted services; therefore this addition has no impact on internal overhead rates DBS receives from other DAS programs.

#### Capital Improvements

The Capital Improvements Program, administered by the Facilities Division, includes remodeling and renovation projects costing less than \$1.0 million. The funding for the program comes from the Capital Projects Fund, which is primarily sourced by Uniform Rent depreciation. The Subcommittee recommended an Other Funds current service level budget of \$4,403,176 and no position authority. This is a 26.5 percent decrease from the division’s 2013-15 Legislatively Approved Budget.

#### Capital Construction

The Facilities Division also administers the Capital Construction program, which includes major remodeling, renovation, and new construction or acquisition projects costing more than \$1.0 million in the aggregate. Funding for DAS Capital Construction projects typically comes from either bond proceeds or the Capital Projects Fund. The Capital Projects Fund receives revenues from various sources, primarily the depreciation component of the Uniform Rent charge, service agreements, and parking facilities income.

Capital construction expenditure limitation is approved on a project by project basis and is authorized for six years. Because this limitation spans six years it is established in a separate bill.

### Miscellaneous Distributions

In accordance with legislative directives, this program unit receives and distributes certain federal, lottery and state moneys to state agencies and local governments. Distributions include quarterly OLCC earnings distributions to Oregon cities, cigarette tax proceeds sharing to cities and counties, and Mass Transit assessment and distribution. The Subcommittee recommended an Other Funds Nonlimited current service level budget of \$24,716,507 and no position authority. This is a 3.0 percent increase from the division's 2013-15 Legislatively Approved Budget.

### Shared Services Fund

In 2007 the Legislature established a new program, the Shared Services Fund, to provide state support to local taxing districts affected by participation in the Strategic Investment Program (SIP). Local taxing districts are now eligible to receive payments from the state that are calculated to equal 50.0 percent of the personal income tax revenue attributable to the earnings of persons hired or retained as result of a SIP property tax exemption. These payments would otherwise have gone to the state General Fund. The Subcommittee recommended a \$1 Other Funds placeholder budget.

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package adds \$1 Other Funds, one-time, for Gain Share payments only if needed. Current law requires DAS to make Gain Share payments. However, proposed changes to the program would make these direct revenue transfers in which in case this expenditure limitation placeholder could not be needed. If for some reason the envisioned changes do not happen and current law remains unchanged, this placeholder could be adjusted to allow payments to be made.

### Debt Service

This program unit includes debt service payments that are specific to DAS. Debt service payments are made on Certificates of Participation (COPs), Article XI-Q Bonds, and State Energy Loan Program funds. The Subcommittee recommended an Other Funds current service level budget of \$20,399,207 and no position authority. This is a 41.4 percent decrease from the division's 2013-15 Legislatively Approved Budget.

### Bonds

This program unit includes debt service payments of specific amounts as directed by law. Debt service payments are made on Article XI-O Bonds, also known as Pension Obligation Bonds. The Subcommittee recommended an Other Funds current service level budget of \$358,968,700 and no position authority. This is a 0.3 percent decrease from the division's 2013-15 Legislatively Approved Budget.

### Special Government Payments

This program unit includes payments of specific amounts from the General Fund and Lottery Funds as well as transfers of Other Funds revenues as directed by law. Payments include debt service for both General Fund and Lottery Funds backed bonds. The Subcommittee recommended a total funds budget of \$31,835,612 which includes \$9,694,516 General Fund, \$16,641,096 Lottery Funds, \$5,500,000 Other Funds and no position authority. This is a 46.6 percent decrease from the division's 2013-15 Legislatively Approved Budget total funds.

The Subcommittee recommended approval of Package 138: State Fairgrounds. This package represents \$1,015,299 General Fund support for the State Fair that is transferred from the Parks and Recreation Department's base budget, which had previously operated the State Fair. This funding will be transferred to the State Fair Council, a non-state agency, which now operates the State Fairgrounds.

The Subcommittee recommended approval of Package 801: LFO Analyst Adjustments. This package provides one-time increases for the Oregon Historical Society of \$375,000 General Fund, Oregon Public Broadcasting of \$250,000 General Fund, and County Fairs of \$216,000 Lottery Funds or \$6,000 per county.

The Subcommittee recommended approval of Package 803: LFO Technical Adjustments. This package adds one-time Other Funds expenditure limitation of \$5.5 million for disbursements of lottery bond proceeds for projects approved during 2013-15 that cannot be completely disbursed in the current biennium. The projects are Beaverton Healthcare Collaborative (\$1.0 million), The Umatilla Tribe (\$3.0 million), and the City of Stayton (\$1.5 million).

The Subcommittee recommended approval of Package 811: Updated Base Debt Service Adjustment. This package reduces Lottery Funds debt service by \$3,905,725 to reflect savings from revised debt service calculations.

### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2015-17 Key Performance Measures form.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**SB 5502-A**

**Department of Administrative Services**  
**Janet Savarro -- 503-373-7607**

| DESCRIPTION   | GENERAL FUND  | LOTTERY FUNDS | OTHER FUNDS    |                | FEDERAL FUNDS |            | TOTAL ALL FUNDS  | POS | FTE    |
|---|---------------|---------------|----------------|----------------|---------------|------------|------------------|-----|--------|
|   |               |               | LIMITED        | NONLIMITED     | LIMITED       | NONLIMITED |                  |     |        |
| 2013-15 Legislatively Approved Budget at Dec 2014 *       | \$ 13,261,439 | \$ 12,561,770 | \$ 929,256,547 | \$ 122,552,277 | \$ -          | \$ -       | \$ 1,077,632,033 | 810 | 793.90 |
| 2015-17 Current Service Level (CSL)*                      | \$ 8,334,159  | \$ 20,330,821 | \$ 840,868,413 | \$ 126,229,653 | \$ -          | \$ -       | \$ 995,763,046   | 785 | 783.71 |
| <b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>                |               |               |                |                |               |            |                  |     |        |
| <b>SCR 030 - Chief Operating Office</b>                   |               |               |                |                |               |            |                  |     |        |
| Package 101: Support Enterprise Initiatives Projects      |               |               |                |                |               |            |                  |     |        |
| Personal Services   | \$ -          | \$ -          | \$ 280,670     | \$ -           | \$ -          | \$ -       | \$ 280,670       | 2   | 2.00   |
| Services and Supplies                                     | \$ -          | \$ -          | \$ 50,715      | \$ -           | \$ -          | \$ -       | \$ 50,715        |     |        |
| Package 802: Vacant Positions                             |               |               |                |                |               |            |                  |     |        |
| Personal Services   | \$ -          | \$ -          | \$ (94,233)    | \$ -           | \$ -          | \$ -       | \$ (94,233)      | 0   | 0.00   |
| Services and Supplies                                     | \$ -          | \$ -          | \$ (20,000)    | \$ -           | \$ -          | \$ -       | \$ (20,000)      |     |        |
| <b>SCR 035 - Chief Financial Office</b>                   |               |               |                |                |               |            |                  |     |        |
| Package 102: Support Statewide Audit and Budget Reporting |               |               |                |                |               |            |                  |     |        |
| Personal Services   | \$ -          | \$ -          | \$ 200,477     | \$ -           | \$ -          | \$ -       | \$ 200,477       | 1   | 0.88   |
| Services and Supplies                                     | \$ -          | \$ -          | \$ 20,056      | \$ -           | \$ -          | \$ -       | \$ 20,056        |     |        |
| Package 103: Strengthen Capital Investment Section        |               |               |                |                |               |            |                  |     |        |
| Personal Services   | \$ -          | \$ -          | \$ 199,532     | \$ -           | \$ -          | \$ -       | \$ 199,532       | 1   | 0.88   |
| Services and Supplies                                     | \$ -          | \$ -          | \$ 19,519      | \$ -           | \$ -          | \$ -       | \$ 19,519        |     |        |
| Package 104: Capital Facility Planning                    |               |               |                |                |               |            |                  |     |        |
| Services and Supplies                                     | \$ -          | \$ -          | \$ 2,000,000   | \$ -           | \$ -          | \$ -       | \$ 2,000,000     |     |        |
| Package 140: Recombine Procurement Staff                  |               |               |                |                |               |            |                  |     |        |
| Personal Services   | \$ -          | \$ -          | \$ (1,030,922) | \$ -           | \$ -          | \$ -       | \$ (1,030,922)   | -4  | -4.00  |
| Services and Supplies                                     | \$ -          | \$ -          | \$ (564,641)   | \$ -           | \$ -          | \$ -       | \$ (564,641)     |     |        |
| Package 142: Recombine ORBITS Staff                       |               |               |                |                |               |            |                  |     |        |
| Personal Services   | \$ -          | \$ -          | \$ 558,711     | \$ -           | \$ -          | \$ -       | \$ 558,711       | 2   | 2.00   |
| Services and Supplies                                     | \$ -          | \$ -          | \$ 53,558      | \$ -           | \$ -          | \$ -       | \$ 53,558        |     |        |
| Package 802: Vacant Positions                             |               |               |                |                |               |            |                  |     |        |
| Personal Services   | \$ -          | \$ -          | \$ (124,088)   | \$ -           | \$ -          | \$ -       | \$ (124,088)     | -1  | -1.00  |
| Services and Supplies                                     | \$ -          | \$ -          | \$ (20,000)    | \$ -           | \$ -          | \$ -       | \$ (20,000)      |     |        |
| <b>SCR 040 - Chief Information Office</b>                 |               |               |                |                |               |            |                  |     |        |
| Package 105: Develop New Governance Structure for IT      |               |               |                |                |               |            |                  |     |        |
| Personal Services   | \$ -          | \$ -          | \$ 2,523,597   | \$ -           | \$ -          | \$ -       | \$ 2,523,597     | 12  | 12.00  |
| Services and Supplies                                     | \$ -          | \$ -          | \$ 899,581     | \$ -           | \$ -          | \$ -       | \$ 899,581       |     |        |

| DESCRIPTION  | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS |               | FEDERAL FUNDS |            | TOTAL ALL FUNDS | POS        | FTE |       |
|--|--------------|---------------|-------------|---------------|---------------|------------|-----------------|------------|-----|-------|
|  |              |               | LIMITED     | NONLIMITED    | LIMITED       | NONLIMITED |                 |            |     |       |
| <b>Package 106: Statewide Interoperability Program</b>       |              |               |             |               |               |            |                 |            |     |       |
| Personal Services  | \$           | - \$          | - \$        | 249,239 \$    | - \$          | - \$       | - \$            | 249,239    | 1   | 1.00  |
| Services and Supplies  | \$           | - \$          | - \$        | 459,292 \$    | - \$          | - \$       | - \$            | 459,292    |     |       |
| <b>Package 141: Recombine Geospatial Staff</b>               |              |               |             |               |               |            |                 |            |     |       |
| Personal Services  | \$           | - \$          | - \$        | 477,349 \$    | - \$          | - \$       | - \$            | 477,349    | 2   | 2.00  |
| Services and Supplies  | \$           | - \$          | - \$        | 53,558 \$     | - \$          | - \$       | - \$            | 53,558     |     |       |
| <b>Package 801: LFO Analyst Adjustments</b>                  |              |               |             |               |               |            |                 |            |     |       |
| Services and Supplies  | \$           | - \$          | - \$        | 4,650,000 \$  | - \$          | - \$       | - \$            | 4,650,000  |     |       |
| <b>Package 803: LFO Technical Adjustments</b>                |              |               |             |               |               |            |                 |            |     |       |
| Services and Supplies  | \$           | - \$          | - \$        | 1,003,803 \$  | - \$          | - \$       | - \$            | 1,003,803  |     |       |
| <b>SCR 045 - Chief Human Resource Office</b>                 |              |               |             |               |               |            |                 |            |     |       |
| <b>Package 110: Develop Workforce Planning Strategies</b>    |              |               |             |               |               |            |                 |            |     |       |
| Personal Services  | \$           | - \$          | - \$        | 177,058 \$    | - \$          | - \$       | - \$            | 177,058    | 1   | 0.88  |
| Services and Supplies  | \$           | - \$          | - \$        | 20,000 \$     | - \$          | - \$       | - \$            | 20,000     |     |       |
| <b>Package 111: Develop Information Management Capacity</b>  |              |               |             |               |               |            |                 |            |     |       |
| Personal Services  | \$           | - \$          | - \$        | 177,058 \$    | - \$          | - \$       | - \$            | 177,058    | 1   | 0.88  |
| Services and Supplies  | \$           | - \$          | - \$        | 20,000 \$     | - \$          | - \$       | - \$            | 20,000     |     |       |
| <b>Package 801: LFO Analyst Adjustments</b>                  |              |               |             |               |               |            |                 |            |     |       |
| Personal Services  | \$           | - \$          | - \$        | 231,064 \$    | - \$          | - \$       | - \$            | 231,064    | 2   | 1.00  |
| Services and Supplies  | \$           | - \$          | - \$        | (231,064) \$  | - \$          | - \$       | - \$            | (231,064)  |     |       |
| <b>SCR 055 - Enterprise Technology Services</b>              |              |               |             |               |               |            |                 |            |     |       |
| <b>Package 112: Security and IT Operations Audit Support</b> |              |               |             |               |               |            |                 |            |     |       |
| Personal Services  | \$           | - \$          | - \$        | 1,199,109 \$  | - \$          | - \$       | - \$            | 1,199,109  | 12  | 6.00  |
| Services and Supplies  | \$           | - \$          | - \$        | 11,086,899 \$ | - \$          | - \$       | - \$            | 11,086,899 |     |       |
| <b>Package 141: Recombine Geospatial Staff</b>               |              |               |             |               |               |            |                 |            |     |       |
| Personal Services  | \$           | - \$          | - \$        | (477,349) \$  | - \$          | - \$       | - \$            | (477,349)  | -2  | -2.00 |
| Services and Supplies  | \$           | - \$          | - \$        | (53,558) \$   | - \$          | - \$       | - \$            | (53,558)   |     |       |
| <b>Package 142: Recombine ORBITS Staff</b>                   |              |               |             |               |               |            |                 |            |     |       |
| Personal Services  | \$           | - \$          | - \$        | (558,711) \$  | - \$          | - \$       | - \$            | (558,711)  | -2  | -2.00 |
| Services and Supplies  | \$           | - \$          | - \$        | (53,558) \$   | - \$          | - \$       | - \$            | (53,558)   |     |       |
| <b>Package 144: Recombine P&amp;D Staff</b>                  |              |               |             |               |               |            |                 |            |     |       |
| Personal Services  | \$           | - \$          | - \$        | (414,892) \$  | - \$          | - \$       | - \$            | (414,892)  | -2  | -2.00 |
| Services and Supplies  | \$           | - \$          | - \$        | (53,558) \$   | - \$          | - \$       | - \$            | (53,558)   |     |       |



| DESCRIPTION  | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS     |            | FEDERAL FUNDS |            | TOTAL ALL FUNDS | POS | FTE    |  |
|--|--------------|---------------|-----------------|------------|---------------|------------|-----------------|-----|--------|--|
|  |              |               | LIMITED         | NONLIMITED | LIMITED       | NONLIMITED |                 |     |        |  |
| Package 801: LFO Analyst Adjustments                     |              |               |                 |            |               |            |                 |     |        |  |
| Personal Services  | \$ -         | \$ -          | \$ 1,351,308    | \$ -       | \$ -          | \$ -       | \$ 1,351,308    | 9   | 9.00   |  |
| Services and Supplies                                    | \$ -         | \$ -          | \$ (1,351,308)  | \$ -       | \$ -          | \$ -       | \$ (1,351,308)  |     |        |  |
| Capital Outlay   | \$ -         | \$ -          | \$ (10,146,095) | \$ -       | \$ -          | \$ -       | \$ (10,146,095) |     |        |  |
| Package 802: Vacant Positions                            |              |               |                 |            |               |            |                 |     |        |  |
| Personal Services  | \$ -         | \$ -          | \$ (3,813,325)  | \$ -       | \$ -          | \$ -       | \$ (3,813,325)  | -19 | -19.00 |  |
| Services and Supplies                                    | \$ -         | \$ -          | \$ (507,030)    | \$ -       | \$ -          | \$ -       | \$ (507,030)    |     |        |  |
| Package 803: LFO Technical Adjustments                   |              |               |                 |            |               |            |                 |     |        |  |
| Services and Supplies                                    | \$ -         | \$ -          | \$ (13,329,013) | \$ -       | \$ -          | \$ -       | \$ (13,329,013) |     |        |  |
| <b>SCR 060 - Enterprise Asset Management</b>             |              |               |                 |            |               |            |                 |     |        |  |
| Package 120: Purchase of Fleet Vehicles                  |              |               |                 |            |               |            |                 |     |        |  |
| Services and Supplies                                    | \$ -         | \$ -          | \$ 139,152      | \$ -       | \$ -          | \$ -       | \$ 139,152      |     |        |  |
| Capital Outlay   | \$ -         | \$ -          | \$ 1,900,000    | \$ -       | \$ -          | \$ -       | \$ 1,900,000    |     |        |  |
| Package 123: Transfer Custodial Position to PERS         |              |               |                 |            |               |            |                 |     |        |  |
| Personal Services  | \$ -         | \$ -          | \$ (109,114)    | \$ -       | \$ -          | \$ -       | \$ (109,114)    | -1  | -1.00  |  |
| Services and Supplies                                    | \$ -         | \$ -          | \$ (12,690)     | \$ -       | \$ -          | \$ -       | \$ (12,690)     |     |        |  |
| Package 124: Governor's Office Regional Solutions Center |              |               |                 |            |               |            |                 |     |        |  |
| Services and Supplies                                    | \$ -         | \$ -          | \$ 432,900      | \$ -       | \$ -          | \$ -       | \$ 432,900      |     |        |  |
| Package 801: LFO Analyst Adjustments                     |              |               |                 |            |               |            |                 |     |        |  |
| Personal Services  | \$ -         | \$ -          | \$ 48,764       | \$ -       | \$ -          | \$ -       | \$ 48,764       | 0   | 0.00   |  |
| Package 802: Vacant Positions                            |              |               |                 |            |               |            |                 |     |        |  |
| Personal Services  | \$ -         | \$ -          | \$ (166,001)    | \$ -       | \$ -          | \$ -       | \$ (166,001)    | -1  | -1.00  |  |
| Services and Supplies                                    | \$ -         | \$ -          | \$ (20,000)     | \$ -       | \$ -          | \$ -       | \$ (20,000)     |     |        |  |
| <b>SCR 065 - Enterprise Goods &amp; Services</b>         |              |               |                 |            |               |            |                 |     |        |  |
| Package 126: Support Shared Payroll Services and OSPS    |              |               |                 |            |               |            |                 |     |        |  |
| Personal Services  | \$ -         | \$ -          | \$ 116,736      | \$ -       | \$ -          | \$ -       | \$ 116,736      | 1   | 0.88   |  |
| Services and Supplies                                    | \$ -         | \$ -          | \$ 13,541       | \$ -       | \$ -          | \$ -       | \$ 13,541       |     |        |  |
| Package 127: Support Workload Centralized PERS Service   |              |               |                 |            |               |            |                 |     |        |  |
| Personal Services  | \$ -         | \$ -          | \$ 116,736      | \$ -       | \$ -          | \$ -       | \$ 116,736      | 1   | 0.88   |  |
| Services and Supplies                                    | \$ -         | \$ -          | \$ 13,541       | \$ -       | \$ -          | \$ -       | \$ 13,541       |     |        |  |
| Package 129: Strengthen Shuttle Delivery Service         |              |               |                 |            |               |            |                 |     |        |  |
| Personal Services  | \$ -         | \$ -          | \$ 176,650      | \$ -       | \$ -          | \$ -       | \$ 176,650      | 2   | 1.76   |  |
| Services and Supplies                                    | \$ -         | \$ -          | \$ 21,997       | \$ -       | \$ -          | \$ -       | \$ 21,997       |     |        |  |

| DESCRIPTION   | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS  |            | FEDERAL FUNDS |            | TOTAL ALL FUNDS | POS | FTE   |
|---|--------------|---------------|--------------|------------|---------------|------------|-----------------|-----|-------|
|   |              |               | LIMITED      | NONLIMITED | LIMITED       | NONLIMITED |                 |     |       |
| <b>Package 130: Strengthen Risk Management</b>                |              |               |              |            |               |            |                 |     |       |
| Personal Services   | \$ -         | \$ -          | \$ 135,276   | \$ -       | \$ -          | \$ -       | \$ 135,276      | 1   | 0.88  |
| Services and Supplies   | \$ -         | \$ -          | \$ 18,113    | \$ -       | \$ -          | \$ -       | \$ 18,113       |     |       |
| <b>Package 132: Support Additional Client Agencies</b>        |              |               |              |            |               |            |                 |     |       |
| Personal Services   | \$ -         | \$ -          | \$ 131,310   | \$ -       | \$ -          | \$ -       | \$ 131,310      | 1   | 0.88  |
| Services and Supplies   | \$ -         | \$ -          | \$ 23,984    | \$ -       | \$ -          | \$ -       | \$ 23,984       |     |       |
| <b>Package 140: Recombine Procurement Staff</b>               |              |               |              |            |               |            |                 |     |       |
| Personal Services   | \$ -         | \$ -          | \$ 1,030,922 | \$ -       | \$ -          | \$ -       | \$ 1,030,922    | 4   | 4.00  |
| Services and Supplies   | \$ -         | \$ -          | \$ 564,641   | \$ -       | \$ -          | \$ -       | \$ 564,641      |     |       |
| <b>Package 144: Recombine P&amp;D Staff</b>                   |              |               |              |            |               |            |                 |     |       |
| Personal Services   | \$ -         | \$ -          | \$ 414,892   | \$ -       | \$ -          | \$ -       | \$ 414,892      | 2   | 2.00  |
| Services and Supplies   | \$ -         | \$ -          | \$ 53,558    | \$ -       | \$ -          | \$ -       | \$ 53,558       |     |       |
| <b>Package 802: Vacant Positions</b>                          |              |               |              |            |               |            |                 |     |       |
| Personal Services   | \$ -         | \$ -          | \$ (119,324) | \$ -       | \$ -          | \$ -       | \$ (119,324)    | -1  | -1.00 |
| Services and Supplies   | \$ -         | \$ -          | \$ (20,000)  | \$ -       | \$ -          | \$ -       | \$ (20,000)     |     |       |
| <b>SCR 070- Enterprise Human Resource Services</b>            |              |               |              |            |               |            |                 |     |       |
| <b>Package 133: Strengthen Human Resource Client Services</b> |              |               |              |            |               |            |                 |     |       |
| Personal Services   | \$ -         | \$ -          | \$ 531,947   | \$ -       | \$ -          | \$ -       | \$ 531,947      | 3   | 3.43  |
| Services and Supplies   | \$ -         | \$ -          | \$ 70,302    | \$ -       | \$ -          | \$ -       | \$ 70,302       |     |       |
| <b>SCR 075 - DAS Business Services</b>                        |              |               |              |            |               |            |                 |     |       |
| <b>Package 134: Strengthen DBS Business Support</b>           |              |               |              |            |               |            |                 |     |       |
| Personal Services   | \$ -         | \$ -          | \$ 135,198   | \$ -       | \$ -          | \$ -       | \$ 135,198      | 1   | 0.88  |
| Services and Supplies   | \$ -         | \$ -          | \$ 20,000    | \$ -       | \$ -          | \$ -       | \$ 20,000       |     |       |
| <b>Package 135: Support Increased Budget Workload</b>         |              |               |              |            |               |            |                 |     |       |
| Personal Services   | \$ -         | \$ -          | \$ 135,198   | \$ -       | \$ -          | \$ -       | \$ 135,198      | 1   | 0.88  |
| Services and Supplies   | \$ -         | \$ -          | \$ 20,000    | \$ -       | \$ -          | \$ -       | \$ 20,000       |     |       |
| <b>Package 143: Mass Ingenuity Master Contract</b>            |              |               |              |            |               |            |                 |     |       |
| Services and Supplies   | \$ -         | \$ -          | \$ 2,000,000 | \$ -       | \$ -          | \$ -       | \$ 2,000,000    |     |       |
| <b>SCR 091 - Shared Services Fund</b>                         |              |               |              |            |               |            |                 |     |       |
| <b>Package 801: LFO Analyst Adjustments</b>                   |              |               |              |            |               |            |                 |     |       |
| Special Payments - account 6085                               | \$ -         | \$ -          | \$ 1         | \$ -       | \$ -          | \$ -       | \$ 1            |     |       |
| <b>SCR 099 - Special Governmental Payments</b>                |              |               |              |            |               |            |                 |     |       |
| <b>Package 138: State Fairgrounds</b>                         |              |               |              |            |               |            |                 |     |       |
| Special Payments - account 6085                               | \$ 1,015,299 | \$ -          | \$ -         | \$ -       | \$ -          | \$ -       | \$ 1,015,299    |     |       |

| DESCRIPTION   | GENERAL FUND        | LOTTERY FUNDS         | OTHER FUNDS           |                       | FEDERAL FUNDS |             | TOTAL ALL FUNDS         | POS        | FTE           |
|---|---------------------|-----------------------|-----------------------|-----------------------|---------------|-------------|-------------------------|------------|---------------|
|   |                     |                       | LIMITED               | NONLIMITED            | LIMITED       | NONLIMITED  |                         |            |               |
| Package 801: LFO Analyst Adjustments<br>Special Payments - account 6085   | \$ 625,000          | \$ 216,000            | \$ -                  | \$ -                  | \$ -          | \$ -        | \$ 841,000              |            |               |
| Package 803: LFO Technical Adjustments<br>Special Payments - account 6085 | \$ -                | \$ -                  | \$ 5,500,000          | \$ -                  | \$ -          | \$ -        | \$ 5,500,000            |            |               |
| Package 811: Updated Base Debt Service Adjustment<br>Debt Service         | \$ -                | \$ (3,905,725)        | \$ -                  | \$ -                  | \$ -          | \$ -        | \$ (3,905,725)          |            |               |
| <b>TOTAL ADJUSTMENTS</b>  | <b>\$ 1,640,299</b> | <b>\$ (3,689,725)</b> | <b>\$ 8,437,038</b>   | <b>\$ -</b>           | <b>\$ -</b>   | <b>\$ -</b> | <b>\$ 6,387,612</b>     | <b>30</b>  | <b>21.99</b>  |
| <b>SUBCOMMITTEE RECOMMENDATION *</b>                                      | <b>\$ 9,974,458</b> | <b>\$ 16,641,096</b>  | <b>\$ 849,305,451</b> | <b>\$ 126,229,653</b> | <b>\$ -</b>   | <b>\$ -</b> | <b>\$ 1,002,150,658</b> | <b>815</b> | <b>805.70</b> |
| % Change from 2013-15 Leg Approved Budget                                 | -24.8%              | 32.5%                 | -8.6%                 | 3.0%                  | 0.0%          | 0.0%        | -7.0%                   |            |               |
| % Change from 2015-17 Current Service Level                               | 19.7%               | -18.2%                | 1.0%                  | 0.0%                  | 0.0%          | 0.0%        | 0.6%                    |            |               |

\*Excludes Capital Construction Expenditures

## Legislatively Approved 2015-2017 Key Performance Measures

**Agency:** ADMINISTRATIVE SERVICES, DEPARTMENT of

Mission: Lead the pursuit of excellence in state government.

| Legislatively Proposed KPMs  | Customer Service Category   | Agency Request | Most Current Result | Target 2016 | Target 2017 |
|--|-----------------------------|----------------|---------------------|-------------|-------------|
| 1 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information. | Accuracy                    | Approved KPM   | 72.00               | 90.00       | 90.00       |
| 1 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information. | Availability of Information | Approved KPM   | 64.00               | 90.00       | 90.00       |
| 1 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information. | Expertise                   | Approved KPM   | 74.00               | 90.00       | 90.00       |
| 1 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information. | Helpfulness                 | Approved KPM   | 74.00               | 90.00       | 90.00       |
| 1 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information. | Overall                     | Approved KPM   | 70.00               | 90.00       | 90.00       |
| 1 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information. | Timeliness                  | Approved KPM   | 71.00               | 90.00       | 90.00       |
| 2 - FORECAST RELIABILITY - General Fund Forecast Tracking Metric   |                             | Approved KPM   |                     |             |             |
| 3 - FINANCIAL REPORTING - Percent of Agencies receiving Gold Star Award (The Gold Star Award is the state agency equivalent of the GFOA Certificate of Achievement for Excellence in Financial Reporting)                                  |                             | Approved KPM   |                     |             |             |

**Agency: ADMINISTRATIVE SERVICES, DEPARTMENT of**

Mission: Lead the pursuit of excellence in state government.

| Legislatively Proposed KPMs  | Customer Service Category | Agency Request     | Most Current Result | Target 2016 | Target 2017 |
|--|---------------------------|--------------------|---------------------|-------------|-------------|
| 4 - STATE WORKFORCE TURNOVER - Annual turnover rate for the state workforce.   |                           | Approved KPM       | 4.70                | 5.60        | 5.60        |
| 5 a - STATE WORKFORCE DIVERSITY - Racial/ethnic diversity in the state workforce as a percentage of the total civilian labor force.  |                           | Approved KPM       | 69.90               | 100.00      | 100.00      |
| 5 b - DAS WORKFORCE DIVERSITY- Racial/ethnic diversity in the DAS workforce as a percentage of the total civilian labor force  |                           | Approved KPM       |                     |             |             |
| 6 - FLEET ADMINSTRATION - Average Miles Per Gallon for DAS Permanently Assigned Fleet Vehicles.  |                           | Approved KPM       |                     |             |             |
| 7 - RENT COSTS - DAS negotiated lease rates in private sector vs. average market rates.  |                           | Approved KPM       |                     |             |             |
| 8 - INFORMATION SECURITY - Overall information security maturity rating based on a sample of state agencies. Rating achieved using a compilation and aggregate score based on the ISO 27002 standard and assigning a rating using the Carnegie-Mellon Capability Maturity Model. (3rd party conducting information security business risk assessments) |                           | Approved KPM       | 2.73                | 3.00        | 3.00        |
| 9 - PROCUREMENT EFFECTIVENESS - Estimated savings resulting from price agreement pricing compared to prices that would be paid without the benefit of a price agreement.   |                           | Approved KPM       | 3.10                | 8.50        | 8.50        |
| 10 - RISK MANAGEMENT - Annual number of Severe Worker's Compensation claims per 100 FTE  |                           | Approved KPM       |                     |             |             |
| 11 - SUSTAINABILITY - Percentage reduction in greenhouse gas emissions.  |                           | Approved KPM       |                     |             |             |
| 12 - DAS WORKFORCE TURNOVER- Annual turnover rate for the DAS workforce  |                           | Approved KPM       |                     |             |             |
| 13 - DATA CENTER - Percentage of time systems are available.   |                           | Approved KPM       | 99.90               | 99.99       | 99.99       |
| 2 - FORECAST RELIABILITY - Percent of Advisory Committee and Council Members who rank the reliability of the Office of Economic Analysis' forecasts as good to excellent.  |                           | Legislative Delete | 94.00               |             |             |

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| <b>Legislatively Proposed KPMs</b>   | <b>Customer Service Category</b> | <b>Agency Request</b> | <b>Most Current Result</b> | <b>Target 2016</b> | <b>Target 2017</b> |
|--|----------------------------------|-----------------------|----------------------------|--------------------|--------------------|
| 3 - FINANCIAL REPORTING - Number of years out of the last five that State Controller's Division wins GFOA Certificate of Achievement for Excellence in Financial Reporting.  |                                  | Legislative Delete    | 5.00                       |                    |                    |
| 6 - FLEET ADMINISTRATION - Statewide Fleet Administration evaluated as effective by independent party.   |                                  | Legislative Delete    | 1.00                       |                    |                    |
| 7 - RENT COSTS - Uniform rent costs per square foot as a percent of private market rates.  |                                  | Legislative Delete    | 81.00                      |                    |                    |
| 8 - IT GOVERNANCE - Percent of the state's major IT projects with a budget or schedule variance of plus 5% as reported in the quarterly major IT project portfolio report for which a mitigation plan is submitted in response to a DAS requirement. |                                  | Legislative Delete    | 100.00                     |                    |                    |
| 13 - RISK MANAGEMENT - Annual number of: a) worker's compensation; b) liability; c) property; and, d) total claims per 100 FTE.  |                                  | Legislative Delete    | 5.68                       |                    |                    |
| 14 - SUSTAINABILITY - Percentage reduction in greenhouse gas emissions.  |                                  | Legislative Delete    | 12.60                      |                    |                    |

**LFO Recommendation:**

LFO recommends approval of 8 new Key Performance Measures and deletion of seven previous Key Performance Measures, with direction the Department develops targets for the new measures as part of the 2017-19 budget request. DAS is also directed to develop a new Key Performance Measure for the State Data Center to replace KPM #16, as part of 2017-19 agency budget request.

**Sub-Committee Action:**

The Subcommittee approved the LFO recommendations.