

Department of Administrative Services (DAS)				
	2013-15 Actual	2015-17 Legislatively Approved*	2017-19 Current Service Level	2017-19 Governor's Recommended
General Fund	11,901,158	18,806,223	9,896,808	10,690,991
Lottery Funds	12,448,190	16,641,096	22,260,472	21,956,472
Other Funds	900,683,866	945,662,328	880,536,766	900,400,564
Other Funds (NL)	151,359,848	278,452,751	129,986,751	129,493,838
Total Funds	\$1,076,393,062	\$1,259,562,398	\$1,042,680,797	\$1,062,541,865
Positions	822	841	810	895
FTE	802.94	826.40	809.50	890.75
*Includes Emergency Board and administrative actions through December 2016.				

Program Description

The Department of Administrative Services (DAS) is the central administrative agency that supports other agencies of state government and coordinates statewide services and administrative policies. The Department has numerous divisions responsible for a variety of disparate functions. For example, it operates the centrally located motor pool; operates and maintains facilities and the state data center; and provides printing, information technology consultation, computer, payroll, and accounting services. The Department distributes federal, lottery, and state funds to cities, counties, and other state agencies. It also collects and distributes mass transit assessments. A recent reorganization split the agency into two general categories, policy offices and service provision.

CSL Summary and Issues

The Department's operating revenue comes generally from fees charged for services provided to state agencies and statewide assessments. DAS establishes rates for direct services and bills agencies based on usage. Costs of indirect services, such as the policy services provided by the Chief Operating Office, Chief Financial Office, Chief Information Office, and Chief Human Resource Office are recovered through a "statewide assessment" (often based in part at least on FTE), which is included in all state agencies' budgets as part of the line item expense titled State Government Service Charges (SGSC). During the 15-17 biennium a number of positions were moved from the State Data Center (funded through usage charges) to the Office of the State CIO, which is funded through assessment. This resulted in changes for how much agencies were charged for these services as they are now based on their FTE total. For some state agencies, the state data center was traditionally funded through fees for services and usage charges which were budgeted in the "Data Processing" line of Services and Supplies. This was reversed in the 2017-19 Price List to better reflect DAS charges as being budgeted in SGSC. This resulted in dramatic increases in State Data Center charges for some agencies.

Funding for all the DAS Other Funds limited packages was built into the state price list, and included in other agency budget requests as payments to DAS. These price list increases become part of agency Current Service Level calculations. Therefore, denial of policy option packages will result in savings to other agencies from reduced assessments and rates. Approximately 45% of State Government Service Charges (SGSC) received by DAS originate as General Fund payments, which are spent by DAS as Other Funds. The fund split as of 2017-19 ARB is 46% General Fund, 1% Lottery Funds, 38% Other Funds, and 15% Federal Funds. In the 2013-15 biennium about 35% of SGSC received by DAS originated as General Fund.

Free Bus Passes for Capital Mall Employees - This benefit was added for the second year of the 2017-19 biennium during the 2016 session and was phased-out of CSL for 2017-19. The \$1,399,125 General Fund cost to continue the program through the 2017-19 biennium was included in the DAS ARB.

Oregon Public Broadcasting - The 2017-19 CSL for OPB is \$500,000 General Fund for operating support and \$3,005,802 Lottery Funds for debt service on previously issued bonds.

Oregon Historical Society - The 2017-19 CSL for OHS is \$750,000 General Fund for operating support and \$367,770 Lottery Funds for debt service on previously issued bonds.

Fairs - The 2017-19 CSL for County Fairs support around the state is \$3,648,000 Lottery Funds. The CSL for the General Fund operating subsidy received by the State Fair Council is \$1,052,865

Policy Issues

Old Information Technology Systems - DAS operates and maintains enterprise information systems used for basic administrative and business functions such as human resources, payroll, accounting, and budget. These back office systems are used by all branches of government to ensure least cost through economies of scale. These systems are now many years old and in some cases current solutions look much different than what the state has been operating with for years. These IT systems must be replaced in a systematic coordinated way.

Maintenance on State Buildings - DAS owns and operates many buildings used by many state agencies. These entities pay a “uniform rent” based on the space they use. The uniform rent includes a “depreciation” component that is deposited in the Capital Projects Fund. Money in this fund is used to pay for maintenance and upgrades on existing buildings. The Governor’s Budget mistakenly left out capital construction expenditure limitation needed to fund the planned projects for the 2017-19 biennium.

Other Significant Issues and Current Discussions

Human Resource Information System (HRIS) - This IT project would replace the PICS and PBBD systems which are used for reporting almost all human resource information by state agencies. In the 2015-17 LAB DAS received about \$1 million to continue planning through the February 2016 session. During the 2016 session the project received another \$6.5 million to get through Stage Gate 3 of the IT review process, issues RFPs and select a vendor in time for a funding decision during the 2017 session. RFPs have been issued and DAS has received responses. Due to the Oracle legal settlement, the project team is now reviewing the Oracle HR solution to see if it meets the existing requirements and meets the state's needs.

Convert Limited Duration (LD) Positions to Permanent - DAS is requesting that 17 of the 31 LDs approved during the 2015-17 biennium be added back as permanent staff for a cost of \$1,542,627 Other Funds.

The Co-Chair's Existing Resources Budget Framework includes \$25 million in General Fund and Lottery Funds savings from reductions to state agency assessments and rates set during budget development. This includes reductions to DAS rates and assessments. The Co-Chairs Framework also identified possible reductions in General Fund subsidies paid to the Oregon Historical Society, Oregon Public Broadcasting, County Fairs, and the State Fair. The Governor's Budget includes General Fund and Lottery Funds savings of \$19.2 million due to reductions in DAS assessments and rates which is accomplished through spending cuts and spending down balances and reducing operating reserves.