

# Department of Administrative Services



## 2017-19 Agency Budget Presentation Appendix



# Oregon

Kate Brown, Governor

Department of Administrative Services

Chief Operating Office  
155 Cottage Street NE

## 2017 Summary of Proposed Legislation

### **HB 2330**

Permits, rather than requires, state agency to set price for using device that is located on agency premises and that provides electricity to public for moto vehicles that us electricity for propulsion at specific level.

Effect on DAS budget: No fiscal impact anticipated

### **HB 2331**

Extends until January 2, 2025, sunset for Oregon Department of Administrative Services program to make compressed natural gas available for use in motor vehicles.

Effect on DAS budget: No fiscal impact anticipated

### **HB 2332**

Extends suspension of requirement that state agencies attain 11-to-1 ratio of nonsupervisory employees to supervisory employees to 2017-2019 biennium.

Effect on DAS budget: No fiscal impact anticipated

### **HB 2333**

Allows state agency that is unable to sell state real property or equitable interest in state real property, after following certain procedures for sale, to continuously offer real property or equitable interest for sale using any means state agency considers appropriate.

Effect on DAS budget: No fiscal impact anticipated

**HB 2334**

Establishes Juvenile Corrections Population Forecast Advisory Committee to assist Oregon Department of Administrative Services in preparing projections of juvenile offender populations.

Effect on DAS budget: No fiscal impact anticipated

**SB 86**

Authorizes Oregon Department of Administrative Services to require fingerprints of certain persons who are employed by or applying for employment with qualified entity or who provide services or seek to provide services to qualified entity.

Effect on DAS budget: No fiscal impact anticipated

**SB 89**

Directs state agencies to assign certain liquidated and delinquent accounts to Department of Revenue for collection.

Effect on DAS budget: No fiscal impact anticipated

**SB 91**

Deletes requirement that state agencies manage agency use of travel and travel awards received by agency personnel for state travel.

Effect on DAS budget: No fiscal impact anticipated

# House Bill 2330

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Oregon Department of Administrative Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Permits, rather than requires, state agency to set price for using device that is located on agency premises and that provides electricity to public for motor vehicles that use electricity for propulsion at specific level.

Becomes operative 91 days after effective date of Act.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to charges for electricity delivered to the public for electrically powered motor vehicles;  
3 creating new provisions; amending ORS 276.255; and declaring an emergency.

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

5 **SECTION 1.** ORS 276.255 is amended to read:

6 276.255. (1) A state agency may[:]

7 [(a)] locate, on premises the state agency owns or controls, devices or facilities that the state  
8 agency installs, or has installed, specifically to deliver electricity to the public for motor vehicles  
9 that use electricity for propulsion.[: and]

10 [(b)] **(2) A state agency may** contract with a vendor that will distribute, dispense or otherwise  
11 make available electricity from devices or facilities described in [*paragraph (a) of this subsection*]  
12 **subsection (1) of this section.**

13 [(2)(a)] **(3)(a)** The Oregon Department of Administrative Services may install or have installed  
14 devices or facilities described in subsection [(1)(a)] **(1)** of this section at not more than 10 locations  
15 during a biennium.

16 (b) A state agency other than the department may install or have installed devices or facilities  
17 described in subsection [(1)(a)] **(1)** of this section at not more than five locations during a biennium.

18 (c) Notwithstanding paragraphs (a) and (b) of this subsection, a state agency may install or have  
19 installed devices or facilities described in subsection [(1)(a)] **(1)** of this section at more than the  
20 number of locations specified in paragraph (a) or (b) of this subsection if the state agency obtains  
21 a grant to support the installations at each additional location.

22 [(3)] **(4)** A state agency that contracts with a vendor under subsection [(1)] **(2)** of this section  
23 shall require in the contract that the vendor:

24 (a) Indemnify the state agency against any claim related to or arising out of the vendor's oper-  
25 ations on premises that the state agency owns or controls; and

26 (b) Obtain a policy of liability insurance in an amount sufficient to pay foreseeable claims that  
27 relate to or arise out of the vendor's operations, name the state agency as an insured party in the  
28 policy and maintain coverage under the policy during the term of the contract and for two years  
29 after the contract term expires.

**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        [(4)] (5) A state agency may by order establish and adjust prices for using devices or facilities  
2 described in subsection [(1)(a)] (1) of this section that are located on premises the state agency owns  
3 or controls. The state agency [shall] **may** set the price for using the devices or facilities at a level  
4 that does not:

5        (a) Subsidize the operations of a private entity or the cost of electricity to the public; or

6        (b) Substantially exceed the costs to the state agency of making the electricity available to the  
7 public.

8        **SECTION 2. (1) The amendments to ORS 276.255 by section 1 of this 2017 Act become**  
9 **operative 91 days after the effective date of this 2017 Act.**

10        **(2) The director of a state agency that is subject to ORS 276.255 may adopt rules and take**  
11 **any other action before the operative date specified in subsection (1) of this section that is**  
12 **necessary to enable the director to exercise, on and after the operative date specified in**  
13 **subsection (1) of this section, all of the duties, functions and powers conferred on the direc-**  
14 **tor by the amendments to ORS 276.255 by section 1 of this 2017 Act.**

15        **SECTION 3. This 2017 Act being necessary for the immediate preservation of the public**  
16 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**  
17 **on its passage.**

# House Bill 2331

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Oregon Department of Administrative Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Extends until January 2, 2025, sunset for Oregon Department of Administrative Services program to make compressed natural gas available for use in motor vehicles.

## A BILL FOR AN ACT

1  
2 Relating to state provision of compressed natural gas for motor vehicles; amending section 14,  
3 chapter 30, Oregon Laws 2010.

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

5 **SECTION 1.** Section 14, chapter 30, Oregon Laws 2010, as amended by section 2, chapter 526,  
6 Oregon Laws 2013, is amended to read:

7 **Sec. 14.** Section 13, chapter 30, Oregon Laws 2010, is repealed on January 2, [2018] **2025**.  
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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.

# House Bill 2332

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Oregon Department of Administrative Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Extends suspension of requirement that state agencies attain 11-to-1 ratio of nonsupervisory employees to supervisory employees to 2017-2019 biennium.

Extends deadline for work group to study and report to Legislative Assembly to date of convening of 2019 regular session.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to the ratio of state agency public employees to supervisory employees; amending sections  
3 1, 2, 3 and 4, chapter 622, Oregon Laws 2015; and declaring an emergency.

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

5 **SECTION 1.** Section 1, chapter 622, Oregon Laws 2015, is amended to read:

6 **Sec. 1.** (1) During the biennium beginning July 1, 2015, **and the biennium beginning July 1,**  
7 **2017**, the provisions of ORS 291.231 do not apply to a state agency.

8 (2) Notwithstanding subsection (1) of this section, during the biennium beginning July 1, 2015,  
9 **and the biennium beginning July 1, 2017**, a state agency may not reduce the agency's ratio of  
10 nonsupervisory employees to supervisory employees, as approved by the agency's legislatively ap-  
11 proved budget, unless the Director of the Oregon Department of Administrative Services grants an  
12 exception pursuant to ORS 291.231 (4).

13 (3) The Oregon Department of Administrative Services shall monitor state agency staffing ratios  
14 during the biennium beginning July 1, 2015, **and the biennium beginning July 1, 2017**, and produce  
15 quarterly reports describing any changes in the ratios. The reports shall include data on all em-  
16 ployee types as the data is reasonably available. The department shall publish the reports on the  
17 department's webpage and shall notify labor organizations representing state employees when the  
18 reports are published.

19 (4) As used in this section:

20 (a) "State agency" has the meaning given that term in ORS 291.231.

21 (b) "Supervisory employee" has the meaning given that term in ORS 243.650.

22 **SECTION 2.** Section 2, chapter 622, Oregon Laws 2015, is amended to read:

23 **Sec. 2.** Notwithstanding section 1 [*of this 2015 Act*], **chapter 622, Oregon Laws 2015**, if a state  
24 agency increases the agency's ratio of nonsupervisory employees to supervisory employees during  
25 the biennium beginning July 1, 2015, **or the biennium beginning July 1, 2017**, the state agency  
26 may count the increase in subsequent years for purposes of complying with ORS 291.231 (2).

27 **SECTION 3.** Section 3, chapter 622, Oregon Laws 2015, is amended to read:

28 **Sec. 3.** (1) The Oregon Department of Administrative Services shall convene a work group to  
29 study and develop a report on appropriate ratios of state agency employees who are not supervisory

**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 employees to supervisory employees.

2 (2) Members of the work group shall be appointed by the Director of the Oregon Department  
3 of Administrative Services and shall include:

4 (a) Representatives from the Oregon Department of Administrative Services;

5 (b) Representatives from other state agencies in the executive department as defined in ORS  
6 174.112, including but not limited to agency managers or supervisory employees, agency employees  
7 who are not supervisory employees and agency human resources employees;

8 (c) Representatives of the two largest labor organizations representing state agency employees;  
9 and

10 (d) Representatives of private entities as the director determines is appropriate.

11 (3) The work group shall:

12 (a) Study public and private sector standards and best practices related to appropriate ratios  
13 of employees who are not supervisory employees to supervisory employees;

14 (b) Identify job families or services for consideration of best practices, including but not limited  
15 to public safety, administration and human service delivery;

16 (c) Consider practices in other states, geographic location issues, public and private industry  
17 standards for specific professional requirements and any other issues related to a specific line of  
18 business or particular service or function;

19 (d) Consider the best approaches for providing exceptions to required staffing ratios; and

20 (e) Develop and submit a report to the Legislative Assembly, including proposals for establishing  
21 rational, best practices for state agency staffing ratios based on the nature of job families or ser-  
22 vices provided by each state agency, and may submit recommendations for legislation.

23 (4) The Oregon Department of Administrative Services shall convene the work group as soon  
24 as practicable after *[the effective date of this 2015 Act]* **July 1, 2015**. The department shall provide  
25 facilities and administrative support for meetings of the work group.

26 (5) The work group shall submit the report, including any recommendations for legislation, to  
27 the Legislative Assembly in the manner provided in ORS 192.245 on or before the date of the con-  
28 vening of the *[2017]* **2019** regular session of the Legislative Assembly as specified in ORS 171.010.

29 (6) As used in this section:

30 (a) “Job families” means groups of occupations based upon work performed, skills, education,  
31 training and credentials.

32 (b) “State agency” has the meaning given that term in ORS 291.231.

33 (c) “Supervisory employee” has the meaning given that term in ORS 243.650.

34 **SECTION 4.** Section 4, chapter 622, Oregon Laws 2015, is amended to read:

35 **Sec. 4.** (1) Sections 1 and 3 *[of this 2015 Act]*, **chapter 622, Oregon Laws 2015**, are repealed  
36 on June 30, *[2017]* **2019**.

37 (2) Section 2 *[of this 2015 Act]*, **chapter 622, Oregon Laws 2015**, is repealed January 2, *[2020]*  
38 **2022**.

39 **SECTION 5.** **This 2017 Act being necessary for the immediate preservation of the public**  
40 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**  
41 **on its passage.**



# House Bill 2333

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Oregon Department of Administrative Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows state agency that is unable to sell state real property or equitable interest in state real property, after following certain procedures for sale, to continuously offer real property or equitable interest for sale using any means state agency considers appropriate. Requires state agency to repeat certain procedures for sale only if sales efforts by agency have been discontinued for 12 months or more.

## A BILL FOR AN ACT

1  
2 Relating to disposition of state real property; amending ORS 270.140.

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

4 **SECTION 1.** ORS 270.140 is amended to read:

5 270.140. (1) If the provisions of ORS 270.100, 270.110 and 270.130 have been complied with as to  
6 property administered by it and no satisfactory proposal has been received, [*the state agency may,*  
7 *at any time during a period of 18 months after the advertised date of sale, sell such property in such*  
8 *manner as it considers appropriate,*] **a state agency acting for the state in the sale of real**  
9 **property or an equitable interest in real property that the state owns may, beginning at any**  
10 **time no later than 18 months after completing the process of giving notice under ORS**  
11 **270.130, offer for sale the real property or equitable interest in any manner that the state**  
12 **agency considers appropriate**, including such commercially reasonable means as through a real  
13 estate licensee as set forth in ORS 696.007.

14 (2) **If efforts by a state agency to sell real property or an equitable interest pursuant to**  
15 **subsection (1) of this section have been discontinued for a period of 12 months or more, the**  
16 **state agency may not resume offering the real property or equitable interest for sale pur-**  
17 **suant to subsection (1) of this section without first complying with the provisions of ORS**  
18 **270.100, 270.110 and 270.130.**

19 (3) **The Oregon Department of Administrative Services may adopt rules necessary to**  
20 **carry out the provisions of this section.**

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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.

# House Bill 2334

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Oregon Department of Administrative Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes Juvenile Corrections Population Forecast Advisory Committee to assist Oregon Department of Administrative Services in preparing projections of juvenile offender populations.

Directs department to issue state juvenile corrections population forecast, including estimate of demand for beds, twice each year.

## A BILL FOR AN ACT

Relating to juvenile corrections population forecasts.

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

**SECTION 1. (1) The Juvenile Corrections Population Forecast Advisory Committee is established.**

**(2) The committee consists of seven members appointed by the Governor. A member of the committee must be knowledgeable about the juvenile justice system and trends that may affect the juvenile justice system.**

**(3) The committee shall assist the Oregon Department of Administrative Services in preparing projections of juvenile offender populations.**

**(4) A majority of the members of the committee constitutes a quorum for the transaction of business.**

**(5) Official action by the committee requires the approval of a majority of the members of the committee.**

**(6) The Governor shall select one of the members of the committee to serve as chairperson.**

**(7) The term of office of each member is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on January 2 next following. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.**

**(8) The committee shall meet at least two times each year, at times and places specified by the call of the chairperson.**

**(9) The committee may adopt rules necessary for the operation of the committee.**

**(10) The department shall provide staff support to the committee.**

**(11) Members of the committee are not entitled to compensation or reimbursement for expenses and serve as volunteers on the committee.**

**(12) All agencies of state government, as defined in ORS 174.111, are directed to assist the committee in the performance of the committee's duties and, to the extent permitted by laws relating to confidentiality, to furnish information and advice the members of the**

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1 committee consider necessary to perform their duties.

2 **SECTION 2.** (1) The Oregon Department of Administrative Services shall issue a state  
3 juvenile corrections population forecast that includes, but is not limited to, close custody and  
4 community placement populations in the custody or control or under the supervision of the  
5 Oregon Youth Authority. The forecast shall also include an estimate of the demand for beds  
6 as defined by the Juvenile Corrections Population Forecast Advisory Committee established  
7 under section 1 of this 2017 Act. The estimate of the demand for beds shall be for the first  
8 day of each month for the 10 years following the date the forecast is issued.

9 (2) The forecast and estimate described in subsection (1) of this section shall be used by:

10 (a) The Oregon Youth Authority for the purpose of preparing budget requests;

11 (b) The Oregon Criminal Justice Commission in considering amendments to sentencing  
12 guidelines; and

13 (c) Any other state agency concerned with the effect of juvenile offender populations or  
14 policy developments on budgeting.

15 (3) The department shall issue a state juvenile corrections population forecast on April  
16 15 and October 15 of each year.

17 \_\_\_\_\_

# Senate Bill 86

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Kate Brown for Department of Administrative Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes Oregon Department of Administrative Services to require fingerprints of certain persons who are employed by or applying for employment with qualified entity or who provide services or seek to provide services to qualified entity. Defines "qualified entity."

## A BILL FOR AN ACT

1  
2 Relating to fingerprinting required by agencies that request human resource services; amending ORS  
3 184.365.

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

5 **SECTION 1.** ORS 184.365 is amended to read:

6 184.365. (1) **As used in this section, "qualified entity" means an entity of the executive**  
7 **department, as defined in ORS 174.112, that contracts with, or that is a party to an intera-**  
8 **gency agreement with, the Oregon Department of Administrative Services for the purpose**  
9 **of receiving human resource services from the department.**

10 (2) For the purpose of requesting a state or nationwide criminal records check under ORS  
11 181A.195, the [*Oregon*] department [*of Administrative Services*] may require the fingerprints of a  
12 person who:

13 [(1)(a)] (a) **(A)** Is employed **by** or applying for employment [*by*] **with** the department; [*or*]

14 **(B) Is employed by or applying for employment with a qualified entity; or**

15 [(b)] (C) Provides services or seeks to provide services to the department **or a qualified entity**  
16 as a contractor, vendor or volunteer; and

17 [(2)] (b) Is, or will be, working or providing services in a position:

18 [(a)] (A) In which the person is providing information technology services and has control over,  
19 or access to, information technology systems that would allow the person to harm the information  
20 technology systems or the information contained in the systems;

21 [(b)] (B) In which the person has access to information, the disclosure of which is prohibited by  
22 state or federal laws, rules or regulations or information that is defined as confidential under state  
23 or federal laws, rules or regulations;

24 [(c)] (C) That has payroll functions or in which the person has responsibility for receiving, re-  
25 ceipting or depositing money or negotiable instruments, for billing, collections or other financial  
26 transactions or for purchasing or selling property or has access to property held in trust or to pri-  
27 vate property in the temporary custody of the state;

28 [(d)] (D) That has mailroom duties as the primary duty or job function of the position;

29 [(e)] (E) In which the person has responsibility for auditing the department or other govern-  
30 mental agencies;

**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        *[(f)]* **(F)** That has personnel or human resources functions as one of the position's primary re-  
2        sponsibilities;

3        *[(g)]* **(G)** In which the person has access to personal information about employees or members  
4        of the public including Social Security numbers, dates of birth, driver license numbers, medical in-  
5        formation, personal financial information or criminal background information;

6        *[(h)]* **(H)** In which the person has access to chemicals or hazardous materials, to facilities in  
7        which chemicals and hazardous materials are present or to information regarding the transportation  
8        of chemical or hazardous materials;

9        *[(i)]* **(I)** In which the person has access to property to which access is restricted in order to  
10       protect the health or safety of the public;

11       *[(j)]* **(J)** In which the person provides security, design or construction services for government  
12       buildings, grounds or facilities; or

13       *[(k)]* **(K)** In which the person has access to critical infrastructure or security-sensitive facilities  
14       or information.

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# Senate Bill 89

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Kate Brown for Oregon Department of Administrative Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs state agencies to assign certain liquidated and delinquent accounts to Department of Revenue for collection. Directs department to contract with private collection agencies to collect on accounts. Deletes provisions allowing state agencies to assign liquidated and delinquent accounts to private collection agencies. Specifies that Collections Unit of department has access to all information available to department for any purpose.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to state agency debt collection; creating new provisions; amending ORS 137.118, 156.315,  
3 293.226, 293.229, 293.231, 293.240, 293.250 and 293.252; and declaring an emergency.

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

5 **SECTION 1.** ORS 293.231 is amended to read:

6 293.231. (1) Except as provided in subsections [(4) to (9)] **(3) to (7)** of this section, a state agency,  
7 unless otherwise prohibited by law, shall offer for assignment every liquidated and delinquent ac-  
8 count to [a private collection agency or to] the Department of Revenue as provided in ORS 293.250  
9 not later than:

10 (a) Ninety days from the date the account was liquidated if no payment has been received on  
11 the account within the 90-day period; or

12 (b) Ninety days from the date of receipt of the most recent payment on the account.

13 (2) Nothing in subsection (1) of this section prohibits a state agency from offering for assignment  
14 a liquidated and delinquent account to [a private collection agency] **the Department of Revenue**  
15 at any time within the 90-day period.

16 [(3) If, after a reasonable time, the private collection agency is unable to collect the account, the  
17 private collection agency shall notify the state agency that assigned the account that it has been unable  
18 to collect the account and shall relinquish the account to the state agency. A private collection agency  
19 that collects an account under this section shall be held to the same standard of confidentiality, service  
20 and courtesy imposed on the state agency that assigned the account.]

21 [(4)] **(3)** If a state agency assigns a liquidated and delinquent account to the Department of Re-  
22 venue as provided in ORS 293.250, the department [shall have] **has** six months from the date of as-  
23 signment to collect a payment. If the department does not collect a payment within that six-month  
24 period or if six months have elapsed since the date of receipt of the most recent payment on the  
25 account, the department shall [notify the state agency. The state agency shall then] immediately offer  
26 for assignment the debt to a private collection agency.

27 [(5)] **(4)** The provisions of subsection (1) of this section do not apply to a liquidated and delin-  
28 quent account that is prohibited by state or federal law or regulation from assignment or collection.

**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        [(6)] (5) The Oregon Department of Administrative Services may adopt rules exempting specified  
 2 kinds of liquidated and delinquent accounts from the time periods established in subsections (1), (2)  
 3 and [(4)] (3) of this section.

4        [(7)] (6)(a) **Notwithstanding subsection (1) of this section, liquidated and delinquent ac-**  
 5 **counts that originate in the Department of Revenue shall be offered for assignment by the**  
 6 **department to a private collection agency not later than one year from the date of the most**  
 7 **recent payment on the account.**

8        (b) **Nothing in this subsection prohibits the Department of Revenue from offering for**  
 9 **assignment a liquidated and delinquent account that originates in the department to a pri-**  
 10 **vate collection agency at any time within the one-year period.**

11        (c) The Oregon Department of Administrative Services shall adopt rules exempting liquidated  
 12 and delinquent accounts that originate in the [*Department of Revenue or the*] Employment Depart-  
 13 ment from the time periods established in subsections (1), (2) and [(4)] (3) of this section.

14        [(8) *A liquidated and delinquent account that is subject to assignment under this section shall be*  
 15 *assigned to a private collection agency if more than one year has elapsed without a payment on the*  
 16 *account.*]

17        [(9)] (7) Notwithstanding [*subsection (1)*] **subsections (1) and (6)** of this section, a state agency  
 18 **or the Department of Revenue** may, at its discretion, choose not to offer for assignment to **the**  
 19 **Department of Revenue** or a private collection agency a liquidated and delinquent account that:

20        (a) Is secured by a consensual security interest in real or personal property;

21        (b) Is a court-ordered judgment that includes restitution or a payment to the Department of  
 22 Justice Crime Victims' Assistance Section;

23        (c) Is in litigation, including bankruptcy, arbitration and mediation;

24        (d) Is a student loan owed by a student who is attending school;

25        (e) Is owed to a state agency by a local or state government or by the federal government;

26        (f) Is owed by a debtor who is hospitalized in a state hospital as defined in ORS 162.135, who  
 27 receives public assistance as defined in ORS 411.010 or who receives medical assistance as defined  
 28 in ORS 414.025;

29        (g) Is owed by a debtor who is imprisoned;

30        (h) Is less than \$100, including penalties;

31        (i) Would result in loss of federal funding if assigned;

32        (j) Is owed by an estate and the state agency has notice that the estate has closed; or

33        (k) Is eligible for suspension of collection as provided in ORS 305.155.

34        [(10)] (8) Nothing in this section prohibits [*a state agency*] **the Department of Revenue** from  
 35 collecting a [*tax offset*] **setoff of any refunds or sums due to the debtor from the department**  
 36 **or any other state agency** after a liquidated and delinquent account is assigned to a private col-  
 37 lection agency.

38        [(11)] (9) For the purposes of this section, [*a state agency shall be deemed*] **the Department of**  
 39 **Revenue is considered** to have offered for assignment **to a private collection agency** an account  
 40 if:

41        (a) The terms of the offer are of a type generally acceptable within the collections industry for  
 42 the type of account offered for assignment; and

43        (b) The offer is made to a private collection agency that engages in collecting on accounts of  
 44 the type sought to be assigned or is made generally available to private collection agencies through  
 45 a bid or request for proposal process.

1        [(12)(a)] **(10)(a)** A state agency that assigns a liquidated and delinquent account to the Depart-  
 2        ment of Revenue [under ORS 293.250] may add a fee to be paid by the debtor to the amount of the  
 3        liquidated and delinquent account. **The fee may include amounts attributable to collections**  
 4        **conducted by private collection agencies as provided in subsection (3) of this section.**

5        (b) A fee may not be added under this subsection unless the state agency has provided notice  
 6        to the debtor:

7        (A) Of the existence of the debt;

8        (B) That the debt may be assigned to the Department of Revenue for collection; and

9        (C) Of the amount of the fee that may be added to the debt under this subsection.

10       [(13)] **(11)** [A state agency that retains a private collection agency under this section] **For any**  
 11       **liquidated and delinquent account that the Department of Revenue assigns to a private col-**  
 12       **lection agency under this section, the department** may add a fee to the amount of the liquidated  
 13       and delinquent account as provided in ORS 697.105. A fee may not be added under this subsection  
 14       unless the [state agency] **department** has provided notice to the debtor:

15       (a) Of the existence of the debt;

16       (b) That the debt may be assigned to a private collection agency for collection; and

17       (c) Of the amount of the fee that may be added to the debt under this subsection.

18       [(14)] **(12)** Except as provided by federal law, [the] **a state agency or the Department of Re-**  
 19       **venue** may not add a fee under subsection [(13)] **(10) or (11)** of this section that exceeds the col-  
 20       lection fee of the private collection agency **or the department.**

21       **(13) A private collection agency that collects an account under this section shall be held**  
 22       **to the same standard of confidentiality, service and courtesy imposed on the Department of**  
 23       **Revenue.**

24       **SECTION 2.** ORS 293.250 is amended to read:

25       293.250. (1) There is created a Collections Unit in the Department of Revenue.

26       (2) The Department of Revenue may render assistance in the collection of any delinquent ac-  
 27       count owing to any state agency, or to a county pursuant to a judgment obtained under ORS 169.151,  
 28       assigned by the state agency or county to which the delinquent account is owed to the department  
 29       for collection. The department may prescribe criteria for the kinds of accounts that may be assigned  
 30       under this section, including a minimum dollar amount owed.

31       (3)(a) Subject to rules prescribed by the Oregon Department of Administrative Services for col-  
 32       lection of delinquent accounts owing to state agencies or to counties, the Department of Revenue  
 33       shall render assistance in the collection and shall charge the state agencies or counties separately  
 34       for the cost of assistance. The charges may not exceed the proceeds of collection credited to the  
 35       state agency or county for the same biennium. The Department of Revenue may designate a single  
 36       percentage to retain from the proceeds of collection as a charge for the cost of assistance. If the  
 37       Department of Revenue finds that accounts assigned to the department for collection by certain  
 38       state agencies or counties lack sufficient information to properly and efficiently identify the debtor  
 39       or that the account information must be put into a form usable by the department in order to effi-  
 40       ciently provide collection services, the department may establish a separate percentage charge to  
 41       be retained from collections for the state agency or county. The charge must reflect the average of  
 42       the actual cost to provide collection services for all accounts assigned by that state agency or  
 43       county.

44       (b) In providing assistance, the Department of Revenue shall make all reasonable efforts to col-  
 45       lect the delinquent accounts including the setoff of any refunds or sums due to the debtor from the



1 department or any other state agency. The department may offset any refunds or sums due to the  
 2 debtor from the department or any other state agency against delinquent accounts assigned by a  
 3 county to the department for collection under this section.

4 (c) No setoff may be made by the Department of Revenue unless the debt is in a liquidated  
 5 amount.

6 *[(d) When the Department of Revenue has notified the assigning state agency or county that a re-*  
 7 *fund or other sum due to the debtor is available for setoff, the debtor may arrange with the department*  
 8 *or county for payment of the debt in full before the setoff is made. However, the assigning state agency*  
 9 *or county may not enter into any agreement with the debtor for payment of the debt before the setoff*  
 10 *is made.]*

11 *[(e) At the time any setoff is made, the debtor shall be notified by the Department of Revenue of*  
 12 *its intention to apply sums due from a state agency against the debtor's delinquent account. The notice*  
 13 *shall provide that the debtor within 30 days may request a hearing before the claimant state agency*  
 14 *or county. No issues at the hearing may be considered that have been litigated previously, or if the*  
 15 *debtor after being given due notice of rights of appeal has failed to exercise them timely.]*

16 **(d) At the time any setoff is made, the Department of Revenue shall notify the debtor**  
 17 **of the sums due to the debtor from a state agency that are applied against the debtor's de-**  
 18 **linquent account.**

19 *[(f)]* (e) All moneys received by the Department of Revenue in payment of charges made under  
 20 paragraph (a) of this subsection shall be paid into the State Treasury and deposited in a miscella-  
 21 neous receipts account for the department.

22 *[(g)]* (f) Net proceeds of collections of delinquent accounts shall be credited to the account or  
 23 fund of the state agency or county to which the debt was originally owing.

24 (4)(a) In providing assistance in the collection of any delinquent account under this section, the  
 25 Department of Revenue may issue a warrant for the collection of the delinquent account. The  
 26 warrant may be recorded in the County Clerk Lien Record maintained under ORS 205.130.

27 (b) A warrant may not be issued under this subsection unless the debt is in a liquidated amount.

28 (c) The amount of any warrant issued under this subsection shall include the *[principal]* amount  
 29 of the debt, any added penalties or interest attributable to the delinquent account and any costs  
 30 associated with recording, indexing or service of the warrant and any satisfaction or release thereof.

31 (d) A warrant may not be issued under this subsection before the debtor has been notified that  
 32 the department intends to issue the warrant and of the collection action that may be taken under  
 33 the warrant.

34 **(5) Except as provided by federal law and notwithstanding any provision of law, for pur-**  
 35 **poses of collecting debts assigned to the Department of Revenue under ORS 293.231, the**  
 36 **Collections Unit created under subsection (1) of this section has access to all data and other**  
 37 **information available to the department for any purpose allowed by law.**

38 *[(5)]* (6) Nothing in this section prohibits the collection of:

39 (a) A child or spousal support obligation as provided in ORS 25.610; or

40 (b) Criminal judgments that impose monetary obligations, including judgments requiring the  
 41 payment of fines, costs, assessments, compensatory fines, attorney fees, forfeitures or restitution.

42 *[(6)]* (7) As used in this section, "state agency" means any state officer, board, commission,  
 43 corporation, institution, department or other state organization.

44 **SECTION 3.** ORS 293.226 is amended to read:

45 293.226. (1) Subject to subsection (2) of this section, a state agency that requests a person to

1 voluntarily supply the person's Social Security number on any document relating to any monetary  
 2 obligation or transaction may include on the document a notice disclosing that the Social Security  
 3 number may be used for state agency debt collection activities.

4 (2) The Oregon Department of Administrative Services shall adopt rules:

5 (a) Specifying the form of the notice, including provisions specifying when the notice must state  
 6 that the disclosure of a Social Security number is voluntary; and

7 (b) Setting procedures for the sharing of Social Security numbers between state agencies, **and**  
 8 **between the Department of Revenue** and private collection agencies, for the purpose of collecting  
 9 debts owed state agencies.

10 (3) If a person is required to provide the person's Social Security number to the requesting state  
 11 agency under federal or state law, this section does not apply.

12 (4) A state agency, the Department of Revenue [*under ORS 293.250*] or a private collection  
 13 agency [*assigned*] **that is collecting** a liquidated and delinquent account [*under ORS 1.197 or*  
 14 *293.231*] may use a Social Security number collected under this section, or collected as otherwise  
 15 allowed by law, to collect any debt owed a state agency or local government by the person associ-  
 16 ated with the Social Security number.

17 (5) Nothing in this section authorizes a state agency, the Department of Revenue or a private  
 18 collection agency [*assigned an*] **that is collecting a liquidated and delinquent** account [*under ORS*  
 19 *1.197, 293.231 or 293.250*] to use or disclose a Social Security number for any reason other than a  
 20 reason specified in this section.

21 (6) Rules adopted under subsection (2) of this section do not apply to state courts and commis-  
 22 sions, departments and divisions in the judicial branch of state government, the Secretary of State  
 23 or the State Treasurer.

24 (7) Except as provided in subsection (6) of this section, as used in this section, "state agency"  
 25 means any state officer, board, commission, corporation, institution, department or other state or-  
 26 ganization.

27 **SECTION 4.** ORS 293.229 is amended to read:

28 293.229. (1) Not later than October 1 of each fiscal year, each state agency shall submit a report  
 29 to the Legislative Fiscal Office that describes the status of that agency's liquidated and delinquent  
 30 accounts and efforts made by that agency to collect liquidated and delinquent accounts during the  
 31 previous fiscal year. The report required under this subsection shall be in a form prescribed by the  
 32 Legislative Fiscal Office and shall include but not be limited to:

33 (a) Beginning balance and total number of all liquidated and delinquent accounts;

34 (b) New liquidated and delinquent accounts added during the last preceding fiscal year;

35 (c) Total collections of liquidated and delinquent accounts;

36 (d) Total amount and total number of liquidated and delinquent accounts that have been written  
 37 off;

38 (e) Total number and ending balance of all liquidated and delinquent accounts;

39 (f) [*Total amount of liquidated and delinquent accounts turned over to private collection agencies*  
 40 *and total amount collected by those agencies under ORS 293.231*] **Total amount of liquidated and**  
 41 **delinquent accounts assigned to the Department of Revenue and the total amount collected**  
 42 **by the department under ORS 293.250;**

43 (g) **Total amount of liquidated and delinquent accounts assigned to private collection**  
 44 **agencies and the total amount collected by private collection agencies under ORS 293.231;**

45 [(g)] (h) Total number and total amount of all liquidated and delinquent accounts exempted un-

1 der ORS 293.233;

2 [(h)] (i) Total number and ending balance of all liquidated and delinquent accounts that have  
3 been placed in suspended collection status under ORS 305.155; and

4 [(i)] (j) A statement indicating whether the agency has liquidated and delinquent accounts that  
5 are not exempt under ORS 293.233, or are otherwise prohibited or exempted by law from assignment,  
6 for which no payment has been received for more than 90 days and that have not been assigned to  
7 [a private collection agency or to] the Department of Revenue under ORS 293.231.

8 (2) The Legislative Fiscal Office shall produce an annual report not later than December 31 of  
9 each fiscal year on the status of liquidated and delinquent accounts of state agencies and the judi-  
10 cial branch of state government. The report shall be based on the reports submitted by state agen-  
11 cies as required in this section and on reports submitted by the judicial branch of state government  
12 under ORS 1.195.

13 (3) The report required under subsection (2) of this section shall:

14 (a) List those state agencies, including the judicial branch of state government, that have liqui-  
15 dated and delinquent accounts that are not exempt under ORS 1.198, 1.199 or 293.233, or are other-  
16 wise prohibited or exempted by law from assignment, for which no payment has been received for  
17 more than 90 days and that have not been assigned to a private collection agency or to the De-  
18 partment of Revenue under ORS 1.197 or **assigned to the Department of Revenue under** 293.231;

19 (b) List separately information about the liquidated and delinquent accounts of the Secretary  
20 of State, the State Treasurer, other state agencies in the executive branch of state government and  
21 the judicial branch of state government; and

22 (c) Include any other information the Legislative Fiscal Office determines is necessary to de-  
23 scribe the status of liquidated and delinquent accounts across offices and branches of state govern-  
24 ment.

25 (4) Notwithstanding ORS 182.460, 284.118, 284.375, 352.138, 353.100, 377.836, 421.352, 656.753 and  
26 757.552, for purposes of this section, "state agency" also includes semi-independent state agencies  
27 listed in ORS 182.454, the Oregon Tourism Commission, the Oregon Film and Video Office, the  
28 Travel Information Council, the Children's Trust Fund of Oregon Foundation, Oregon Corrections  
29 Enterprises, Oregon Health and Science University, the State Accident Insurance Fund Corporation,  
30 the Oregon Utility Notification Center and public universities listed in ORS 352.002.

31 **SECTION 5.** ORS 293.240 is amended to read:

32 293.240. (1) If a state agency has made all reasonable efforts to collect money owed to [it, in-  
33 cluding money owed on a liquidated and delinquent account that has been relinquished by a private  
34 collection agency under ORS 293.231,] **the agency** and has determined that the money and any in-  
35 terest or penalties on the money are uncollectible, the agency may write off the debt on its ac-  
36 counts.

37 (2) Before determining that money is uncollectible under subsection (1) of this section, a state  
38 agency must adopt criteria for determining when money is uncollectible. The criteria must include  
39 the right of offset and must be approved by the Attorney General.

40 (3)(a) A state agency, the Department of Revenue collecting on an account under ORS 293.250  
41 or a private collection agency collecting on an account under ORS 293.231[,] may propose and ac-  
42 cept offers of compromise for settlement of a debt owed to a state agency. Before proposing or ac-  
43 cepting an offer of compromise, a state agency must adopt criteria for determining when offers of  
44 compromise may be made. The criteria must be approved by:

45 (A) The Attorney General in the case of the Secretary of State and State Treasurer;

1 (B) The Chief Justice in the case of all state courts and all commissions, departments and divi-  
 2 sions in the judicial branch of state government; or

3 (C) The Oregon Department of Administrative Services and the Attorney General in the case  
 4 of other state agencies.

5 (b) A private collection agency or the Department of Revenue shall accept an offer of compro-  
 6 mise for settlement of a debt owed to a state agency:

7 (A) In accordance with the criteria adopted by the state agency to which the debt is owed; and

8 (B) With the authorization of the state agency to which the debt is owed.

9 (c) This subsection does not allow the compromise of a criminal money judgment that requires  
 10 a defendant to pay restitution or a compensatory fine.

11 (4) This section does not apply to debts owed to a state agency for which a procedure for com-  
 12 promise, release, discharge, waiver, cancellation or other form of settlement for the debt for reasons  
 13 other than uncollectibility is by law made specially applicable to the state agency.

14 **SECTION 6.** ORS 293.252 is amended to read:

15 293.252. (1) The Oregon Department of Administrative Services shall monitor state agency debt  
 16 collection functions described by law and assist state agencies in efforts to improve the collection  
 17 of delinquent debts owed to state agencies. The department's duties under this subsection include,  
 18 but are not limited to:

19 (a) Providing training to state agencies regarding processing and managing accounts receivable  
 20 in compliance with applicable law and state policies.

21 (b) Providing technical assistance to state agencies in resolving challenges in processing and  
 22 managing accounts receivable and developing financial administrative systems to improve the han-  
 23 dling of liquidated and delinquent accounts.

24 (c) Developing performance standards for state debt collection, including but not limited to  
 25 standards defining what constitutes liquidated and delinquent accounts and when [*state agencies may*  
 26 *write off*] debt **may be written off** pursuant to ORS 293.240.

27 (d) Working with state agencies to improve the quality and value of data that each state agency  
 28 submits to the Legislative Fiscal Office for purposes of ORS 293.229.

29 (e) Submitting an annual management report to the Legislative Assembly not later than De-  
 30 cember 31 of each fiscal year, in conjunction with the report of the Legislative Fiscal Office  
 31 produced under ORS 293.229, that identifies important issues and significant trends in state agency  
 32 debt collection practices and describes and evaluates efforts by state agencies to improve the col-  
 33 lection of delinquent debt.

34 (2) The department shall adopt policies:

35 (a) Providing guidance for the collection of liquidated and delinquent accounts owing to state  
 36 agencies.

37 (b) Setting procedures for state agencies to account for and manage information regarding the  
 38 agency's liquidated and delinquent accounts.

39 (c) After consultation with the Attorney General, setting criteria for effective and efficient as-  
 40 signment of liquidated and delinquent accounts to the Department of Revenue or private collection  
 41 agencies, and setting performance measurements to be used in the application of the criteria.

42 (d) For the allocation, form and amount of charges or fees added to liquidated and delinquent  
 43 accounts under ORS 293.231, 293.250 and 697.105.

44 (e) Setting exemptions or adjustments for state agencies that are prohibited by law from adding  
 45 or collecting fees under ORS 293.231, 293.250 or 697.105 and for agencies for which the addition or

1 collection of the fees is not feasible given the agency resources available for collection of accounts  
2 receivable.

3 (f) For the improvement of communications regarding liquidated and delinquent accounts [*be-*  
4 *tween*] **among** state agencies[,] **and between** private collection agencies and the Department of  
5 Revenue.

6 (g) Describing conditions under which a state agency may request and collect Social Security  
7 numbers in accordance with state and federal law when it is reasonably foreseeable that a person  
8 may owe the state agency a liquidated and delinquent amount as a result of a transaction or activ-  
9 ity.

10 (h) After consultation with the Attorney General, setting criteria under which state agencies,  
11 **the Department of Revenue** and private collection agencies may propose and accept offers of  
12 compromise as provided in ORS 293.240.

13 (3) As used in this section:

14 (a) "State agency" means any state officer, board, commission, corporation, institution, depart-  
15 ment or other state organization.

16 (b) "State agency" does not include all state courts and all commissions, departments and divi-  
17 sions in the judicial branch of state government, the Secretary of State and the State Treasurer.

18 **SECTION 7.** ORS 137.118 is amended to read:

19 137.118. (1) Judgments in criminal actions that impose monetary obligations, including judgments  
20 requiring the payment of fines, costs, assessments, compensatory fines, attorney fees, forfeitures or  
21 restitution, may be assigned by the state, by a municipal court or by a justice court for collection.

22 (2)(a) The state may assign a judgment to the Department of Revenue or a private collection  
23 agency.

24 (b) A justice court may assign a judgment to a private collection agency or, in a criminal action,  
25 to the Department of Revenue for the purposes described in ORS 156.315.

26 (c) A municipal court may assign a judgment to:

27 (A) A private collection agency; or

28 (B) The Department of Revenue for the purposes described in subsections (6) to (8) of this sec-  
29 tion, if the judgment was entered in a criminal action and part of the judgment is payable to the  
30 State of Oregon.

31 (d) Nothing in this subsection limits the right of a municipal court or a justice court to assign  
32 for collection judgments in matters other than criminal actions.

33 (3) A municipal or justice court may add to any judgment in a criminal action that includes a  
34 monetary obligation a fee for the cost of collection if the court gives the defendant a period of time  
35 to pay the obligation after the date of imposition of the sentence or after the date of the hearing  
36 or proceeding that results in the imposition of the financial obligation. The fee may not exceed 25  
37 percent of the monetary obligation imposed by the court without the addition of the cost of col-  
38 lection and may not be more than \$250. The fee shall be waived or suspended by the court if the  
39 defendant pays the monetary obligation in the manner required by the court.

40 (4) A state court shall add to any judgment in a criminal action that includes a monetary obli-  
41 gation the fees required by ORS 1.202.

42 (5) As used in subsections (1) to (5) of this section, "criminal action" has the meaning given that  
43 term in ORS 131.005.

44 (6) If part of a judgment in a criminal action, as described in subsections (1) to (5) of this sec-  
45 tion, is payable to the State of Oregon, a municipal court may assign the judgment to the Collections

1 Unit in the Department of Revenue for the following purposes:

2 (a) To determine whether refunds or other sums are owed to the debtor by the department; and

3 (b) To deduct the amount of debt from any refunds or other sums owed to the debtor by the  
4 department.

5 (7) If the Collections Unit determines that refunds or other sums are owed to the debtor, the  
6 department shall deduct the amount of the debt from any refunds or other sums owed to the debtor  
7 by the department. After also deducting costs of its actions under subsections (6) to (8) of this sec-  
8 tion, the department shall remit the amount deducted from refunds or other sums owed to the debtor  
9 to the municipal court that assigned the judgment.

10 (8) A debtor whose account is assigned to the Department of Revenue for setoff under sub-  
11 sections (6) to (8) of this section is entitled to the notice required by ORS 293.250 (3)(d) [(3)(e) and  
12 to the opportunity for payment in ORS 293.250 (3)(d)].

13 **SECTION 8.** ORS 156.315 is amended to read:

14 156.315. (1) A justice court may assign a judgment in a criminal action, as described in ORS  
15 137.118 (1) to (5), to the Collections Unit in the Department of Revenue for the following purposes:

16 (a) To determine whether refunds or other sums are owed to the debtor by the department; and

17 (b) To deduct the amount of the debt from any refunds or other sums owed to the debtor by the  
18 department.

19 (2) If the Collections Unit determines that refunds or other sums are owed to the debtor, the  
20 department shall deduct the amount of the debt from any refunds or other sums owed to the debtor  
21 by the department. After also deducting costs of its actions under this section, the department shall  
22 remit the amount deducted from refunds or other sums owed to the debtor to the justice court that  
23 assigned the judgment.

24 (3) A debtor whose account is assigned to the Department of Revenue for setoff under this sec-  
25 tion is entitled to the notice required by ORS 293.250 (3)(d) [(3)(e) and to the opportunity for payment  
26 in ORS 293.250 (3)(d)].

27 **SECTION 9.** (1) **The amendments to ORS 137.118, 156.315, 293.226, 293.229, 293.231, 293.240,**  
28 **293.250 and 293.252 by sections 1 to 8 of this 2017 Act become operative July 1, 2018.**

29 **(2) The Oregon Department of Administrative Services, the Department of Revenue or**  
30 **any other state agency may take any action before the operative date specified in subsection**  
31 **(1) of this section that is necessary for the department or state agency to exercise, on and**  
32 **after the operative date specified in subsection (1) of this section, all the duties, functions**  
33 **and powers conferred on the department or state agency by the amendments to ORS 137.118,**  
34 **156.315, 293.226, 293.229, 293.231, 293.240, 293.250 and 293.252 by sections 1 to 8 of this 2017 Act.**

35 **SECTION 10.** **This 2017 Act being necessary for the immediate preservation of the public**  
36 **peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect**  
37 **on its passage.**

38

# Senate Bill 91

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Kate Brown for Oregon Department of Administrative Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Deletes requirement that state agencies manage agency use of travel and travel awards received by agency personnel for state travel.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to travel by state agency personnel; creating new provisions; amending ORS 292.230; and  
3 declaring an emergency.

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

5 **SECTION 1.** ORS 292.230 is amended to read:

6 292.230. (1) It is the policy of [*the*] **this** state that all out-of-state travel by state agency per-  
7 sonnel shall be allowed only when the travel is essential to the normal discharge of the agency's  
8 responsibilities. Out-of-state travel shall be conducted in the most efficient and cost-effective manner  
9 resulting in the best value to the state. The travel must comply with requirements of rules adopted  
10 under subsection [(5)] **(2)** of this section. State agencies shall adhere to the following guidelines  
11 when using out-of-state travel:

12 (a) All out-of-state travel must be for official state business.

13 (b) Use of out-of-state travel must be related to the agency's scope of responsibilities.

14 (c) Each state agency is charged with the responsibility for determining the necessity and jus-  
15 tification for and method of travel.

16 (d) Each state agency shall make every effort possible to minimize employee time spent on out-  
17 of-state travel.

18 [(2) *Notwithstanding any other law, including but not limited to ORS 243.650 to 243.782, it is the*  
19 *policy of the state that travel awards earned while conducting state business shall be used to reduce*  
20 *the costs of state travel expenses except as otherwise required as a prerequisite to receipt of federal or*  
21 *other granted funds. The use of travel awards obtained while conducting state business for personal*  
22 *travel constitutes personal gain from state employment and violates ORS 244.040.]*

23 [(3) *The Oregon Department of Administrative Services shall work with commercial airlines to*  
24 *make travel awards available to the state rather than individual employees.]*

25 [(4) *Notwithstanding subsection (5) of this section, each state agency shall manage all travel*  
26 *awards earned by personnel employed by them who travel for the state. Agencies shall establish pro-*  
27 *cedures in accordance with Oregon Department of Administrative Services rules to monitor the earning*  
28 *and use of awards by individual employees.]*

29 [(5)] **(2)** The Oregon Department of Administrative Services shall adopt by rule standards regu-  
30 lating out-of-state travel including but not limited to:

**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 (a) Limiting the number of officers and employees who may attend the same meeting;

2 (b) Requiring state agencies to establish practices for travel that are consistent with the  
3 agency's resources;

4 (c) Requiring agencies to develop information sharing for reporting and other aspects that have  
5 benefits to more than one agency;

6 (d) Developing telecommunication resources to be used in lieu of travel; **and**

7 (e) Requiring agency administrators or their designees, as designated in writing, to approve  
8 out-of-state travel[; *and*].

9 *[(f) Setting up procedures to audit agency use of travel and travel awards including appropriate  
10 sanctions for misuse.]*

11 [(6)] **(3)** As used in this section:

12 (a) "Official state business" means activity conducted by any agency personnel that has been  
13 authorized by that agency in support of approved state programs.

14 (b) "Out-of-state travel" means all travel from a point of origin in Oregon to a point of destina-  
15 tion in another state and return therefrom.

16 *[(c) "Travel award" means any object of value awarded by any business providing commercial  
17 transportation or accommodations to an individual or agency which can be used to reduce the cost of  
18 travel including, but not limited to, frequent flier miles, discounts or coupons.]*

19 **SECTION 2. The amendments to ORS 292.230 by section 1 of this 2017 Act apply to travel  
20 occurring on or after the effective date of this 2017 Act.**

21 **SECTION 3. This 2017 Act being necessary for the immediate preservation of the public  
22 peace, health and safety, an emergency is declared to exist, and this 2017 Act takes effect  
23 on its passage.**

24



**UPDATED OTHER FUNDS ENDING BALANCES FOR THE 2015-17 & 2017-19 BIENNIA**

Agency: Department of Administrative Services  
 Contact Person: Janet Savarro, 503-373-7607

(a) Other Fund Type	(b) Program Area (SCR)	(c) Treasury Fund #/Name	(d) Category/Description	(e) Constitutional and/or Statutory reference	(f) 2015-17 Ending Balance		(g) 2017-19 Ending Balance		(i) Comments
					In LAB	Revised	In CSL	Revised	
Limited	030 - Chief Operating Office	0652/Operations	Operations	ORS 283.076	1,578,936	3,213,656	10,630,194	5,963,891	Minimum need for cash flow purposes is 60 days
Limited	035 - Chief Financial Office	0652/Operations	Operations	ORS 283.076	858,877	1,462,709	354,053	356,592	Minimum need for cash flow purposes is 60 days
Limited	042 - State Chief Information Office	1556/OSCIO Operations	Operations	ORS 291.041	6,765,182	4,085,223	9,635,740	4,835,131	Minimum need for cash flow purposes is 60 days
Limited	045 - Chief Human Resource Office	0652/Operations	Operations	ORS 283.076	339,858	679,927	2,840,872	985,022	Minimum need for cash flow purposes is 60 days
Limited	052 - OSCIO State Data Center	1556/OSCIO Operations	Operations	ORS 291.041	7,165,360	19,116,334	24,778,718	6,223,579	Minimum need for cash flow purposes is 60 days
Limited	060 - Enterprise Asset Management	0652/Operations	Operations	ORS 283.076, 283.350	10,238,509	7,842,559	15,552,755	7,569,928	Minimum need for cash flow purposes is 60 days
Limited	060 - Enterprise Asset Management	1344/Mill Creek Corporate Center Reserve	Operations	None	3,426,203	3,446,964	3,426,203	3,426,203	Contingency Reserve Account based on Intergovernmental Agreement for the development of the Mill Creek Corporate Center
Limited	065 - Enterprise Goods & Services	0652/Operations	Operations	ORS 283.076	9,268,308	18,810,481	16,390,317	7,023,520	Minimum need for cash flow purposes is 60 days
Nonlimited	065 - Enterprise Goods & Services	0504/Risk Management	Investment Pool	ORS 278.425	91,835,709	116,161,325	72,583,071	69,594,249	Dedicated Insurance Fund
Limited	070 - Enterprise Human Resource Services	0652/Operations	Operations	ORS 283.076	634,475	2,176,391	550,598	151,007	Minimum need for cash flow purposes is 60 days
Limited	075 - Division of Business Services	0652/Operations	Operations	ORS 283.076	598,124	505,904	48,111	1,069,569	Minimum need for cash flow purposes is 60 days
Capital Improvement	088 - Capital Improvements	0553/Capital Projects	Other	ORS 276.005	-	-	-	-	Dedicated Capital Project Fund
Capital Construction	089 - Capital Construction	0553/Capital Projects	Other	ORS 276.005	-	-	-	-	Dedicated Capital Project Fund
Limited	092 - Tobacco Master Settlement	0401/Operating	Other	ORS 293.537	15,238,176	1,766,837	11,246,656	11,246,656	Dedicated Fund
Limited	095 Economic Development Fund	0539/Economic Development	Other	Article XV & ORS 461.540	15,000,000	36,429,946	29,489,786	31,450,987	Dedicated Lottery Fund
Limited	096 Education Stability Fund	0772/Education Stability Fund	Other	Article XV & ORS 348.696	375,612,576	329,842,685	580,282,396	580,524,487	Dedicated Lottery Fund
Limited	096 Education Stability Fund	0833/Oregon Growth Account	Other	ORS 348.702	75,544,192	54,688,259	92,389,963	92,147,872	Dedicated Lottery Fund
Limited	096 Education Stability Fund	0993/OR Resource & Technology Dev Subaccount	Other	ORS 348.706	15,946,042	3,677,742	15,905,370	15,905,370	Dedicated Lottery/Other Funds
Limited	097 - Oregon Education Fund	0874/Oregon Education Fund	Other	ORS 348.716	4,647,602	1,833	602,366	602,366	Dedicated Lottery Fund
					<b>634,698,129</b>	<b>603,908,775</b>	<b>886,707,169</b>	<b>839,076,429</b>	

**Objective: Provide updated Other Funds ending balance information for potential use in the development of the 2017-19 legislatively adopted budget.**

**Instructions:**

- Column (a): Select one of the following: Limited, Nonlimited, Capital Improvement, Capital Construction, Debt Service, or Debt Service Nonlimited.
- Column (b): Select the appropriate Summary Cross Reference number and name from those included in the 2015-17 Legislatively Approved Budget. If this changed from previous structures, please note the change in Comments (Column (j)).
- Column (c): Select the appropriate, statutorily established Treasury Fund name and account number where fund balance resides. If the official fund or account name is different than the commonly used reference, please include the working title of the fund or account in Column (j).
- Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the methodology used to determine the reserve amount, and the minimum need for cash flow purposes.
- Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.
- Columns (f) and (h): Use the appropriate, audited amount from the 2015-17 Legislatively Approved Budget and the 2017-19 Current Service Level as of the Agency Request Budget.
- Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. Do not include adjustments for reduction options that have been submitted unless the options have already been implemented as part of the 2015-17 General Fund approved budget or otherwise incorporated in the 2015-17 LAB. The revised column (i) can be used for the balances included in the Governor's budget if available at the time of submittal. Provide a description of revisions in Comments (Column (j)).
- Column (j): **Please note any reasons for significant changes in balances previously reported during the 2015 session.**

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or \$50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.

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Priority (ranked with highest priority first)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div													
Y	1	2	DAS	EAM	Fleet & Parking Services		1,384,372				\$ 1,384,372	0	0.00	Reduce Fuel Limitation: Gas prices dropped significantly and the program is carrying excess S&S limitation.
Y	2	1	DAS	EGS	Financial Business Services		425,000				\$ 425,000	0	0.00	Reduce S&S in Publicity & Publications. This reduction resulted from a savings realized from lower than anticipated costs. If unexpected services from other state agencies are needed, DAS may need to come back due to a budget shortfall.
Y	3	3	DAS	EAM	Operations and Maintenance		1,973,078				\$ 1,973,078	0	0.00	Reduce utilities expenditure in the Uniform Rent buildings: Reduction in limitation based on historical consumption.
Y	4	1	DAS	ETS	SDC - Storage		148,224				\$ 148,224	0	0.00	Terminate maintenance on end-of-life hardware and software. No direct impact to operations or customers.
Y	5	2	DAS	COO	DAS IT		40,000				\$ 40,000	0	0.00	Reduce DAS IT out-of-state-travel and training. Ever evolving technology requires continuing education to keep applications and data secure, reliable and available.
Y	6	2	DAS	EGS	Financial Business Services		750,000				\$ 750,000	0	0.00	Reduce S&S in Data Processing. This reduction resulted from a savings realized from lower than anticipated costs. If unexpected services from other state agencies are needed, DAS may need to come back due to a budget shortfall.
Y	7	1	DAS	CFO	CFO all programs		126,122				\$ 126,122	0	0.00	Reduce Services & Supplies across all programs.
Y	8	5	DAS	EGS	Publishing & Distribution Services		50,000				\$ 50,000	0	0.00	Reduce S&S in training and all software updates that would need to be delayed, causing potential disruption of services in the Design unit. Work would need to be shifted back to the agencies.
Y	9	4	DAS	EGS	Procurement Services		86,276				\$ 86,276	0	0.00	Eliminate temps/overtime and reduce office expenses, eliminate instructional services, and reduce Attorney General Legal Fees (impact is that staff would limit interactions with DOJ to only those that are required).
Y	10	6	DAS	EAM	Operations and Maintenance		397,027				\$ 397,027	0	0.00	Self support building tenants would contract directly with Custodial vendor: Property distribution, Salem Motor Pool, DEQ/PHL, central Point, OSP, Port, Blind Comm/OROSHA.
Y	11	1	DAS	DBS	Customer Utility Boards		362,621				\$ 362,621	2	2.00	Eliminate a vacant senior performance strategist position and a filled office support position that coordinates the scheduling of the four Customer Utility Boards, recording minutes, and preparing/distributing other CUB-related materials.
Y	12	1	DAS	EHRS	Employee Relations		228,455				\$ 228,455	1	1.00	Eliminate Safety Specialist 2 position which will require DAS and client agencies to manage their own workers' compensation and safety programs divisionally without a resident safety expert.
Y	13	1	DAS	CHRO	Strategic Planning & Innovation		278,887				\$ 278,887	1	1.00	Eliminate Executive Recruiter which will result in contracting out agency director and Board/Commissions.
Y	14	5	DAS	COO	COO		475,678				\$ 475,678	2	2.00	Eliminate two of four COO statewide coordination positions. This reduction eliminates DAS' ability to manage statewide projects.
Y	15	1	DAS	OSCIO	All (except Security)		1,232,536				\$ 1,232,536	0	0.00	Eliminate 17-19 S&S standard inflation (excludes SGSC & rents). Inflation across all OSCIO services and supplies would need to be managed closely by our budget analyst and leadership team. Ultimately this would reduce services and supplies in multiple areas including but not limited to out of state travel, employee training, office expenses, data processing, employee recruitment & development, attorney general, etc.

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Dept	Prgm/ Div													
Y	16	4	DAS	ETS	SDC - Mainframe		2,700,000				\$ 2,700,000	0	0.00	Reduce Mainframe Data Processing. This will cause a reduction in the computing capacity for the Mainframe. Customers will most likely be impacted during the first and last week of the month when performance demands are higher. Customers will see slower performance and in some rare cases service disruptions.
Y	17	14	DAS	EGS	Publishing & Distribution Services		300,000				\$ 300,000	0	0.00	Reduce S&S. Some software updates would need to be delayed, causing potential disruption of services of sensitive print.
Y	18	2	DAS	DBS	Customer Utility Boards		191,887				\$ 191,887	1	1.00	Eliminate a position that provides service delivery performance/survey work.
Y	19	2	DAS	CFO	Statewide Accounting & Reporting		537,578				\$ 537,578	2	2.00	Eliminate workload related to delinquent debt collection (Senate Bill 55, Chapter 766, 2015 Laws).
Y	20	9	DAS	EAM	Operations and Maintenance		197,000				\$ 197,000	0	0.00	Eliminate building maintenance for two DAS-owned OSP buildings. This would require OSP contract out for building maintenance which is currently paid within the rent structure. Both sites are crime labs.
Y	21	5	DAS	ETS	All programs		3,943,975				\$ 3,943,975	0	0.00	Eliminate S&S and Capital Outlay standard inflation factor. Will limit ETS's current service levels. Will extend ETS time to deliver standard services and response to outages.
Y	22	3	DAS	ETS	SDC - Admin		484,793				\$ 484,793	0	0.00	Eliminate IBM System Architect annual software maintenance. Evaluate current needs and alternative options.
Y	23	10	DAS	EAM	Operations and Maintenance		550,000				\$ 550,000	0	0.00	Eliminate building maintenance contracts. This would eliminate window washing, power washing, parking lot sweeping, reduce frequency for landscape contracts, compactor maintenance, and reduce carpet cleaning frequency.
Y	24	6	DAS	ETS	SDC - Admin		635,418				\$ 635,418	0	0.00	Eliminate contract support for ETS Administration. May result in delayed response to customer requests as internal resources are asked to perform work previously done by contractors.
Y	25	7	DAS	ETS	SDC - X86		200,000				\$ 200,000	0	0.00	Reduce Microsoft Premier support. Reduction of this support will reduce vendor technical support for server/email outages. Customers will experience prolonged outages. May increase costs by purchasing ad hoc support when outages occur.
Y	26	8	DAS	ETS	SDC - Mainframe		600,000				\$ 600,000	0	0.00	Reduce Mainframe Software consolidation. Further effort to reduce mainframe operations costs by eliminating software packages. Customers will experience additional workload.
Y	27	11	DAS	ETS	SDC - Network		99,328				\$ 99,328	0	0.00	Reduce Server Professional Services. Reduce use of contractors to perform work on the ETS server infrastructure. Customers may experience prolonged outages. Will extend the duration of tasks to establish the Montana Data Center as a Disaster recover site for all critical customer applications. May increase costs by purchasing ad hoc support for outages.
Y	28	12	DAS	ETS	SDC - Midrange		300,000				\$ 300,000	0	0.00	Reduce Midrange Systems Consolidation. Reduce available capacity to reflect current utilization. This assumes no growth or new customer demand.
Y	29	2	DAS	CHRO	Policy Consultation		406,132				\$ 406,132	2	2.00	Eliminate two positions, Admin Specialist and Training & Development Specialist, and reduce DOJ costs.
Y	30	1	DAS	MISC	Oregon Public Broadcasting	41,677					\$ 41,677	0	0.00	Reduce special payment to external recipient

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Dept	Prgm/ Div															
Y	31	2	DAS	MISC	Oregon Historical Society		62,500					\$	62,500	0	0.00	Reduce special payment to external recipient
	32	4	DAS	DBS	DBS					50,000		\$	50,000	0	0.00	Reduce Services & Supplies across all programs.
	33	1	DAS	COO	COO					27,166		\$	27,166	0	0.00	Reduce Services & Supplies
	34	8	DAS	EGS	Risk Management					64,456		\$	64,456	0	0.50	Reduce Personal Services of an Administrative Specialist 1 position from 1 FTE to .5 FTE. The reduction will cause elimination of handling Citizen Reports for the state.
	35	3	DAS	COO	DAS IT					100,000		\$	100,000	0	0.00	Reduce DAS IT Professional Services S&S. This would impact ability to meet project delivery service levels with contracted resources.
	36	3	DAS	DBS	Customer Utility Boards					400,642		\$	400,642	2	2.00	Eliminates a position that provides performance metric analysis on DAS services to agencies. Eliminates a position that collects and validates historical usage data from the consumption of State Data Center services.
	37	5	DAS	CFO	Statewide Accounting & Reporting					222,922		\$	222,922	1	1.00	Eliminate an Accountant position. Work will be absorbed within existing staff.
	38	5	DAS	EAM	Operations and Maintenance					401,000		\$	401,000	0	0.00	Change set point temp range in Uniform Rent Buildings: The range would change from the current all round temperature range from 72 degrees +/- 2.5 degrees to a winter range of 70 degrees +/- 2.5 and a summer range of 74 degrees +/- 2.5 degrees.
	39	1	DAS	EAM	Capital Improvement					456,609		\$	456,609	0	0.00	Defer 10% of planned capital improvement projects to future biennia. Will reduce the ability of EAM to respond to emergencies and implement energy efficiencies. Will also impede efforts to implement new space utilization standards in state offices. Potential adverse impact to program delivery for tenants in DAS owned buildings.
	40	3	DAS	EGS	Publishing & Distribution Services					1,750,000		\$	1,750,000	0	0.00	Reduce S&S in Postage; the additional mail customers of Publishing & Distribution would be required to pre-pay postage. Accounting services for these accounts would require additional support.
	41	6	DAS	EGS	Publishing & Distribution Services					118,565		\$	118,565	1	1.00	Eliminate one shuttle driver, which will cause the elimination or consolidation of several stops. During vacations and sick leave, one or more of the out of town routs may need to be delayed or skipped.
	42	2	DAS	OSCIO	All (except Security)					1,555,480		\$	1,555,480	0	0.00	Reduce S&S - Professional Services. This represents a 33% reduction in Professional Services which provides funding for consultants, legal, management fees, etc.
	43	6	DAS	CFO	Capital Finance					257,169		\$	257,169	1	1.00	Eliminate one of two positions added during the 2015-17 biennium for debt management support. May increase risk related to appropriate levels of debt documentation.
	44	12	DAS	EGS	Publishing & Distribution Services					108,500		\$	108,500	0	0.00	Reduce S&S in P&D Admin. This reduction would result in delayed or canceled training and software updates. Eliminating training would have a negative effect on staff readiness and engagement, and delay or cancellation of software updates will affect our ability to respond to customer needs.
	45	12	DAS	EAM	Fleet & Parking Services					520,000		\$	520,000	0	0.00	Reduce Seasonal Vehicle Pool 75%. Reduces services and supplies expenditure of the seasonally assigned vehicle pool, primarily used by the Department of Fish and Wildlife, Oregon State Parks, and the Oregon Department of Transportation. This reduction is from the fuel and maintenance used for the seasonal vehicle pool.

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Dept	Prgm/ Div													
46	11	DAS	EGS	Publishing & Distribution Services			125,057				\$ 125,057	1	1.00	Eliminate a Bindery Operator. Elimination of one of three Bindery Operators would delay certain secure and production print jobs that require off-line bindery services. Hand bindery work, required by some customers would be eliminated.
47	4	DAS	COO	DAS IT			300,000				\$ 300,000	0	0.00	Reduce DAS IT Other S&S.
48	2	DAS	ETS	SDC - Mainframe			361,840				\$ 361,840	0	0.00	Eliminate Vanguard Integrity architecture design and RAC-F consolidation. Assumes Mainframe Security work will be completed prior to the 17-19 biennium. If not completed, security audit findings impacting the customer would need to be addressed.
49	4	DAS	EAM	Fleet & Parking Services			2,710,000				\$ 2,710,000	0	0.00	Discontinue service to IGA Customers: Reduces services and supplies (fuel and maintenance) and capital outlay expenditures by discontinuing Interagency Agreements (IGAs) with local government and university customers for rental of permanently assigned vehicles. Almost all vehicles from these customers that are less than 15yrs old and under 115K miles would be repossessed and used to replace aged and high mileage vehicles for state agencies leading to a reduced need for replacement vehicle capital outlay funds. Customers would be given an option to buy the older and higher mile vehicles at current depreciation value. Customers would be required to seek vehicle rentals and/or leasing from a private vendor, which is estimated at a higher cost than DAS rates.
50	16	DAS	EGS	Procurement Services			257,169				\$ 257,169	1	1.00	Eliminate Operations and Policy Analyst 4 position in the Resources Team. New procurement templates will not be developed without relying on DOJ to manage this body of work. This also eliminates the resource to maintain the Oregon Procurement Manual currently under development, and the resource to lead future statewide procurement improvement initiatives.
51	17	DAS	EGS	Publishing & Distribution Services			151,340				\$ 151,340	1	1.00	Eliminate PreFlight Operator. The reduction would greatly delay complex production jobs. This would shift the work and responsibility to agencies with limited knowledge and resource.
52	6	DAS	COO	DAS IT			588,814				\$ 588,814	3	3.00	Eliminate three DAS IT web team positions. PC Lifecycle function would need to be fulfilled by existing staff which would reduce service hours from the DAS Help Desk. This would also reduce application support for payroll/DataMart systems and DAS IT infrastructure.
53	7	DAS	COO	COO			502,959				\$ 502,959	2	2.00	Eliminate the remaining two COO statewide coordination positions. This reduction eliminates DAS' ability to manage statewide projects.
54	10	DAS	ETS	SDC - Network			4,481,427				\$ 4,481,427	0	0.00	Eliminate vendor maintenance. Eliminate hardware and software maintenance that provide support in the event of performance issues and that provide firmware or software upgrades.
55	2	DAS	EHR	Employee Relations			247,223				\$ 247,223	1	1.00	Eliminate Human Resource Consultant 1 position which will increase turnaround times for DAS and client agencies for core HR services including consultation and investigations and result in reduced ability to participate in proactive HR initiatives.

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56	9	DAS	EGS	Administration			542,054				\$ 542,054	2	2.00	Eliminate EGS Administrator, which would elevate responsibilities to DAS CAO. Eliminate Office Specialist 2, receptionist position in DAS East, reducing security to building as well as customer service for programs in building, including receiving bid proposals from vendors.
57	10	DAS	EGS	Financial Business Services			718,710				\$ 718,710	5	5.00	Eliminate Administrative Specialist 1, an Accounting Technician 2, and three Accounting Technician 3 positions. The impact of these positions will reduce customer service performance & possibly increase errors.
58	7	DAS	EGS	Publishing & Distribution Services			163,018				\$ 163,018	1	1.00	Eliminate Secure Print Operator. This reduction will cause many "same-day" production jobs and require renegotiation of SLA with customers.
59	13	DAS	EGS	Financial Business Services			231,731				\$ 231,731	1	1.00	Eliminate Accountant 3, which will reduce customer service on the accounting system, making agencies endure longer wait times to resolve challenges and possibly increase errors in the accounting data.
60	3	DAS	OSCIO	All (except Security)			2,000,000				\$ 2,000,000	0	0.00	Reduce S&S - IT Professional Services. This represents a 13% reduction in IT Professional Services which provides funding for IT consultants including application modification, network consulting, IT security consulting, vendor managed services, etc.
61	4	DAS	OSCIO	All (except Security)			788,016				\$ 788,016	0	0.00	Reduce S&S - Professional Services. This represents an additional 17% reduction in Professional Services which provides funding for consultants, legal, management fees, etc.
62	3	DAS	CHRO	Classification & Compensation			257,169				\$ 257,169	1	1.00	Eliminate Human Resource Consultant 2 position which will result in statewide class review turnaround times to increase.
63	9	DAS	ETS	SDC - WAN/LAN Sust.			1,700,000				\$ 1,700,000	0	0.00	Reduce use of contractors to perform work on the ETS network infrastructure. Customers may experience prolonged outages. Will extend the duration of tasks to establish the Montana Data Center as a disaster recover site for all critical customer applications. May increase costs by purchasing ad hoc support for outages.
64	20	DAS	EGS	Publishing & Distribution Services			351,043				\$ 351,043	2	2.00	Eliminate Planner/Router. Elimination of this position requires workflow functions pushed out other department, higher error rates, and will delay potentially sensitive mailings. Eliminates Variable Data Designer. Elimination would delay the design and production of secure production jobs that are being transferred from old legacy mainframe systems. Agencies involved with this transfer would need to continue to incur the cost of licensing these systems.

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65	18	DAS	EGS	Procurement Services			1,164,576				\$ 1,164,576	5	5.00	Eliminate the Statewide DAS Procurement Training Program and 3 of the staff supporting the program. State of Oregon would no longer offer procurement training specific to Oregon statute, State Agencies and Local Governments will need to obtain generic/best practice public procurement training on the open market. Open market training is typically at least 3x the cost of DAS offered training. Eliminate the QRF Statewide Procurement Analyst position. The impact is that DAS would have to distribute the QRF contracting work amongst remaining analysts which would increase lead times and decrease the efficiency gained by keeping this unique book of business on one desk. Eliminate a PEM/E Procurement Manager. The abolishment would increase supervisory ratio to approx. 20:1.
66	3	DAS	EHR	Employee Relations			267,876				\$ 267,876	1	1.00	Eliminate Human Resource Consultant 1 position which will increase turnaround times for DAS and client agencies for core HR services including consultation and investigations and result in reduced ability to participate in proactive HR initiatives.
67	15	DAS	EGS	Risk Management			168,292				\$ 168,292	1	1.00	Eliminate Administrative Specialist 2 position. This cuts admin support in half. Claims and Risk Consulting will not have dedicated support staff; requiring analysts and consultants to do many tasks currently done by admin staff. This will result in less time for analysts, consultants and managers to focus on higher level work.
68	19	DAS	EGS	Risk Management			827,432				\$ 827,432	4	4.00	Eliminate Administrative Specialist 2, Claims Representative 1, Operations and Policy Analyst 2 and Operations Policy Analyst 4 positions. The elimination will reduce our ability to handle new claims and will likely affect accuracy; less contract expertise and consulting for agencies; increase in litigation and settlement fees; increase in DOJ fees; and accounting services will not be completed timely.
69	4	DAS	CHRO	Labor Relations			329,141				\$ 329,141	1	1.00	Eliminate Labor Relations Manager position which will reduce the capacity to provide training, cause longer response times for grievances and less bargaining preparation.
70	7	DAS	EAM	Operations and Maintenance			1,236,886				\$ 1,236,886	0	0.00	Sell Albina State Office Building in Portland: Reduce limitation for cost of custodial services, landscaping, maintenance, building security, and utilities associated with building.
71	8	DAS	EAM	Operations and Maintenance			487,343				\$ 487,343	0	0.00	Sell Commission for the Blind Building in Portland: Reduce limitation for cost of custodial services, maintenance, building security, and utilities associated with building.
72	7	DAS	CHRO	Administration			158,674				\$ 158,674	1	1.00	Eliminate Executive Support Specialist position which will reduce the ability to respond to requests for services and respond to accounting and contracting.

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Priority (ranked with highest priority first)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div													
73	21	DAS	EGS	Risk Management			893,668				\$ 893,668	2	2.00	Eliminate Operations and Policy Analyst 4 and PEM/E positions in the Claims Unit, resulting in increased claims, decreases in investigation, less proactive handling, increase DOJ costs, and increase in supervisory ratio. Reduces S&S in In-state travel; reduces travel of overnight for mediations, trials, inability to attend insurance carrier loss inspections, and fewer professional conferences such as PRIMA. Reduce various S&S items related to Lloyds Underwriters to gain renewal of Department of Forestry's Fire Fighting Expense policy or consider other options with Lloyds, and impacts state's commercial property renewal as it's the same group of underwriters.
74	7	DAS	CFO	Budget Policy			673,229				\$ 673,229	3	3.00	Eliminate budget oversight and tracking for agencies that are exclusively funded by Other Funds and Federal Funds. Eliminates budget tracking for over 30 small and medium size agencies.
75	1	DAS	COO	Office of Economic Analysis	29,905						\$ 29,905	0	0.00	Reduce Professional Services S&S
76	8	DAS	COO	COO			160,680				\$ 160,680	1	1.00	Eliminate Exec Support position.
77	5	DAS	DBS	Budget			168,292				\$ 168,292	1	1.00	Eliminate a filled FA1 position that assists other budget analysts and handles misc assignments.
78	22	DAS	EGS	Publishing & Distribution Services			2,260,174				\$ 2,260,174	0	0.00	Reduce postage limitation
79	9	DAS	COO	Office of Economic Analysis			114,700				\$ 114,700	0	0.00	Reduce Professional Services.
80	3	DAS	CFO	Budget Policy			329,229				\$ 329,229	1	1.00	Eliminate a BAM Analyst position that provides oversight for agency budget development.
81	5	DAS	CHRO	Policy Consultation			290,355				\$ 290,355	1	1.00	Eliminate one Operations and Policy Analyst 4 position which will reduce statewide HR policy and initiative support.
82	6	DAS	OSCIO	OSCIO			373,478				\$ 373,478	1	1.00	Eliminate PEM F position.
83	23	DAS	EGS	Administration			74,693				\$ 74,693	0	0.00	Reduce S&S in Agency Related S&S.
84	2	DAS	EAM	Capital Improvement			228,305				\$ 228,305	0	0.00	Defer another 5% of planned capital improvement projects to future biennia. Will reduce the ability of EAM to respond to emergencies and implement energy efficiencies. Will also impede efforts to implement new space utilization standards in state offices. Potential adverse impact to program delivery for tenants in DAS owned buildings.
85	10	DAS	COO	DAS IT			201,073				\$ 201,073	0	0.00	Reduce IT expendable property.
86	4	DAS	CFO	Statewide Audit Budget & Reporting			315,753				\$ 315,753	1	1.00	Eliminate a position added during the 2015-17 biennium to cover workload demands for CFO and LFO staff during budget development.
87	6	DAS	CHRO	Classification & Compensation			191,403				\$ 191,403	1	1.00	Eliminate one Human Resource Analyst 2 position which will increase turnaround time for desk audits, classification reviews, and position management for DAS and Client Agencies.
88	7	DAS	OSCIO	IT Vendor Mgmt			2,414,538				\$ 2,414,538	0	0.00	Reduce IT Professional Services. This would limit OSCIO's ability to perform Enterprise Wide IT Projects and reduce the OSCIO's ability to manage vendors and maintain products and services related to technical reference model and service catalog.
89	24	DAS	EGS	Shared Financial Services			78,986				\$ 78,986	0	0.00	Reduce S&S in Employee Training, Data Processing & Telecommunications.
90	11	DAS	COO	DAS IT			50,000				\$ 50,000	0	0.00	Reduce employee training.



**Department of Administrative Services (DAS)**

2017 - 2019 Biennium

**Detail of Reductions to 2017-19 Current Service Level Budget**

In Gov  
Budget  
(Y)ES

1	2	3	4	5	6	7	8	9	10	11	12	13	14.00	15
Priority (ranked with highest priority first)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div													
91	8	DAS	CFO	Capital Finance			315,753				\$ 315,753	1	1.00	Eliminate the second of two positions added during the 2015-17 biennium for debt management support. Will increase debt documentation gaps and increase risk related to appropriate levels of debt documentation.
92	8	DAS	OSCIO	Security			1,760,000				\$ 1,760,000	0	0.00	Reduce Other Services and Supplies.
93	25	DAS	EGS	Financial Business Services			60,028				\$ 60,028	0	0.00	Reduce S&S in Training.
94	12	DAS	COO	COO			127,047				\$ 127,047	0	0.00	Reduce Attorney General charges.
95	9	DAS	CFO	Statewide Accounting & Reporting			290,355				\$ 290,355	1	1.00	Eliminates an OPA-4 position critical to supporting the state's Comprehensive Annual Financial Report. Will increase workload on other staff and increase the risk for errors in the state's financial reporting to external organizations, including rating agencies.
96	26	DAS	EGS	Shared Financial Services			191,887				\$ 191,887	1	1.00	Eliminate Operations & Policy Analyst 2 position. Reduces customer service performance & possible increases in errors.
97	13	DAS	COO	COO			106,227				\$ 106,227	0	0.00	Reduce Other S&S.
98	27	DAS	EGS	Financial Business Services			363,304				\$ 363,304	0	0.00	Reduce S&S in IT Professional Services equivalent to one programmer.
99	14	DAS	COO	DAS IT			29,928				\$ 29,928	0	0.00	Reduce IT Professional Services. This would limit OSCIO's ability to perform Enterprise Wide IT Projects and reduce the OSCIO's ability to manage vendors and maintain products and services related to technical reference model and service catalog.
100	28	DAS	EGS	Procurement Services			250,392				\$ 250,392	1	1.00	Eliminate Procurement & Contract Specialist 3 position from the construction and facilities sourcing team. Work would have to be absorbed by existing staff, lengthening procurement cycle times. In some instances, workload at DAS could be reduced by increasing delegations to other agencies.
101	15	DAS	COO	DAS IT			227,653				\$ 227,653	0	0.00	Reduce temporary appointments.
102	29	DAS	EGS	Procurement Services			194,691				\$ 194,691	1	1.00	Eliminate Procurement & Contract Specialist 1 position. Work would have to be absorbed by remaining staff, lengthening procurement cycle times and reducing the focus on contract management. Some work could be delegated back to DAS divisions or other agencies.
103	30	DAS	EGS	Procurement Services			168,292				\$ 168,292	1	1.00	Eliminate Procurement & Contract Assistant position. This position conducts procurements and creates IGAs for DAS divisions, conducts contract management tasks for senior staff and manages with VCAF collection process. Procurement work would have to be delegated to DAS divisions (IGAs, intermediate procurements); remaining work would have to be absorbed by existing staff resulting in delayed revenue collection and reduced focus on contract management.
104	31	DAS	EGS	Risk Management			267,876				\$ 267,876	1	1.00	Eliminate Operation & Policy Analyst 3/Risk Consultant position. Nearly all contract questions would go to DOJ at increased cost to agencies. Limited or no agency biennial risk consultations resulting in increased claims. Reduced accuracy of data for commercial policy renewals so risk of increased premium. Combined with other reductions, expect very little agency outreach, support or training.

**Department of Administrative Services (DAS)**

2017 - 2019 Biennium

**Detail of Reductions to 2017-19 Current Service Level Budget**

In Gov  
Budget  
(Y)ES

1	2	3	4	5	6	7	8	9	10	11	12	13	14.00	15
Priority (ranked with highest priority first)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div													
105	11	DAS	EAM	Fleet & Parking Services			1,000,000				\$ 1,000,000	0	0.00	Lower replacement vehicle purchases by delaying 46 vehicles for replacement until 2019-21. Requests from agencies to add new additional vehicles to the fleet would not be fulfilled. Large impact to agency customers. Vehicles relied upon by the agencies to perform their missions will not be replaced as planned. This could lead to delay in delivery of services if the vehicle fails and cannot be replaced. Will lead to higher maintenance costs to extend life of aged vehicles. Delay in replacing will extend the recovery from the 2009 reduction that DAS Fleet was estimating would be finally remedied in 17-19.
106	32	DAS	EGS	Risk Management			202,341				\$ 202,341	1	1.00	Eliminate Claims Representative 2 position. This position handles over 300 auto liability, inmate liability and civil rights, and high dollar state property claims per year. Impact: Remaining Claims Representative 2 will have significantly increased workload. Higher level claims consultants will also see increased workload. Increased workload results in less proactive handling, less investigation, more litigated claims and thus increase in loss and defense costs. SLA metric results will be adversely impacted: agency contact time, liability and restoration cycle time, and claim average paid amounts.
107	33	DAS	EGS	Risk Management			128,585				\$ 128,585	1	0.50	Reduce Operation & Policy Analyst 4 Finance Analyst position to .50 FTE. Will restrict ability of analyst to respond to agency questions regarding risk charges.
108	34	DAS	EGS	Risk Management			187,504				\$ 187,504	1	1.00	Eliminate Operation & Policy Analyst 1/ Risk Analyst position. This position acts as administrator of Risk Management Information System and provides system training and ad hoc reports to agencies to enable them to manage their risk. Administrator duties mostly would be handled by vendor potentially at increased cost. No or few reports provided to agencies and time frames would take longer as work would be done by only 2 remaining risk consultants. Quarterly reporting to SAIF for WC premium and other duties done by higher level consultants. Website management would not be done.
109	35	DAS	EGS	Risk Management			194,691				\$ 194,691	1	1.00	Eliminate Claims Representative 2 position. This position handles over 300 claims per year. With other reductions; lower level claims staff reduced from 4 to only 1. Substantial delays in handling of claims, impacting citizens submitting claims, would expect increased litigation as a result. Increased settlement costs due to necessity to settle claims to manage pending claim load. Delayed payment to agencies on state property damage claims. Recovery of funds from at-fault parties would be negligible. Substantial adverse impact on SLA commitments.
110	5	DAS	OSCIO	GEO Pass Through			240,000				\$ 240,000	0	0.00	Reduce IT Professional Services. This would limit OSCIO's ability to perform Enterprise Wide IT Projects and reduce the OSCIO's ability to manage vendors and maintain products and services related to technical reference model and service catalog.

**Department of Administrative Services (DAS)**

2017 - 2019 Biennium

**Detail of Reductions to 2017-19 Current Service Level Budget**

In Gov Budget (Y)ES

1	2	3	4	5	6	7	8	9	10	11	12	13	14.00	15
Priority (ranked with highest priority first)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/Div													
111	13	DAS	ETS	Support Services Pass Through			5,827,502				\$ 5,827,502	0	0.00	Reduce Network pass through limitation. This will reduce SDC's financial capacity to procure network equipment/services on behalf of other state agencies, which may lead state agencies to obtain network equipment/services without the benefit of SDC negotiated service levels and/or price points.
112	1	DAS	EAM	Operations and Maintenance			3,928,353				\$ 3,928,353	0	0.00	Agency tenants in self-support buildings will have their rent reduced by the amount of the utilities and pay utility costs directly to providers. Impact of this reduction will require: 1) DAS rental agreements to be updated to eliminate utility costs; 2) additional effort for each agency tenant to process their own utility payment; and 3) for buildings with multiple tenants, one agency will need to take the lead within that structure to delineate costs appropriately to other agency tenants. Property distribution, Salem Motor Pool, DEQ/PHL, central Point, OSP Port., Blind Comm/OROSHA.
113	2	DAS	COO	Office of Economic Analysis	14,953						\$ 14,953	0	0.00	Reduce Professional Services
114	3	DAS	MISC	Oregon Public Broadcasting	33,323						\$ 33,323	0	0.00	Reduce special payment to external recipient
115	4	DAS	MISC	Oregon Historical Society	50,000						\$ 50,000	0	0.00	Reduce special payment to external recipient
					<b>232,358</b>	-	<b>71,135,651</b>	-	-	-	<b>\$ 71,368,009</b>	<b>73</b>	<b>73.00</b>	

1st five % - Priority #1-42	\$ 24,355,404	15	15.50
2nd five % - Priority #43-74	\$ 23,570,356	40	40.00
3rd five % - Priority #75-115	\$ 23,442,249	18	17.50
	<u>\$ 71,368,009</u>	<u>73</u>	<u>73.00</u>

Long Term Vacancies over Six Months as of quarter ending 12/31/16

Agency	XREF	RDC	Position	Pos Type	Class Title	Last Incumbent	Vacant Date	Reason Category	Reason Narrative	Vac 7-11	Vac 12+	Included in 17-19 Governor's Budget Reduction List
<b>Chief Operating Office</b>												
10700	030-01-00-00000	130	2270102	PF	MMS X7010 PEM F	SCHOENFELD, JEANNINE	03/31/16	11	Position has been held vacant pending appointment of new DAS Director/COO; decisions on staffing are underway	1		Yes
10700	030-01-00-00000	130	2208735	PF	MMN X0873 OPA4	MILLER, TRAVIS	02/29/16	11	Position has been held vacant pending appointment of new DAS Director/COO; decisions on staffing are underway	1		Yes
10700	030-01-00-00000	130	3008541	PF	UA C0854 Proj Mgr 1	LEE, CHRISTAL ANNE	05/01/16	11	Position has been held vacant pending appointment of new DAS Director/COO; decisions on staffing are underway	1		
10700	030-01-00-00000	130	3008542	PF	UA C0854 Proj Mgr 1	WARNER, SUMMER L	05/13/16	11	Position has been held vacant pending appointment of new DAS Director/COO; decisions on staffing are underway	1		Yes
10700	030-01-00-00000	130	3008544	LF	UA C0854 Proj Mgr 1	FORD, ALLYSON	09/11/15	11	Position has been held vacant pending appointment of new DAS Director/COO; decisions on staffing are underway		1	
10700	030-01-00-00000	401	9930871	LF	UA C0871 OPA2	SILVA, KATHERINE S	Now filled	2	Filled or in process of being filled (recruiting, announcement posted, etc.)	1		
10700	030-01-00-00000	401	9951689	LF	UA C1488 ISS8	NO INCUMBENT		2	Filled or in process of being filled (recruiting, announcement posted, etc.)	1		
10700	030-04-00-00000	120	0111171	PF	MMN X1162 Econ 2	KENNEDY, MICHAEL A	01/15/13	11	Position has been held vacant pending appointment of new DAS Director/COO; decisions on staffing are underway		1	
10700	030-05-02-00000	403	0231058	PF	OAS C1486 ISS6	SHIERLING, CASEY L	08/17/15	2	Filled or in process of being filled (recruiting, announcement posted, etc.)		1	Yes
10700	030-05-02-00000	403	0530074	PF	OAS C1486 ISS6	HOGENSEN, CHRISTOPHER	06/21/15	2	Filled or in process of being filled (recruiting, announcement posted, etc.)		1	Yes
<b>Chief Financial Office</b>												
10700	035-06-00-00000	340	0350872	LF	MMN X0872 OPA3	NO INCUMBENT		6	Position held open to accumulate savings, with the understanding that the savings will not be spent	1		
<b>OCSIO</b>												
10700	042-02-02-00000	511	2548807	PF	OAS C1488 ISS8	RUTHVEN, JULIE	01/25/16	4	Vacant due to pending reclass process (reclass pkg submitted or in process of submission)	1		
<b>Chief Human Resource Office</b>												
10700	045-06-00-00000	620	0451324	PF	MMC X1324 Labor Mgr	NO INCUMBENT		11	Position is being filled by an employee on a job rotation from another state agency	1		Yes
<b>Enterprise Technology Office</b>												
10700	052-03-01-00000	561	2548709	PF	OAS C1487 ISS7	BRENDLE, THOMAS JEFFER	03/15/16	2	Filled or in process of being filled (recruiting, announcement posted, etc.)	1		
10700	052-04-01-00000	572	2548839	PF	OAS C1488 ISS8	WALKER, KRISTOPHER	Now filled	2	Filled or in process of being filled (recruiting, announcement posted, etc.)	1		
10700	052-04-01-00000	572	2548857	PF	OAS C1488 ISS8	HAYTAS, JOHN J	04/28/16	7	Position used to finance unbudgeted costs	1		
10700	052-04-01-00000	572	5514884	PF	OAS C1488 ISS8	FLOYD, GEROLD J	03/13/16	7	Position used to finance unbudgeted costs	1		
<b>Enterprise Asset Management</b>												
10700	060-02-00-00000	740	9932685	LF	OAS C3268 Const Prj Mgr 2	NO INCUMBENT		2	Filled or in process of being filled (recruiting, announcement posted, etc.)	1		
10700	060-02-00-00000	740	9932686	LF	OAS C3268 Const Prj Mgr 2	NO INCUMBENT		2	Filled or in process of being filled (recruiting, announcement posted, etc.)	1		
10700	060-03-00-00000	750	6430901	PF	MMS X7008 PEM E	GENGLER, RANDALL C	05/08/16	4	Vacant due to pending re-class process (re-class package submitted or in process of submission)	1		
10700	060-03-00-00000	751	9941030	LF	OAS C4103 Custodial Svcs Coord	NO INCUMBENT		10	No available funds to finance the position	1		
10700	060-05-00-00000	730	2051601	PF	MMS X7008 PEM E	RYAN, SHANNON	02/21/16	5	Recruitment difficulties	1		
10700	060-05-00-00000	730	1111171	PF	OAS C0437 Proc & Cont Spec 2	SANDERS, SARAH	Now filled	2	Filled or in process of being filled (recruiting, announcement posted, etc.)	1		
<b>Enterprise Goods and Services</b>												
10700	065-03-00-00000	933	9900873	LF	MMN X0873 OPA4	NO INCUMBENT		11	Position is being filled by an employee on a job rotation within the agency.	1		
10700	065-03-00-00000	933	9900874	LF	MMN X0873 OPA4	NO INCUMBENT		11	Position is being filled by an employee on a job rotation within the agency.	1		
10700	065-03-00-00000	933	9900438	LF	OAS C0438 Proc & Cont Spec 3	NO INCUMBENT		11	Position is being filled by an employee on a job rotation within the agency.	1		
10700	065-03-00-00000	932	9908720	LF	MMN X0872 OPA3	NO INCUMBENT		11	Position is being filled by an employee on a job rotation within the agency.	1		
10700	065-03-00-00000		9908712	LF	OAS C0871 OPA2	NO INCUMBENT		11	Position is being filled by an employee on a job rotation from another state agency	1		
10700	065-04-00-00000	941	9901081	LF	OAS C0108 Admin Spec 2	NO INCUMBENT		11	Position is being filled by an employee on a job rotation within the agency.	1		

# 2017-19 BUDGET NARRATIVE

## AUDIT RESPONSE REPORT

**Audit Title:** Management Letter  
**Audit Number:** Management Letter No. 107-2015-01-01

**Division:** Enterprise Asset Management  
**Issue Date:** February 2015

*DAS Management generally agrees with the recommendations as stated in the report.*

<b>Audit Recommendation:</b>	<b>Response/Action Taken:</b>
<ul style="list-style-type: none"><li>We recommend management develop a capitalization policy that allows for the appropriate decisions regarding when building costs should be capitalized and when they should be expensed in the current period. The capitalization policy should agree with Governmental Accounting Standards.</li></ul>	The corrective actions planned include review and revision of DAS policies by the Statewide Accounting and Reporting Section regarding the definition of improvements to conform with the Oregon Accounting Manual, and the development of practices for Enterprise Asset Management (EAM) that clearly detail and differentiate between work that is routine maintenance and work that extends the useful life of the building in the scope of work of projects.
<ul style="list-style-type: none"><li>We recommend management implement a process to regularly review the useful lives of its buildings and building improvements to ensure compliance with Governmental Accounting Standards.</li></ul>	Since the issuance of this management letter, DAS Executive Team has approved two policies to address the two recommendations in this letter and repeat audit findings.

Related Policy Option Package for 17-19: None

# 2017-19 BUDGET NARRATIVE

**Audit Title:** Major IT Projects: Continue Expanding Oversight and Strengthen Accountability      **Division:** Chief Information Office  
**Audit Number:** 2015-6      **Issue Date:** March 2015

*DAS Management generally agrees with the recommendations as stated in the report.*

Audit Recommendation:	Response/Action Taken:
<ul style="list-style-type: none"> <li>Ensure that appropriate and sufficient staff is assigned to develop, review and enforce stage gate requirements.</li> </ul>	<p>Management generally agrees with the recommendation. DAS management agrees the Office of the State Chief Information Officer (OSCIO) is under-resourced in many areas, including stage gate development, review, and compliance. In the 2015-17 biennial budget, DAS Policy Option Package 105 requested an increase of 12 positions (both Information Technology (IT) Investment and Planning (ITIP) analysts and strategic technology officers (STOs)) to support the stage gate process and the creation and revision of statewide IT policies within the OSCIO. STOs will provide pre-project analysis and support (consult and early phase design) and the ITIP analysts' engagement will increase as the project moves into execution in the later design and build phases.</p> <p>Additionally, the December 2014 meeting of the Legislature's Emergency Board provided an expenditure authorization rebalance within DAS in order to purchase a Project and Portfolio Management (PPM) tool, which will help OSCIO track and monitor project activities. These project activities directly relate to the stage gate oversight process.</p>
<ul style="list-style-type: none"> <li>Fully develop and implement stage gate processes to ensure they are effective and repeatable. Particular attention should be placed on processes to: specify how projects of different sizes and complexity will be evaluated; establish criteria and guidance regarding required elements for stage gate deliverables; define how inputs from independent quality assurance contractors will be used when evaluating projects; ensure significant planning issues are appropriately evaluated and</li> </ul>	<p>Management generally agrees with the recommendation. DAS management agrees it is important to fully develop and implement the stage gate oversight process. The stage gate process was introduced in February of 2014 as a direct response to a major IT project that was ill-prepared to move to its execution phase, and the stage gate process has undergone extensive improvement, definition, and adaptation for specific application to projects in the state of Oregon. The OSCIO has worked closely with the Legislative Fiscal Office's Principal IT Analysts in this work.</p> <p>The five core templates developed for stage gate process include: Concept Origination, Project Business Case, Project Charter, Project Plan, and Project or Phase Approval. These templates have been completed and have been reviewed by the Legislative Fiscal Office and the Technology Advisory Board. The remaining templates are more project-specific, many of which are in process but not finalized. At the current rate of template development and without additional staff resources, DAS anticipates completion of all core stage gate templates by the beginning of the 2017-2019 biennium.</p>

## 2017-19 BUDGET NARRATIVE

<p>addressed; evaluate the sufficiency of contracts and contract deliverables, and determine whether state agencies are properly executing project plans.</p>	
<ul style="list-style-type: none"> <li>• Provide guidance and direction to agencies that lack appropriate resources to plan and manage major development projects.</li> </ul>	<p>Management agrees in part with the recommendation. DAS management agrees in principle with providing guidance and direction to agencies that “lack appropriate resources to plan and manage major development projects,” but this recommendation is unclear, since it might encompass significantly more responsibility than the current scope of IT efforts overseen by OSCIO. DAS management firmly believes that business requirements should lead the development of IT services delivery. Outside of activity undertaken within the State Data Center and infrastructure replacement projects at the agency and enterprise level, the state does not undertake projects that are solely IT projects. Rather, state agency business projects are undertaken on behalf of the Legislature and the Oregon citizenry, some of which have a significant IT component. The best way for business to lead IT service delivery and to achieve alignment between technology and desired business outcomes is to ensure the business (or agency) accept responsibility and accountability for the management of the business project that has an IT component.</p> <p>In our effort to assist and support state agency business organizations to succeed, the OSCIO intends to organize itself around six policy areas, assigning one STO and one ITIP analyst to each area. These policy areas include public safety, human services, healthy environments, transportation/economic development, education, and state administration.</p>
<ul style="list-style-type: none"> <li>• Develop and establish consequences for failing to meet stage gate requirements and how they will be enforced.</li> </ul>	<p>Management agrees with this recommendation in part. While DAS management understands the importance of having a transparent process where agencies understand the consequences of meeting, or failing to meet, the requirements of the stage gate process, DAS also believes the role of the OSCIO is to work with agencies in supportive and collaborative way to get projects through the stage gates and, when necessary, getting corrective actions to make projects ultimately successful.</p>

Related Policy Option Package for 17-19: None

# 2017-19 BUDGET NARRATIVE

**Audit Title:** State Data Center: First steps to address longstanding security risks, much more to do

**Division:** Enterprise Technology Services

**Audit Number:** 2015-20

**Issue Date:** August 2015

*DAS Management generally agrees with the recommendations as stated in the report.*

Audit Recommendation:	Response/Action Taken:
<ul style="list-style-type: none"> <li>To correct the unresolved security weaknesses, we recommend management: develop and maintain a complete inventory of system device configurations and processes for monitoring systems to detect unauthorized changes</li> </ul>	<p>OSCIO has developed baseline configurations and standards, but must partner with data center customers to evaluate existing systems for deviations from these baselines.</p> <p>OSCIO is seeking appropriate authority to unify security functions in order to address the Secretary of State's (SOS) recommendations. Historical issues around SDC creation have prevented complete implementation of this recommendation.</p>
<ul style="list-style-type: none"> <li>To correct the unresolved security weaknesses, we recommend management: develop and implement processes to ensure privileged users remain authorized and that changes these powerful users make are appropriate</li> </ul>	<p>The Enterprise Security Office (ESO) continually works to improve privileged access management at the data center. At the time of the audit, the ESO identified many automated and manual solutions to control access, and more options are being explored. The technical direction of monitoring privileged users has changed since the audit recommendations and OSCIO is currently working to find another solution.</p>
<ul style="list-style-type: none"> <li>To correct the unresolved security weaknesses, we recommend management: fully implement newly acquired network monitoring devices and systems to collect and analyze network and system security data</li> </ul>	<p>This recommendation has been partially implemented through the creation of a dedicated Security Operations Center (SOC) under the Chief Information Security Officer (CISO), responsible for accountability, consistent monitoring, analysis, and response to security events.</p> <p>This recommendation will also be addressed by a revitalized use of current security solutions. OSCIO now has the necessary equipment and design to implement this recommendation and is developing a project plan to support it.</p>
<ul style="list-style-type: none"> <li>To correct the unresolved security weaknesses, we recommend management: replace network equipment</li> </ul>	<p>OSCIO is in the process of removing obsolete network equipment, which will be a multi-year process in collaboration with all other state agencies. This work is also being accomplished through the Lifecycle Replacement – Data Center Infrastructure project.</p>



## 2017-19 BUDGET NARRATIVE

<p>that is no longer supported by vendors</p>	
<ul style="list-style-type: none"> <li>To correct the unresolved security weaknesses, we recommend management: replace obsolete operating systems or provide other mitigating controls for them, such as increasing monitoring or isolating them from other state computing resources</li> </ul>	<p>OSCIO is actively working with customer agencies to address obsolete operating systems that support agencies' functions. In many cases, agencies have built custom applications that will only work in their current operating environment. OSCIO is also working with Microsoft to replatform agencies to supported versions of SQL. This work has direction but still needs a project plan.</p>
<ul style="list-style-type: none"> <li>To correct the unresolved security weaknesses, we recommend management: create and implement a plan with associated procedures to track and evaluate potential security incidents.</li> </ul>	<p>A security incident handling plan has been adopted under the Chief Information Security Office. The SOC, which is now a primary data center function, has been given clear roles and reporting relationship directly to the CISO and State CIO.</p> <p>OSCIO is also working with the Legislative Fiscal Office (LFO) to implement this recommendation.</p>
<ul style="list-style-type: none"> <li>To better configure the data center for security, we recommend management create and implement a comprehensive security plan to appropriately configure security, implement critical security systems, and resolve identified security weaknesses</li> </ul>	<p>OSCIO is looking for appropriate authority to unify security functions in order to address SOS recommendations. Historical issues around State Data Center (SDC) creation have prevented implementation of this recommendation.</p>
<ul style="list-style-type: none"> <li>To better configure the data center for security, we recommend management clearly define and assign data center security roles, responsibility, and authority</li> </ul>	<p>Management agreed with this recommendation and believes this audit recommendation has been implemented through the OSCIO-State Data Center reorganization.</p>

## 2017-19 BUDGET NARRATIVE

<ul style="list-style-type: none"><li>• To better configure the data center for security, we recommend management provide sufficient human resources to carry out critical security functions.</li></ul>	Management agreed with this recommendation and believes this audit recommendation has been partially implemented through the OSCIO-ETS reorganization. More aspects of this recommendation will be addressed on an ongoing basis.
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Related Policy Option Package for 17-19: None

# 2017-19 BUDGET NARRATIVE

**Audit Title:** Oregon Needs Stronger Leadership, Sustained Focus to Improve Delinquent Debt Collection

**Division:** Chief Operating Office

**Audit Number:** 2015-25

**Issue Date:** September 2015

*DAS Management generally agrees with the recommendations as stated in the report.*

Audit Recommendation:	Response/Action Taken:
<ul style="list-style-type: none"> <li>Lay groundwork for the annual management report. Given the complexity of debt collection, DAS officials will have to meet regularly with officials at large debtor agencies to understand their work, identify improvements and obstacles, and evaluate agency collection efforts.</li> </ul>	<p>Management generally agrees with the recommendation. In addition to this recommendation, Senate Bill 55 included language directing DAS to submit an annual management report to the Legislative Assembly identifying important issues and significant trends in terms of state agency collections. This work will be undertaken with the new positions received, and the first annual report will be submitted to the Legislature by December 31, 2016. An important role of the new positions will include communications and understanding of state agency accounts receivable, which will likely include regular meetings with agencies with the largest debtor balances, in addition to regular communications with collections managers from all agencies.</p> <p>Since the issuance of this report, DAS has hired a Statewide Accounts Receivable Management (SWARM) coordinator and additional staff. Staff have begun work implementing audit recommendations.</p>
<ul style="list-style-type: none"> <li>Help agencies adopt proven collection tools. Resolving legal issues and helping agencies adopt effective tools could increase collections and demonstrate progress to agencies, policymakers and the public.</li> </ul>	<p>Management generally agrees with the recommendation. The enterprise project team has begun to identify barriers that prevent agencies from having access to tools and information that could assist in collections. DAS will continue work with state agencies to resolve legal barriers that prevent access to effective collection tools when the new positions received as a result of SB 55 begin work.</p>
<ul style="list-style-type: none"> <li>Improve debt data. In our experience, discussions with agency accounts receivable staff can readily identify significant problems with the data reported to [the Legislative Fiscal Office].</li> </ul>	<p>Management generally agrees with the recommendation. SB 55 also directed DAS to work to improve the quality and value of the data reported to the Legislative Fiscal Office (LFO) for liquidated and delinquent accounts. Beginning with the 2016 LFO report, DAS will work to provide clear guidance to state agencies to help ensure accuracy and consistency in reporting liquidated and delinquent debt information to the LFO.</p>

## 2017-19 BUDGET NARRATIVE

<ul style="list-style-type: none"> <li>• Prepare for a sustained effort. Improving collections will not be a quick fix, and, as our work indicates, the focus on debt collection tends to fade over time. DAS could benefit from developing both short- and long-term strategic plans for improving collection.</li> </ul>	<p>Management generally agrees with the recommendation. Development of short- and long-term strategic plans for improving collections will be included as part of the duties of the new positions.</p>
<ul style="list-style-type: none"> <li>• We recommend that DAS: Further improve performance reporting by [f]ocusing first on large-debtor agencies and on including information already available from the data reported to LFO, such as agency collection rates over time, helping agencies calculate and report delinquency rates, a measure designed to limit the amount of receivables becoming delinquent, [d]eveloping measures that gauge the amount of effort agencies are putting into debt collection, such as caseload, staffing, and debtor accounts garnished or on payment plans; Including separate data on debtors current on payment plans, and on debt the state collects on behalf of others.</li> </ul>	<p>Management generally agrees with the recommendation. DAS will work to develop performance reporting for state agency collections as directed in SB 55. One of the duties of the new positions will be working with agencies to determine what performance metrics best represent collection effectiveness. Once these metrics are selected, DAS will work to provide clear guidance on how information for these metrics should be calculated to ensure consistency among all agencies. As this work is undertaken, DAS will consider including the types of performance metrics described in the audit recommendation in its annual management report.</p>

## 2017-19 BUDGET NARRATIVE

<ul style="list-style-type: none"> <li>• Further improve debt assignment by [p]romoting debt assignment based on collections performance; [h]elping agencies test whether OAA, private firms or their own agencies collect aging debt most effectively; [h]elping agencies improve the quality of information sent to OAA and private collection firms; [and h]elping agencies comply with assignment rules.</li> </ul>	<p>Management generally agrees with the recommendation. As performance and other tracking mechanisms are developed, as described in the previous recommendation response, DAS will work to ensure performance measures include necessary information to monitor collections performance. Once metrics have been established, DAS will create processes to evaluate their effectiveness and work with agencies to ensure debt is assigned to the most effective collection method. In addition to monitoring performance, SB 55 authorized DAS to develop rules and policies to better help agencies share information between one another. This includes drafting rules to give clear guidance to agencies on how to collect Social Security numbers, which will aid greatly in collection efforts. The new positions will also work closely with agencies to provide training and assistance on new and existing policies and rules to ensure debt is assigned efficiently.</p>
<ul style="list-style-type: none"> <li>• Further improve use of collection tools by [i]mplementing state vendor offset; [w]orking with agencies, and the Legislature when necessary, to implement new tools, such as bank data matching, Internet posting of debtors and a state lien registry; [w]orking with agencies and the Department of Justice to resolve key collections legal issues, such as new hire report availability and the use of credit bureaus and Employment wage data; [and e]xploring successful tools used in other states.</li> </ul>	<p>Management generally agrees with the recommendation, but have concerns related to the ease of implementing state vendor offset. Implementing a state vendor offset system across the enterprise is not a simple solution as audit findings suggest, due in part to technological limitations that prevent this solution from being easy to implement. The state currently uses the Statewide Financial Management Application (SFMA) as Oregon’s official accounting system for accounting and financial reporting, but in some instances agencies have been authorized to use separate systems to distribute payments (for example, issuing checks and electronic funds transfers). Additionally, many agencies utilize subsidiary systems to track debtors at a detailed level and only input high level summary information into SFMA. The combination of these two practices makes it more difficult to capture all disbursements being made to state debtors in a simple manner. Other agencies, such as the Department of Revenue, maintain necessary information on debtors that would have to be accessed by DAS’ Financial Business Systems unit to perform vendor offset. The unit is not staffed to implement a state vendor offset within current resources. Due to the lack of detailed information in SFMA, DAS’ role could only be one of leadership and coordination. While DAS does recognize the benefits of having an integrated vendor offset solution, it may not be feasible without a great deal of manual processing at this time. DAS and other agencies have begun discussing a pilot project that may allow for some vendor offset capabilities between larger agencies. The results of this pilot project will help inform future work in this area. Regarding other specific recommendations, the new positions received through SB 55 will have duties focused on the selection and implementation of tools to assist state agencies in collections. This work will likely include the review of current barriers that exist, such as lack of access to the new hire report, and will likely require DAS to receive guidance from the Department of Justice.</p>

## 2017-19 BUDGET NARRATIVE

Improve compliance with collection rules by [i]ncreasing training for agencies; [c]larifying assignment requirements and exemptions, handling of private collection firm contracts, and write-off procedures; [and h]elping agencies follow appropriate collection practices, including using skiptracing and reconciling debt sent to OAA.

Management generally agrees with the recommendation. SB 55 directed DAS to create policies, provide training, and provide technical assistance that corresponds with this recommendation. Currently, the Oregon Accounting Manual (OAM) contains a chapter on Accounts Receivable Management. This chapter is already being reviewed by the enterprise project team, and review and updates will continue as DAS receives resources associated with SB 55. As the OAM is updated, training will occur to ensure that agencies have a clear understanding of the policies. The new positions received in SB 55 will regularly interact with agencies that have collection activity, and will be able to provide ongoing technical assistance and guidance on existing policies and collection contracts.

Related Policy Option Package for 17-19: None

# 2017-19 BUDGET NARRATIVE

**Audit Title:** State Agencies Respond Well to Routine Public Records Requests, but Struggle with Complex Requests and Emerging Technologies

**Division:** Chief Operating Office

**Audit Number:** 2015-27

**Issue Date:** November 2015

*DAS Management generally agrees with the recommendations as stated in the report.*

Audit Recommendation:	Response/Action Taken:
<ul style="list-style-type: none"> <li>To bring more consistency to agency responses to public records requests, the Department of Administrative Services should provide statewide guidance and training on procedures for handling non-routine and complex public records requests, including communicating with requesters regarding fees and timelines; procedures for the use and retention of electronic communication, including text and instant messaging as they relate to public records law; and procedures for the use of personal devices and personal email accounts, as they relate to public records law.</li> </ul>	<p>Management generally agrees with the recommendations. Development of statewide policy regarding text messages and social media is already underway in anticipation of needs identified by a new communications contract. DAS is working with the State Archivist to create a menu of options to meet retention and disposition requirements that can be adopted based on business needs. In addition, the Department will provide clear guidance to state agencies to help ensure accuracy and consistency in response to public records requests. DAS will convene agency public information officers (PIOs) to identify best practices and develop recommended policy and procedure guidance to help agencies resolve barriers to effective response to non-routine and complex public records requests. DAS will engage and coordinate with state agency leadership in finalizing that policy guidance.</p> <p>Informed by these audit results, the Governor issued Executive Order 16-06, instructing DAS to develop and promote model public records management policies. State agencies must comply with ORS 192.018 within 90 days of the issuance of these polices. DAS is further instructed to comply with the audit recommendations.</p>
<ul style="list-style-type: none"> <li>To address the variation in fees charged by state agencies, the Department of Administrative Services should also consider creating rates to charge for the cost of copies of public records; and</li> </ul>	<p>Management generally agrees with the recommendation. As mentioned above, DAS and the Enterprise Leadership Team are ready and willing to see standardization that still accommodates agency business requirements. DAS will convene agency PIOs and business managers to identify best practices and develop recommended policy guidance regarding standardized fees and charges. DAS will work with agencies to ensure fees and charges are appropriately levied in alignment with these guidelines.</p>

## 2017-19 BUDGET NARRATIVE

<p>identifying rates to charge for labor for state employees working on public records requests.</p>	<p>Responding to this audit and Executive Order 16-06, DAS has chartered a statewide project with support from the Governor's office to assess fees charged by state agencies for public records.</p>
<ul style="list-style-type: none"> <li>• To improve responses to public records requests, state agencies should create policies and procedures based on the guidance to be provided by the Department of Administrative Services, and: implement a record management program or process that fits the needs of each agency (e.g. HPRM or another system); create goals for turnaround time that fit agencies' processes based on past experiences with responding to requests; create and keep a tracking mechanism, such as a log, to measure adherence to turnaround time goals and to track documentation related to each request; and identify frequently requested information and consider proactively making the information available (e.g., posting more information on agency website or the Oregon Transparency Website).</li> </ul>	<p>Management generally agrees with the recommendations. While these recommendations are directed to state agencies in general, not DAS in specific, the Department will work closely with agencies to make sure the recommendations are communicated to agencies along with DAS' policy guidance. DAS will work collaboratively with the Office of the State Chief Information Officer, the Governor's Office and the State Archivist to evaluate the feasibility of implementing a technology solution to streamline and automate appropriate records management statewide. As an agency, DAS is testing HP Records Manager (HPRM) in the office of the Chief Operating Officer (COO) with the intent of expanding its use, agency-wide, once testing is complete. DAS will create processes to evaluate effectiveness and monitor performance and will share that information with other state agencies. Any statewide solution will require careful planning and implementation.</p>

Related Policy Option Package for 17-19: None



# 2017-19 BUDGET NARRATIVE

**Audit Title:** Management Letter  
**Audit Number:** Management Letter No. 107-2016-03-01

**Division:** Enterprise Asset Management  
**Issue Date:** April 2016

*DAS Management generally agrees with the recommendations as stated in the report.*

<b>Audit Recommendation:</b>	<b>Response/Action Taken:</b>
We recommend financial management receive training and seek guidance from appropriate accounting standards and resources to obtain a better understanding of how to properly records costs related to capital assets. We further recommend management develop a clear and detailed capitalization policy that ensures proper capitalization decisions and improves the review process prior to recording capitalization transactions for financial reporting purposes.	DAS generally agrees with the recommendation. While management believes that ongoing training is valuable, the significant deficiency identified by the Audits Division represented an oversight, and not a lack of understanding or disagreement about accounting principles.  Since the issuance of this management letter, DAS Executive Team has approved two policies to address this and two prior recommendations from the Audits Division.

Related Policy Option Package for 17-19: None

# 2017-19 BUDGET NARRATIVE

**Audit Title:** Improving State Computer System Security will take Time, Resources, and Cooperation

**Division:** Office of the State Chief Information Officer

**Audit Number:** Management Letter No. 2016-30

**Issue Date:** November 2016

*DAS Management generally agrees with the recommendations as stated in the report.*

Audit Recommendation:	Response/Action Taken:
<p>We recommend that the Office of the State Chief Information Officer:</p> <ul style="list-style-type: none"> <li>• Collaborate with state agencies to develop detailed plans in order to fully implement the requirements of Executive Order No. 16-13.</li> <li>• Develop sufficient statewide standards and processes for oversight to ensure security of agency computer systems.</li> <li>• Collaborate with state agencies to ensure remediation of the specific weaknesses communicated to state agencies in separate management letters.</li> <li>• Work with the Governor, Legislature, and agency directors to ensure staffing and resources are available to implement agency security measures.</li> </ul>	<p>The Office of the State CIO (OSCIO) generally agrees with the findings and recommendations in the report. Pursuant to the Governor’s Executive Order 16-13, “Unifying Cyber Security in Oregon” our Office is conducting an enterprise-wide information security risk assessment – working closely with agencies, boards and commissions across state government to identify and prioritize information security weaknesses. The risk assessment is scheduled for completion by mid-2017. The OSCIO will follow-up the risk assessment with a comprehensive enterprise security plan for robust continuous information security management, providing clarity on ownership, accountability, priorities, requirements, policy, oversight and execution of information security functions statewide. The new Enterprise Security Plan is expected to be published and initiated by summer of 2017.</p>

Related Policy Option Package for 17-19: Package 090