

Department of Administrative Services



2019-21

Agency Budget Presentation
Appendix

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Administrative Services, Department of

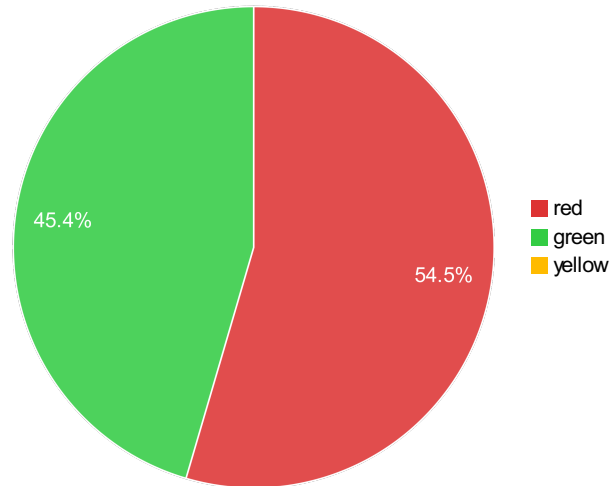
Annual Performance Progress Report

Reporting Year 2018

Published: 10/2/2018 8:51:38 AM

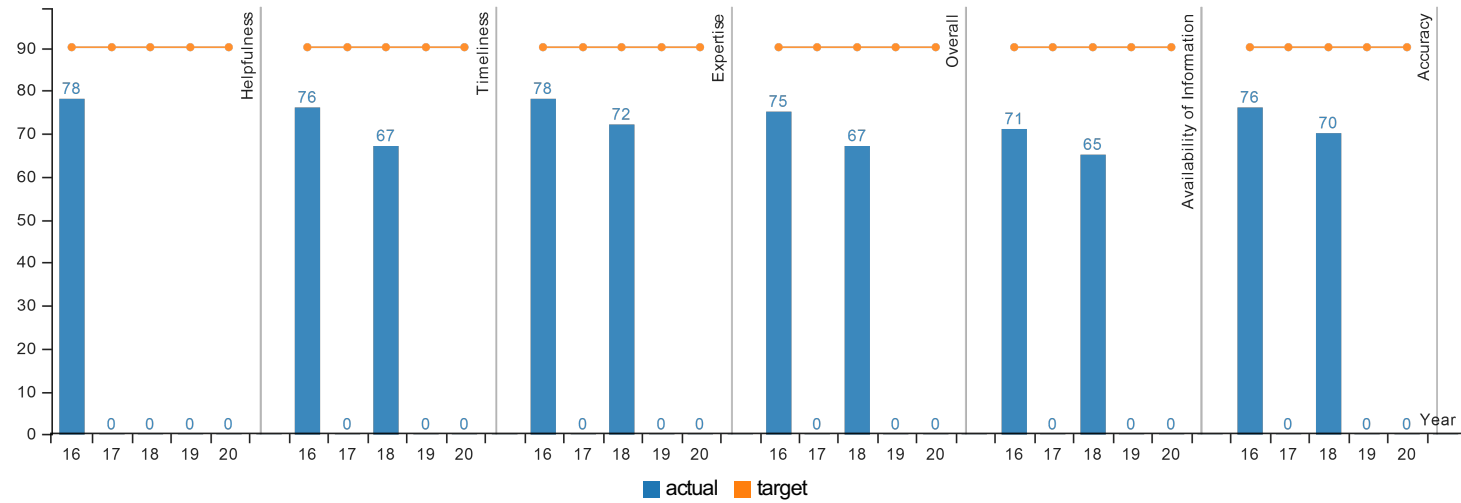
KPM #	Approved Key Performance Measures (KPMs)
1	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.
2	FORECAST RELIABILITY - General Fund Forecast Tracking Metric
3	FINANCIAL REPORTING - Percent of Agencies receiving Gold Star Award (The Gold Star Award is the state agency equivalent of the GFOA Certificate of Achievement for Excellence in Financial Reporting)
4	WORKFORCE TURNOVER - Annual turnover rate for the State and DAS workforce.
5	WORKFORCE DIVERSITY - Racial/ethnic diversity in the state workforce as a percentage of the total civilian labor force.
6	FLEET ADMINISTRATION - Average Miles Per Gallon for DAS Permanently Assigned Fleet Vehicles.
7	RENT COSTS - DAS negotiated lease rates in private sector vs. average market rates.
8	INFORMATION SECURITY - Overall information security maturity rating based on a sample of state agencies. Rating achieved using a compilation and aggregate score based on the ISO 27002 standard and assigning a rating using the Carnegie-Mellon Capability Maturity Model. (3rd party conducting information security business risk assessments)
9	PROCUREMENT EFFECTIVENESS - Estimated savings resulting from price agreement pricing compared to prices that would be paid without the benefit of a price agreement.
10	RISK MANAGEMENT - Annual number of Severe Worker's Compensation claims per 100 FTE
11	DATA CENTER - Percentage of time systems are available.

Proposal	Proposed Key Performance Measures (KPMs)
Delete	PROCUREMENT EFFECTIVENESS - Estimated savings resulting from price agreement pricing compared to prices that would be paid without the benefit of a price agreement.



Performance Summary	Green	Yellow	Red
	= Target to -5%	= Target -5% to -15%	= Target > -15%
Summary Stats:	45.45%	0%	54.55%

KPM #1	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.
	Data Collection Period: Jan 01 - Jan 01



Report Year	2016	2017	2018	2019	2020
Helpfulness					
Actual	78%	No Data	No Data	No Data	No Data
Target	90%	90%	90%	90%	90%
Timeliness					
Actual	76%	No Data	67%	No Data	No Data
Target	90%	90%	90%	90%	90%
Expertise					
Actual	78%	No Data	72%	No Data	No Data
Target	90%	90%	90%	90%	90%
Overall					
Actual	75%	No Data	67%	No Data	No Data
Target	90%	90%	90%	90%	90%
Availability of Information					
Actual	71%	No Data	65%	No Data	No Data
Target	90%	90%	90%	90%	90%
Accuracy					
Actual	76%	No Data	70%	No Data	No Data
Target	90%	90%	90%	90%	90%

This year we had 530 responses out of the 4,700 surveys sent (11.3% response rate) resulting in a 4.23% margin of error for summary results. The survey is designed in such a way to allow respondents to provide feedback for any number of DAS programs they had interacted with in the past year. A total of 641 service areas received a response; this means relatively few respondents responded about more than one service area. Contrasted with 2016, this shows a notable difference. In 2016 there were 390 respondents, however, each respondent replied to an average of 2.6 services resulting in more unique responses to services. This is due, in part, to editing the survey and consolidating services into the programs/divisions- this gave a higher response rate, but at the loss of some precision and ability to drill data down to specific service lines.

The results show a decrease in the % of respondents rating satisfied or very satisfied with DAS services compared with the 2016 results across all customer service categories.

The greatest opportunities for improvement are in timeliness and availability of information. The text comments helped illuminate existing barriers by providing details on interactions with specific DAS services. Most areas receiving comments have existing outlets in place to receive feedback; often in the form of surveys or helpdesk services. DAS also measures performance in most of these areas and continues to address the variety of improvement opportunities.

Note on missing data in the helpfulness category: this biennium's survey was administered from a new survey builder. In the transfer and subsequent delivery the helpfulness area was inadvertently dropped from the question table. The survey was sent before this could be addressed. Work was done to identify text comments related to helpfulness to get an idea of performance. Helpfulness was the most mentioned category in the 'what was working well' comment box. 20% of the 255 comments in 'what is working well' referenced in some way the helpfulness of DAS staff across service areas. These comments spoke of helpful and friendly staff from services across DAS. Taking into account these text comments, the results for the other 2018 categories, and the trend from the past two biennium these scores would have likely decreased only 1-2 percentage points. The survey has since been updated to address the missing question.

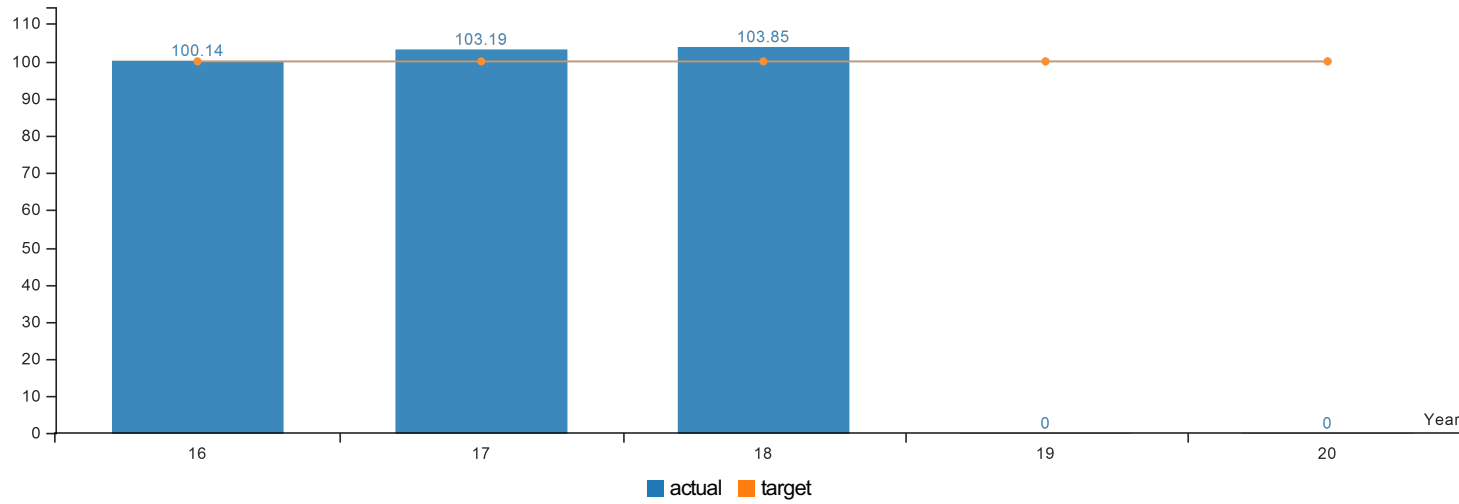
Text comments on 'what can be improved upon' indicated that timeliness, responsiveness and access to information as the most common barriers to success.

Factors Affecting Results

In early 2018, DAS and the Customer Utility Boards (CUBs) agreed to suspend monthly meetings for 6 months in favor of leveraging other customer forums and administrative councils (e.g. DPO advisory council, ABSD meetings). This current transition may factor into the challenges with overall satisfaction, timeliness, and availability of information.

KPM #2	FORECAST RELIABILITY - General Fund Forecast Tracking Metric
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



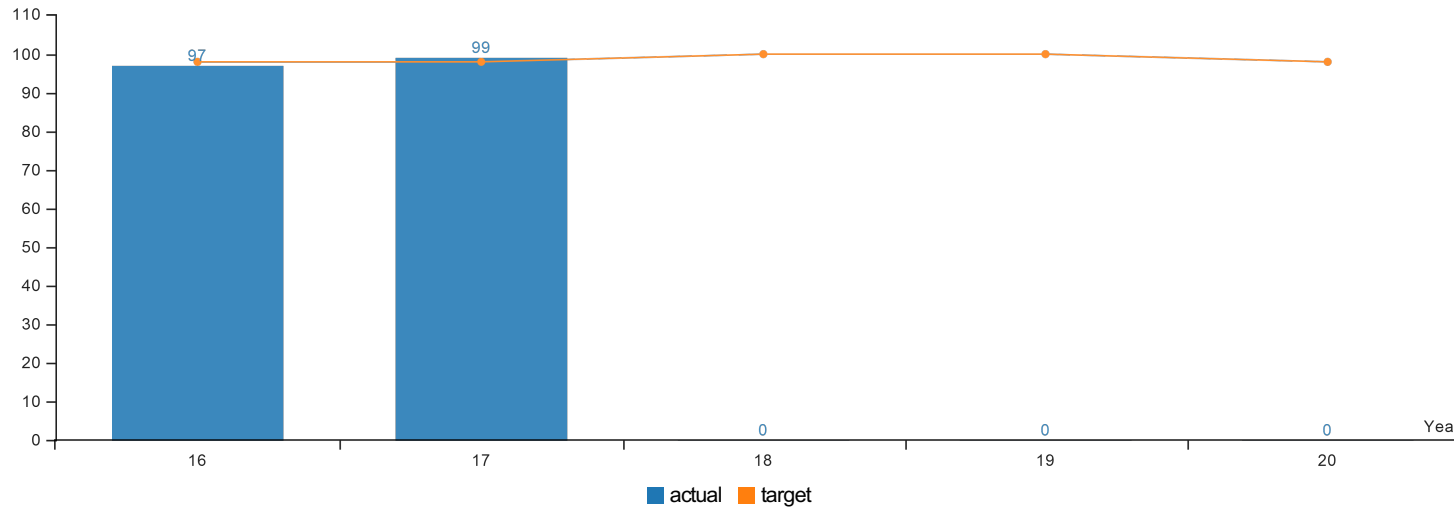
Report Year	2016	2017	2018	2019	2020
General Fund Forecast					
Actual	100.14%	103.19%	103.85%	No Data	No Data
Target	100%	100%	100%	100%	100%

How Are We Doing

Factors Affecting Results

KPM #3	FINANCIAL REPORTING - Percent of Agencies receiving Gold Star Award (The Gold Star Award is the state agency equivalent of the GFOA Certificate of Achievement for Excellence in Financial Reporting)
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



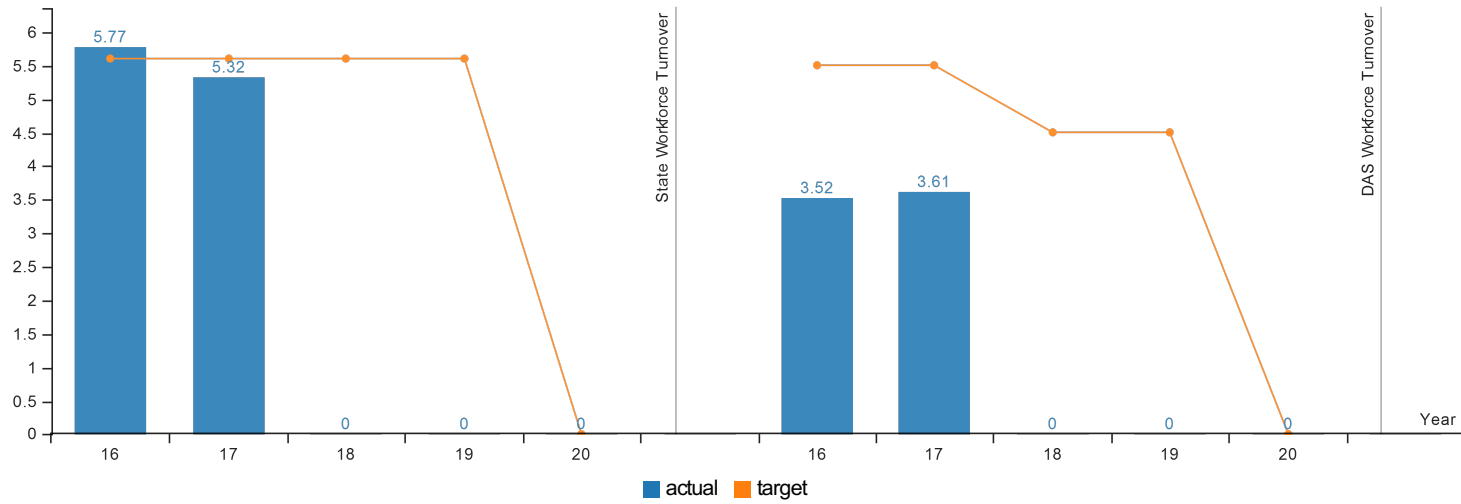
Report Year	2016	2017	2018	2019	2020
Percent of agencies receiving the Gold Star Award					
Actual	97%	99%	No Data	No Data	No Data
Target	98%	98%	100%	100%	98%

How Are We Doing

2018 data will be updated January of 2019.

Factors Affecting Results

KPM #4	WORKFORCE TURNOVER - Annual turnover rate for the State and DAS workforce.
	Data Collection Period: Jul 01 - Jun 30



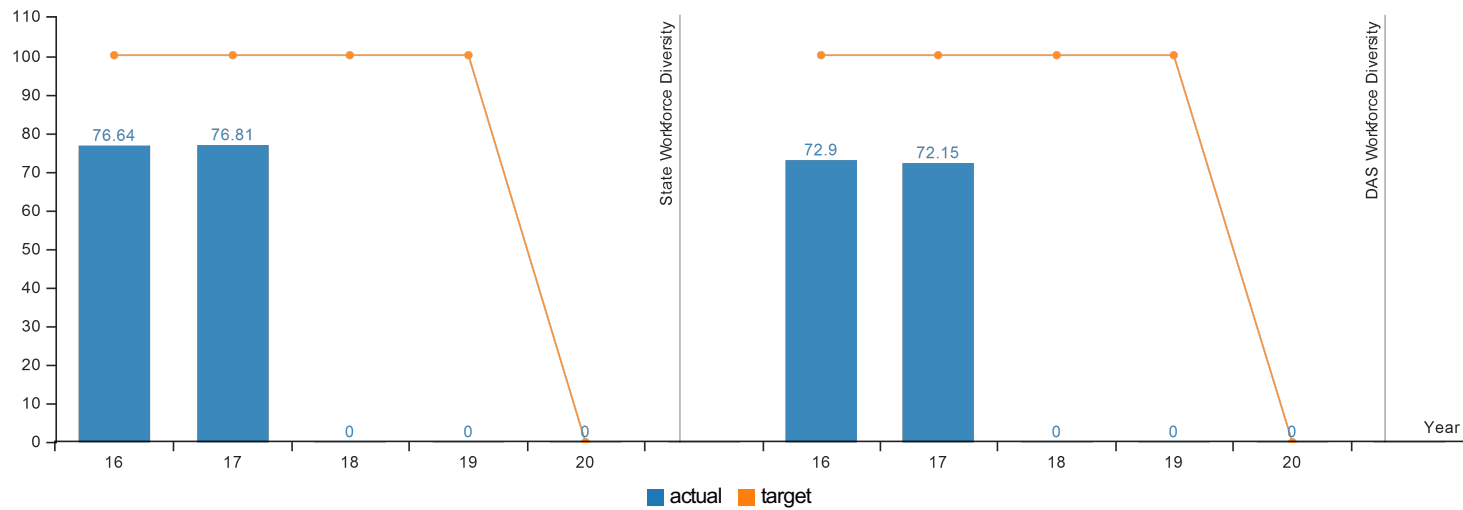
Report Year	2016	2017	2018	2019	2020
State Workforce Turnover					
Actual	5.77%	5.32%	No Data	No Data	No Data
Target	5.60%	5.60%	5.60%	5.60%	0%
DAS Workforce Turnover					
Actual	3.52%	3.61%	No Data	No Data	No Data
Target	5.50%	5.50%	4.50%	4.50%	0%

How Are We Doing

No data for 2018 at this time.

Factors Affecting Results

KPM #5	WORKFORCE DIVERSITY - Racial/ethnic diversity in the state workforce as a percentage of the total civilian labor force.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2016	2017	2018	2019	2020
State Workforce Diversity					
Actual	76.64%	76.81%	No Data	No Data	No Data
Target	100%	100%	100%	100%	0%
DAS Workforce Diversity					
Actual	72.90%	72.15%	No Data	No Data	No Data
Target	100%	100%	100%	100%	0%

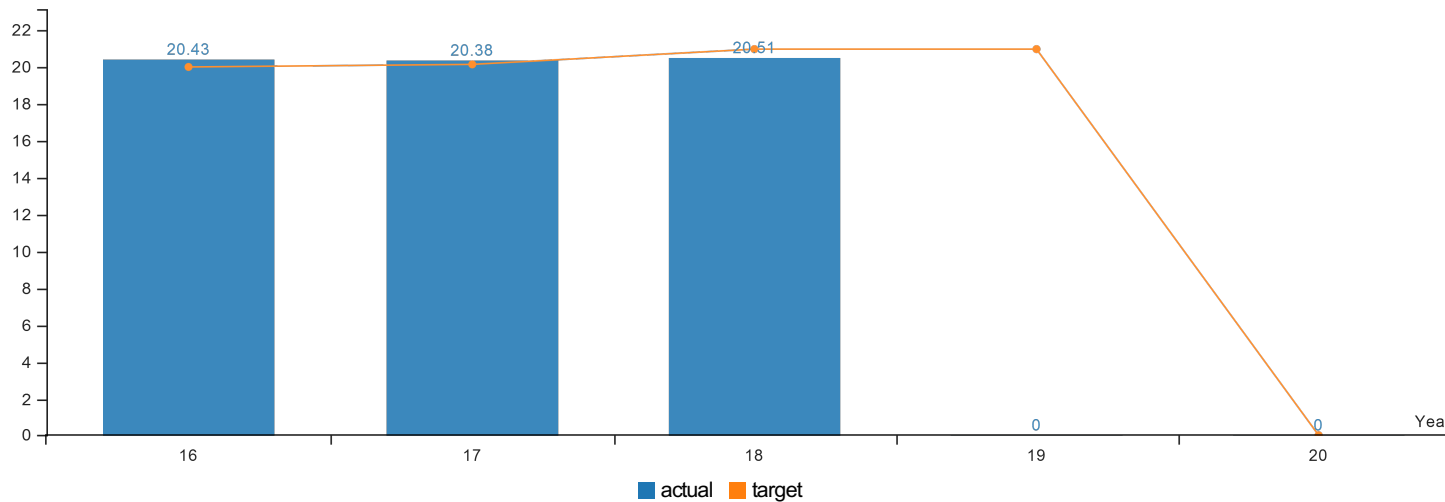
How Are We Doing

No data for 2018 at this time.

Factors Affecting Results

KPM #6	FLEET ADMINISTRATION - Average Miles Per Gallon for DAS Permanently Assigned Fleet Vehicles.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
Average Miles Per Gallon					
Actual	20.43	20.38	20.51	No Data	No Data
Target	20.03	20.17	21	21	0

How Are We Doing

The 2018 average has increased from the 2016 and 2017 values and we are still on target to achieve the 10% increase over 2017 levels by 2020. Currently we are at a 9.5 % increase over the 18.73 MPG 2007 baseline.

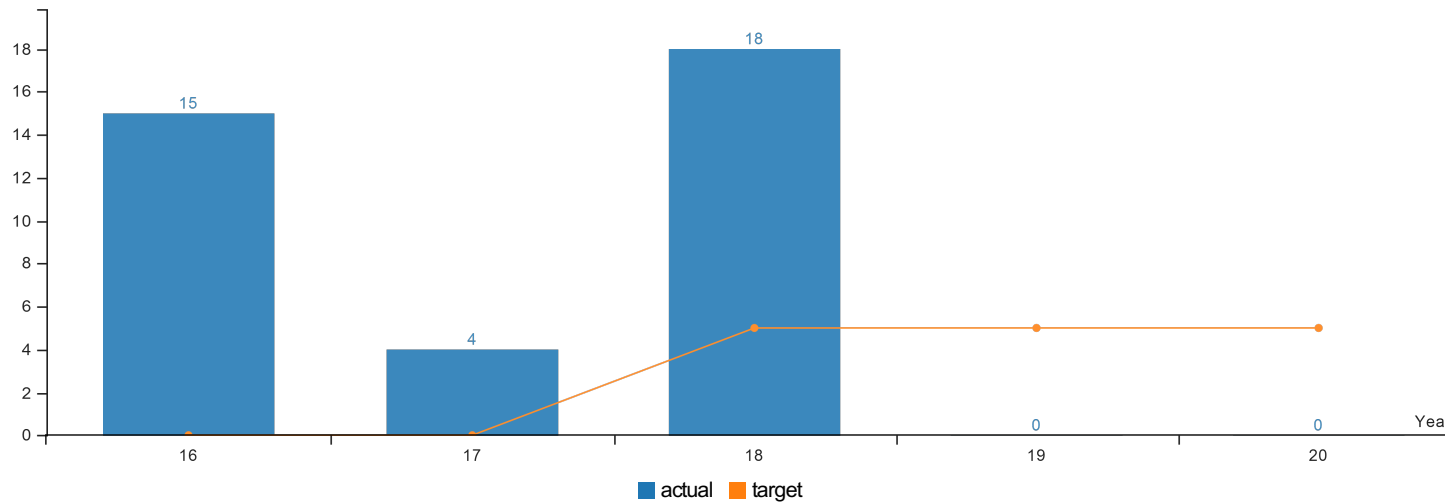
As EV and PHEV charging infrastructure is expanded at state buildings, the incorporation of these plus replacement of older hybrids with even more efficient, new hybrids will help us achieve and likely surpass the target. Continued investment in replacing older cars with higher fuel efficiency vehicles plus transition to smaller size or smaller engines for pickup trucks and SUV's where feasible has yielded positive results. This will continue to help with overall fuel efficiency of the fleet.

Factors Affecting Results

Vehicles continue to increase in efficiency and DAS Fleet continues to use fuel efficiency as a main selection factor when purchasing vehicles.

KPM #7	RENT COSTS - DAS negotiated lease rates in private sector vs. average market rates.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
DAS negotiated lease rate vs. average market rate (Salem/Keizer)					
Actual	15%	4%	18%	No Data	No Data
Target	0%	0%	5%	5%	5%

How Are We Doing

	Salem (FYE June 30, 2018)
DAS-negotiated office lease rates in the private sector vs. average market rate	18% savings compared to market rates (on average)
State private lease rate	1.41
Average cost of market	1.72

The 2017-2018 measure period has performed well beyond expectations. It is currently a difficult market, as Inventory is low, and construction costs are extremely high. Yet through our external resources and leveraging the buying power of the state (as a creditworthy tenant), we have been able to continue to lease under the market.

Report Year (July 1 - June 30)	2014	2015	2016	2017	2018
DAS negotiated lease rate vs. average market rate (Salem)					
Actual	No Data	No Data	15%	4%	18%
Target Lease rate (percent below market)	5%	5%	5%	5%	5%
Quantity of Leases (negotiated in Salem)	12	30	16	23	18

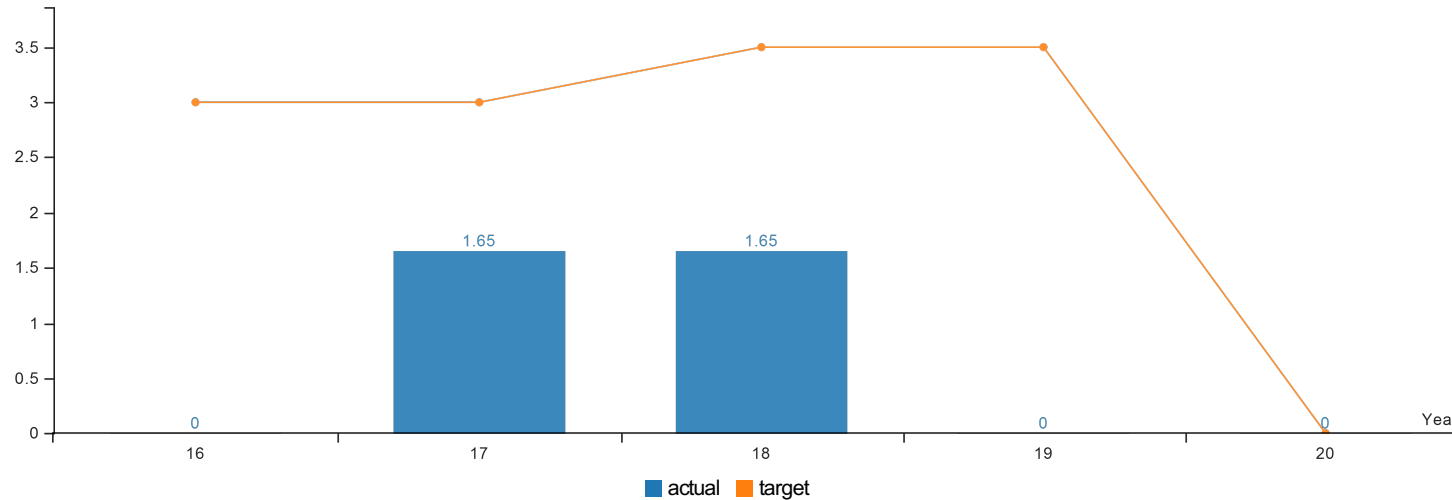
Volume (total square feet negotiated)	150,000	490,000	150,000	230,000	135,000
Quantity of Leases negotiated in portfolio	141	155	168	203	158
Volume of portfolio	765,000	1,360,000	1,190,000	1,090,000	795,000

Factors Affecting Results

We are continuing to accumulate vast savings in facility costs for state agencies. Moving forward, we predict that the negotiation power will continue to shift towards the tenants (that's us!), we should see an advantage from a negotiation standpoint over the next year, moving away from the difficult previous year of low inventory and high prices. We have been able to keep costs lower this year because Boards and Agencies are leasing in more Class C buildings. This was not necessarily a strategy or recommendation, but an illumination of why our savings is substantial in this difficult market.

KPM #8	INFORMATION SECURITY - Overall information security maturity rating based on a sample of state agencies. Rating achieved using a compilation and aggregate score based on the ISO 27002 standard and assigning a rating using the Carnegie-Mellon Capability Maturity Model. (3rd party conducting information security business risk assessments)
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
Information Security					
Actual	No Data	1.65	1.65	No Data	No Data
Target	3	3	3.50	3.50	0

How Are We Doing

This is the same as last year, 2017, due to the focus on the implementation of Senate Bill 90 Unification of IT Security, the ESO has been reorganizing efforts to address the most prevalent and risky findings. The states maturity model for 2017 and 2018 were based on the NIST Cybersecurity Framework. This federal framework measures on 22 distinct control areas, indicated below in the table.

Function	Process Category	Average
IDENTIFY (ID)	Asset Management	1.7
IDENTIFY (ID)	Business Environment	1.7
IDENTIFY (ID)	Governance	1.7
IDENTIFY (ID)	Risk Assessment	1.7
IDENTIFY (ID)	Risk Management Strategy	1.7
PROTECT (PR)	Access Control	1.9
PROTECT (PR)	Awareness and Training	1.9
PROTECT (PR)	Data Security	1.9
PROTECT (PR)	Information Protection Processes	1.9

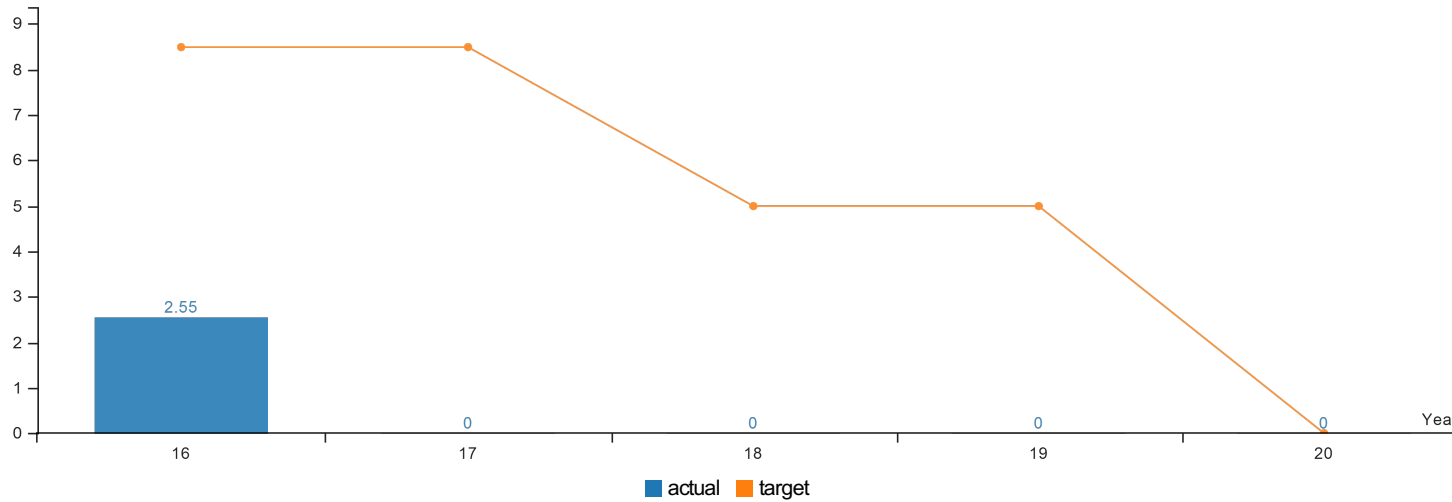
Function	Process Category	Average
PROTECT (PR)	Maintenance	1.9
PROTECT (PR)	Protective Technology	1.9
DETECT (DE)	Anomalies and Events	1.3
DETECT (DE)	Security Continuous Monitoring	1.3
DETECT (DE)	Detection Processes	1.3
RESPOND (RS)	Response Planning	1.4
RESPOND (RS)	Response Communications	1.4
RESPOND (RS)	Incident Analysis	1.4
RESPOND (RS)	Incident Mitigation	1.4
RESPOND (RS)	Incident Review	1.4
RECOVER (RC)	Recovery Planning	1.7
RECOVER (RC)	Recovery Improvements	1.7
RECOVER (RC)	Recovery Communications	1.7

Factors Affecting Results

Methodology was changed in 2016 in line with direction under Executive Order 16-13 for agency by agency risk assessment. The intended assessment was to be more in depth, so an alternate standard was used – the NIST Cybersecurity Framework. Assessments were performed by multiple vendors at 13 agencies.

KPM #9	PROCUREMENT EFFECTIVENESS - Estimated savings resulting from price agreement pricing compared to prices that would be paid without the benefit of a price agreement.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
Procurement Effectiveness					
Actual	2.55%	No Data	No Data	No Data	No Data
Target	8.50%	8.50%	5%	5%	0%

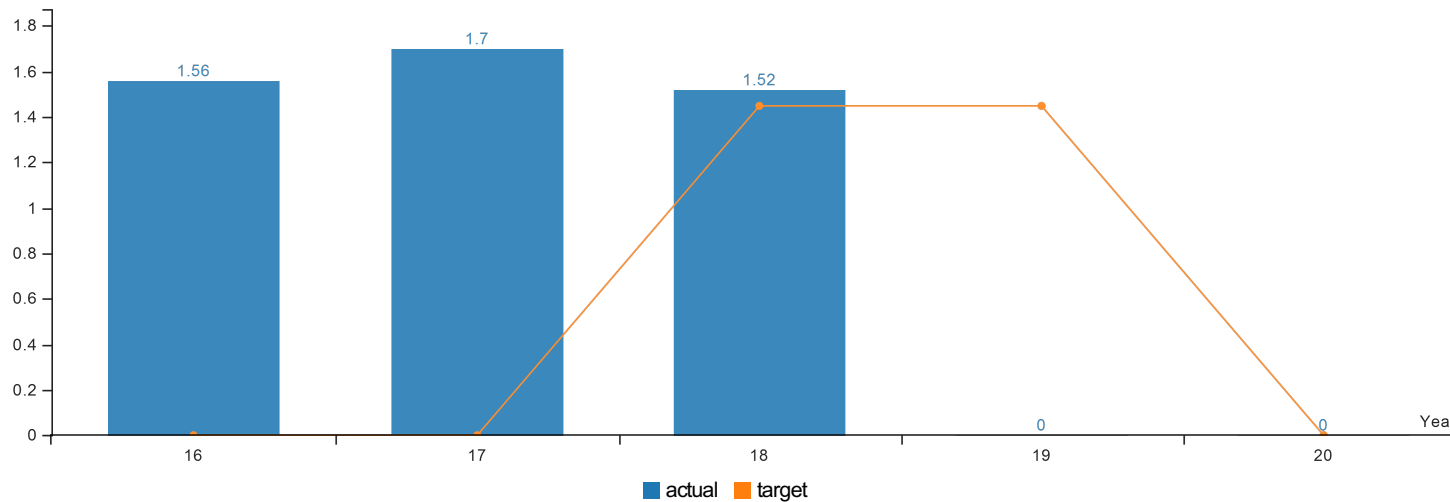
How Are We Doing

Our request is that KPM #9 be retired. As indicated in last year's report, we had hoped to have a replacement measure tested and ready to implement in 2018, but this is not going to be the case. While substantial work has been done on a new cost savings model, we have not been able to finalize the approach and test it to ensure it provides meaningful information. We hesitate to commit to a date to have a replacement measure in place at this time as that remains uncertain.

Factors Affecting Results

KPM #10	RISK MANAGEMENT - Annual number of Severe Worker's Compensation claims per 100 FTE
	Data Collection Period: Jan 01 - Jan 01

* Upward Trend = negative result



Report Year	2016	2017	2018	2019	2020
Number of Severe Worker's Compensation Claims per 100 FTE					
Actual	1.56	1.70	1.52	No Data	No Data
Target	0	0	1.45	1.45	0

How Are We Doing

Improved results over 16/17 may be a result of two factors:

1. **16/17** (prior year) was unusually high regarding claim severity (cost and level of disability). Results from 17/18 are more in alignment with historical results, along with some additional improvement.
2. April 2016 the state updated its policy regarding Early Return to Work of Injured Workers. The most significant change was allowing a period of 120 days of temporary modified work vs. the prior policy of 90 days before moving the injured worker to full time loss. The combination of returning to a more normal year with the updated policy may be resulting in additional improvement from historical results.

Factors Affecting Results

17/18 saw 1% increase in FTE and 3.5% increase in total claims, but a 9.3% decrease in severe claims per 100 FTE. Claims per 100 FTE involving only temporary disability decreased by 8.5%, while claims per 100 FTE involving some level of permanent disability decreased by 21.7% (the 16/17 year saw a 20% INCREASE in claims involving some level of permanent disability, which was reversed in 17/18).

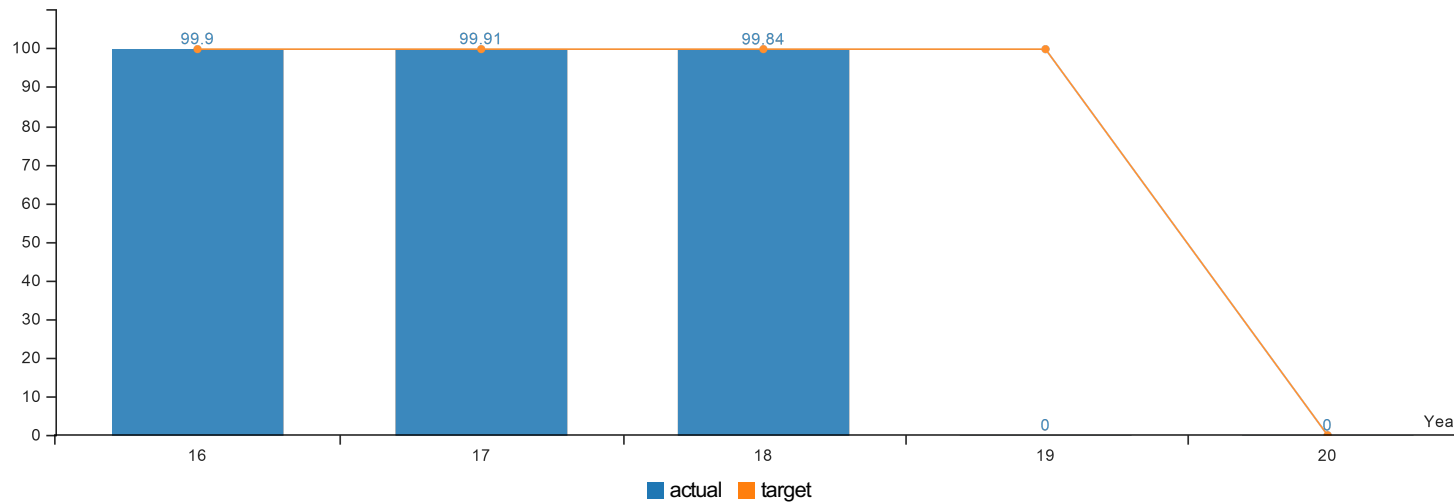
Fewer severe injuries have also resulted a 30% reduction total incurred cost over 16/17.

2018/19 will see increased emphasis on reducing claim frequency and additional emphasis of the early return to work program when injuries do occur, both having potential positive impact on

number of severe claims per 100 FTE.

KPM #11	DATA CENTER - Percentage of time systems are available.
	Data Collection Period: Jul 01 - Jun 30

* Upward Trend = positive result



Report Year	2016	2017	2018	2019	2020
Data Center- Systems Availability					
Actual	99.90%	99.91%	99.84%	No Data	No Data
Target	99.90%	99.90%	99.90%	99.90%	0%

How Are We Doing

The availability of 99.84% for FY 2018 is below target. This was primarily due to an extended outage in June 2018 as a result of a network device hardware failure and redundant equipment not engaging. The failed hardware has been replaced, a complete post incident review was completed, and a third party assessment of the network architecture is in progress. The stability and reliability of the State Data Center is of the utmost importance.

Factors Affecting Results

The Data Center has transitioned most of their infrastructure to a Unified Computing Platform and has stabilized the computing environment as well as significantly expanding the usage of our computing infrastructure.



Oregon

Kate Brown, Governor

Department of Administrative Services

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2019 Summary of Proposed Legislation

HB 2093 – Referred to House Committee on Rules

Allows DAS to enter into statewide price agreements for purchase and installation of electric vehicle (EV) charging stations.

Effect on DAS budget: No fiscal impact anticipated

HB 2094 – Referred to the House Committee on Rules

Adds Executive Order 17-09 to statute, allowing state agencies to consider vendor debts owed to the State when awarding contracts.

Effect on DAS budget: No fiscal impact anticipated

HB 2095 – Referred to the Joint Committee on Way and Means

Establishes dedicated funds, separate from the General Fund, that agencies can use for building maintenance, depreciation needs, and to meet the 2% proposal requirements established by SB 1067 (2017).

Effect on DAS budget: No fiscal impact anticipated

SB 72 – Referred to the Senate Committee on Business and General Government

Provides a single definition of “state agency”; changes CPI references; follows the federal GSA guidelines for travel awards; establishes separate requirements for leasing of office and non-office space; clarifies the definition of “office building”; reduces the total parking required for state-owned portions of new or redeveloped multi-owner buildings, and removes the requirement for reporting on telecommuters in state government.

Effect on DAS budget: No fiscal impact anticipated

SB 73 – Referred to the Senate Committee on Business and General Government

Expedites the process of entering into leases or installment purchases for office quarters by exempting them from 286A requirements if a non-recourse provision is included in the contract.

Effect on DAS budget: No fiscal impact anticipated

House Bill 2093

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 Oregon Department of Administrative Services to contract with other entity, and to participate in, sponsor, conduct or administer cooperative procurements, for purpose of acquiring, installing, maintaining or operating devices or facilities to deliver electricity to public for electric motor vehicles. Specifies that solely for purpose of contracting agency's participating in, sponsoring, conducting or administering cooperative procurement, device or facility for delivering electricity to public for electric motor vehicles is not public improvement.

Becomes operative on January 1, 2020.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to procurements for facilities that deliver electricity to the public for electric motor vehicles; creating new provisions; amending ORS 276.255; and prescribing an effective date.

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

SECTION 1. ORS 276.255, as amended by section 1, chapter 90, Oregon Laws 2018, is amended to read:

276.255. (1)(a) A state agency may locate, on premises the state agency owns or controls, devices or facilities that the state agency installs, or has installed, specifically to deliver electricity to the public for electric motor vehicles.

(b) A state agency may contract with a vendor that will distribute, dispense or otherwise make available electricity from devices or facilities described in paragraph (a) of this subsection.

(2)(a) The Oregon Department of Administrative Services may install or have installed devices or facilities described in subsection (1)(a) of this section in as many locations as are sufficient to meet demand for the devices or facilities.

(b) The department by rule shall establish criteria by means of which a state agency shall determine an appropriate number of locations at which the state agency may install or have installed devices or facilities described in subsection (1)(a) of this section.

(c) Notwithstanding paragraph (b) of this subsection, a state agency may install or have installed devices or facilities described in subsection (1)(a) of this section at more than the number of locations determined in accordance with the department's rule if the state agency obtains a grant to support the installations at each additional location.

(3)(a) The department may contract or otherwise agree with another entity to acquire, install, maintain or operate devices or facilities described in subsection (1)(a) of this section. The department may also participate in, sponsor, conduct or administer cooperative procurements in accordance with ORS 279A.200 to 279A.225 under which public bodies, as defined in ORS 174.109, and other purchasers the department authorizes by rule may acquire, install, maintain or operate devices or facilities to deliver electricity to the public for electric motor

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 **vehicles.**

2 **(b) Solely for the purpose of a contracting agency’s participating in, sponsoring, con-**
 3 **ducting or administering a cooperative procurement under paragraph (a) of this subsection**
 4 **and notwithstanding the definition of “public improvement” in ORS 279A.010, a device or fa-**
 5 **ility for delivering electricity to the public for electric motor vehicles is not a public im-**
 6 **provement.**

7 [(3)] (4) A state agency that contracts with a vendor under subsection (1)(b) **or (3)(a)** of this
 8 section shall require in the contract that the vendor:

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

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

15 [(4)] (5) A state agency may by order establish and adjust prices for using devices or facilities
 16 described in subsection (1)(a) of this section that are located on premises the state agency owns or
 17 controls. The state agency shall **endeavor to** set the price for using the devices or facilities at a
 18 level that:

19 (a) Recovers to the maximum extent practicable the cost of operating and administering the
 20 devices or facilities described in subsection (1)(a) of this section; and

21 (b) Does not exceed 110 percent of the average market price for delivering electricity to the
 22 public for the purpose described in subsection (1)(a) of this section in the county in which the device
 23 or facility is located.

24 [(5)] (6) Subject to subsection [(4)] (5) of this section, a state agency shall set [*a uniform*] **the**
 25 price for delivering electricity at devices and facilities located on premises that the state agency
 26 owns or controls. The state agency shall use criteria and a methodology that the department speci-
 27 fies for calculating the [*uniform*] price.

28 [(6)] (7) The department shall report to the Legislative Assembly in the manner provided by ORS
 29 192.245 not later than February 1, 2019, February 1, 2021, and February 1, 2023, concerning state
 30 agency implementation of the authority granted in **subsections (1), (2), (4), (5) and (6)** of this
 31 section. Each report must, as of the date of the report:

32 (a) List the number of devices or facilities for delivering electricity to the public for electric
 33 motor vehicles that state agencies installed or had installed in the previous two years and the total
 34 number of installations that have occurred since June 2, 2018;

35 (b) List the number of devices or facilities that state agencies have planned for installation in
 36 the next two years;

37 (c) List the cost to the state agency of each installation and calculate:

38 (A) An average cost for installations that state agencies have completed or had completed; and

39 (B) An overall trend line for costs that state agencies have incurred;

40 (d) Specify the current [*uniform*] price that each state agency charges under subsection [(5)] (6)
 41 of this section and any changes in the [*uniform*] price that occurred in the previous two years;

42 (e) Specify for each state agency an average rate of utilization for all of the devices or facilities
 43 located on premises that the state agency owns or controls, calculated as the ratio of the time each
 44 day during which a person is actually using the devices or facilities and the time each day in which
 45 the devices and facilities are available for use; and

1 (f) Specify whether and to what extent using electric motor vehicles and devices or facilities
2 located on premises that state agencies own or control to provide electricity for state agency elec-
3 tric motor vehicles results in a cost savings to the state agency in comparison to using motor ve-
4 hicles that do not use electricity for propulsion.

5 **SECTION 2. (1) The amendments to ORS 276.255 by section 1 of this 2019 Act become**
6 **operative on January 1, 2020.**

7 **(2) The Oregon Department of Administrative Services or a contracting agency that**
8 **adopts rules under ORS 279A.065 or 279A.070 may adopt rules and take any other action be-**
9 **fore the operative date specified in subsection (1) of this section that is necessary to enable**
10 **the department or the contracting agency, on and after the operative date specified in sub-**
11 **section (1) of this section, to exercise all of the duties, functions and powers conferred on**
12 **the department or the contracting agency by the amendments to ORS 276.255 by section 1**
13 **of this 2019 Act.**

14 **SECTION 3. This 2019 Act takes effect on the 91st day after the date on which the 2019**
15 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

16

House Bill 2094

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 contracting agency to consider at any time before executing public contract with bidder or proposer whether bidder or proposer owes debt to state.

Becomes operative on January 1, 2020.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to considering whether persons seeking public contracts owe a debt to the state; and prescribing an effective date.

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

SECTION 1. Section 2 of this 2019 Act is added to and made a part of ORS chapter 279A.

SECTION 2. In addition to making a determination concerning a bidder's or proposer's responsibility under ORS 279B.110 or 279C.375, a contracting agency as part of the contracting agency's evaluation of a bid or proposal may consider at any time before executing a public contract with the bidder or proposer whether the bidder or proposer owes a debt to the state.

SECTION 3. Section 2 of this 2019 Act applies to procurements that a contracting agency advertises or otherwise solicits or, if the contracting agency does not advertise or otherwise solicit the procurement, to public contracts into which the contracting agency enters on or after the operative date specified in section 4 of this 2019 Act.

SECTION 4. (1) Section 2 of this 2019 Act becomes operative on January 1, 2020.

(2) The Attorney General, the Director of the Oregon Department of Administrative Services, the Director of Transportation and the director or other head of a contracting agency that adopts rules under ORS 279A.065 or 279A.070 may adopt rules and take any other action before the operative date specified in subsection (1) of this section that is necessary to enable the Attorney General or the director or other head to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the Attorney General or the director or other head by section 2 of this 2019 Act.

SECTION 5. This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.

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 2095

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 Building Maintenance Account in State Treasury, separate and distinct from General Fund. Directs State Treasurer to create subaccounts within account for specified state agencies. Continuously appropriates amounts in subaccounts to state agencies for purposes of repairing and maintaining buildings owned by state agencies.

Declares emergency, effective July 1, 2019.

A BILL FOR AN ACT

1 Relating to maintenance of buildings owned by state agencies; and declaring an emergency.

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

3 **SECTION 1. (1) The Building Maintenance Account is established in the State Treasury,**
4 **separate and distinct from the General Fund. The State Treasurer shall create a subaccount**
5 **within the Building Maintenance Account for each of the agencies specified in subsection (2)**
6 **of this section. Interest earned by a subaccount within the Building Maintenance Account**
7 **must be credited to the subaccount. Each subaccount consists of moneys deposited in the**
8 **subaccount from any source and may include moneys appropriated, allocated, deposited or**
9 **transferred to the subaccount by the Legislative Assembly or otherwise and interest earned**
10 **on moneys in the subaccount. The moneys in each subaccount are continuously appropriated**
11 **to the agency for which the subaccount is created for the purposes of repairing and main-**
12 **taining buildings owned by the agency.**

13
14 **(2) The Building Maintenance Account consists of subaccounts created for each of the**
15 **following agencies:**

- 16 **(a) Department of Corrections.**
17 **(b) Department of Education.**
18 **(c) Department of Public Safety Standards and Training.**
19 **(d) Department of State Lands.**
20 **(e) Department of State Police.**
21 **(f) Department of Transportation.**
22 **(g) Department of Veterans' Affairs.**
23 **(h) Employment Department.**
24 **(i) Oregon Department of Administrative Services.**
25 **(j) Oregon Department of Aviation.**
26 **(k) Oregon Health Authority.**
27 **(L) Oregon Liquor Control Commission.**
28 **(m) Oregon Military Department.**
29 **(n) Oregon Youth Authority.**

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 **(o) Public Employees Retirement System.**

2 **(p) State Department of Agriculture.**

3 **(q) State Department of Fish and Wildlife.**

4 **(r) State Forestry Department.**

5 **(s) State Parks and Recreation Department.**

6 **SECTION 2.** **This 2019 Act being necessary for the immediate preservation of the public**
7 **peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect**
8 **July 1, 2019.**

9

Senate Bill 72

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**.

Eliminates certain duties of Oregon Department of Administrative Services and other state agencies related to tracking and reporting of travel awards earned as part of official state business.

Permits department to rent space other than office quarters to public or private persons at market rates. Consolidates multiple statutes relating to rental by department of unused space.

Adjusts definition of "office building" for purposes of certain public facilities laws to include portions of buildings. Provides that exemption for state agencies from local parking code requirements extends to newly acquired buildings in addition to newly constructed or renovated buildings.

Standardizes definitions of "state agency" used in portions of laws related to administration of public funds.

Modifies references to discontinued Consumer Price Index in certain statutes.

Modifies duties of department relating to telecommuting of state employees.

A BILL FOR AN ACT

Relating to the administration of state agencies; creating new provisions; amending ORS 240.855, 276.005, 276.007, 276.093, 276.095, 276.097, 276.110, 276.137, 276.440, 291.407, 292.230, 293.226, 293.227, 293.229, 293.234, 293.235, 293.252, 293.254, 293.256 and 565.447 and section 3, chapter 390, Oregon Laws 2017; and repealing ORS 276.135, 276.431 and 276.435.

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

MANAGEMENT OF TRAVEL AWARDS

SECTION 1. ORS 292.230 is amended to read:

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

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

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

(c) Each state agency is charged with the responsibility for determining the necessity and justification for and method of travel.

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

[(2) *Notwithstanding any other law, including but not limited to ORS 243.650 to 243.782, it is the policy of the state that travel awards earned while conducting state business shall be used to reduce the costs of state travel expenses except as otherwise required as a prerequisite to receipt of federal or*

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 *other granted funds. The use of travel awards obtained while conducting state business for personal*
 2 *travel constitutes personal gain from state employment and violates ORS 244.040.]*

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

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

9 *[(5)]* (2) The Oregon Department of Administrative Services shall adopt by rule standards regu-
 10 lating out-of-state travel including but not limited to:

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

12 (b) Requiring state agencies to establish practices for travel that are consistent with the
 13 agency’s resources;

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

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

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

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

21 *[(6)]* (3) As used in this section:

22 (a) “Official state business” means activity conducted by any agency personnel that has been
 23 authorized by that agency in support of approved state programs.

24 (b) “Out-of-state travel” means all travel from a point of origin in Oregon to a point of destina-
 25 tion in another state and return therefrom.

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

29 **SECTION 2. The amendments to ORS 292.230 by section 1 of this 2019 Act apply to travel**
 30 **occurring on or after the effective date of this 2019 Act.**

31
 32 **BUILDING RENTALS**

33
 34 **SECTION 3. ORS 276.135, 276.431 and 276.435 are repealed.**

35 **SECTION 4. ORS 276.440 is added to and made a part of ORS 276.420 to 276.429.**

36 **SECTION 5.** ORS 276.440 is amended to read:

37 276.440. (1) For any building under its jurisdiction, as described in ORS 276.004, the Oregon
 38 Department of Administrative Services may:

39 (a) Rent [*space not needed or available to state agencies*] **office quarters that the department**
 40 **determines are not appropriate to the needs of state agencies** in order of priority first to other
 41 public agencies, then to private [*citizens*] **persons, at rates established under ORS 276.385 and**
 42 **276.390.**

43 (b) Rent space [*designated for public use to private concessions, when such use will not interfere*
 44 *with the orderly conduct of state business and is consistent with the public interest.*] **other than office**
 45 **quarters to any person, whether public or private, at rates appropriate to the local market,**

1 **as determined by the department, notwithstanding ORS 276.385 (1), if the department deter-**
 2 **mines that such space is not appropriate to the needs of state agencies.**

3 (c) Permit the occasional use of any unoccupied or vacant room or space [*by persons or organ-*
 4 *izations*] for conventions, assemblies or other public meetings.

5 **(d) With the advice of the occupying agency, rent the auditoriums, meeting rooms,**
 6 **courtyards and other outdoor spaces, suitable rooftops or lobbies of buildings occupied by**
 7 **state agencies to persons, whether public or private, engaged in commercial, cultural, edu-**
 8 **ational or recreational activities that will not disrupt the building operations or the orderly**
 9 **conduct of state business.**

10 **(2) Terms of rentals authorized under this section may not exceed 10 years. Rentals au-**
 11 **thorized under this section may be negotiated without competitive bid.**

12 **(3) The department shall, by lease or otherwise, impose terms and conditions on rentals**
 13 **authorized under this section as necessary to protect the public interest.**

14 [(2)] (4) [*The Director of the Oregon Department of Administrative Services may fix and collect a*
 15 *rental sufficient to defray the cost of janitor service and other expenses, including debt service.*] Re-
 16 cepts from rentals of space [*permitted*] under [*subsection (1) of*] this section shall be [*placed*] **de-**
 17 **posited** in the Oregon Department of Administrative Services Operating Fund [*and are continuously*
 18 *appropriated for the purposes of that fund*].

19 **SECTION 6.** ORS 276.093 is amended to read:

20 276.093. As used in ORS 276.093 to 276.098[, 276.135, 276.431 and 276.435] **and 276.440:**

21 (1) “Commercial activities” includes, but is not limited to, restaurants, food stores, craft stores,
 22 dry goods stores and display facilities.

23 (2) “Cultural activities” includes, but is not limited to, film, dramatic, dance and musical pres-
 24 entations, fine arts exhibits, studios and public meeting places, whether or not used by persons, firms
 25 or organizations intending to make a profit.

26 (3) “Director” means the Director of the Oregon Department of Administrative Services.

27 (4) “Educational activities” includes, but is not limited to, libraries, schools, child care facilities,
 28 laboratories and lecture and demonstration facilities.

29 (5) “Historical, architectural or cultural significance” includes, but is not limited to, buildings
 30 listed or eligible to be listed on the National Register of Historic Places under section 101 of the
 31 National Historic Preservation Act of October 15, 1966 (16 U.S.C. 470a).

32 (6) “Recreational activities” includes, but is not limited to, gymnasiums and related facilities.

33 (7) “State building” means all state buildings under the control of the Oregon Department of
 34 Administrative Services.

35 (8) “Unit of local government” means any city or county, or other political subdivision of the
 36 state.

37 **SECTION 7.** ORS 276.095 is amended to read:

38 276.095. With respect to operating, maintaining, altering and otherwise managing or acquiring
 39 space to meet the office needs of state government and to accomplish the purposes of ORS 276.094,
 40 the Director of the Oregon Department of Administrative Services may:

41 (1) Acquire or lease and utilize space in suitable buildings of historical, architectural or cultural
 42 significance, unless use of such space would not prove feasible and prudent compared with available
 43 alternatives, taking into consideration the purposes of ORS 276.093 to 276.098[, 276.135, 276.431 and
 44 276.435] **and 276.440;**

45 (2) Provide and maintain space, facilities and activities to the extent practicable that encourage

1 public access to and stimulate public pedestrian traffic around, into and through state buildings,
 2 permitting cooperative improvements to and uses of the area between the building and the street,
 3 thereby complementing and supplementing commercial, cultural, educational and recreational re-
 4 sources in the neighborhood of state buildings;

5 (3) Encourage the location of compatible commercial, cultural, educational and recreational fa-
 6 cilities and activities within or near state buildings; and

7 (4) Encourage multipurpose public use of state buildings for the benefit of children and commu-
 8 nity activities, including commercial, cultural, educational and recreational use of such buildings,
 9 providing such use would not be disruptive to state government.

10 **SECTION 8.** ORS 276.097 is amended to read:

11 276.097. The Director of the Oregon Department of Administrative Services, where practicable,
 12 shall give priority in the assignment of ground floor space not leased under the terms of ORS
 13 [276.431] **276.440** to state activities requiring regular contact with members of the public. To the
 14 extent ground floor space is not available, the director shall provide space with maximum ease of
 15 access to building entrances.

16
 17 **MULTITENANT BUILDINGS**

18
 19 **SECTION 9.** ORS 276.110 is amended to read:

20 276.110. As used in ORS **276.009**, 276.013, 276.015 and 276.110 to 276.137, unless the context re-
 21 quires otherwise:

22 (1) “Cost of acquisition” includes the costs of sites, plans, specifications, architects’ fees, interest
 23 on investments of the investing funds and all other costs related to the erection and equipping of
 24 office buildings or to the purchase, alteration, repair and equipping of buildings for office purposes.

25 (2) “Investing agency” means the board, commission, department or other agency whose funds
 26 are defined as investment funds in ORS 293.701.

27 (3) “Investing funds” means those funds enumerated in ORS 293.701 (2), when invested pursuant
 28 to ORS **276.009**, 276.013, 276.015 and 276.110 to 276.137.

29 (4) “Office building” means any building, **or portion thereof**, in the State of Oregon acquired
 30 under ORS **276.009**, 276.013, 276.015 and 276.110 to 276.137, by appropriation therefor, or as other-
 31 wise provided by law, to provide [*centralized*] office quarters for state agencies and may include
 32 parking, storage, motor pool, [*and*] service **and other** facilities.

33 (5) “State Treasurer” means the State Treasurer in the capacity of investment officer for the
 34 Oregon Investment Council.

35 **SECTION 10.** ORS 291.407 is amended to read:

36 291.407. (1) The Mass Transit Assistance Account is established in the General Fund of the State
 37 Treasury. The account shall consist of moneys deposited in the account under ORS 291.405 and as
 38 otherwise provided by law. The moneys in the account are continuously appropriated to the Oregon
 39 Department of Administrative Services to be used as provided in this section.

40 (2) The Oregon Department of Administrative Services shall distribute moneys from the account
 41 established under this section to districts described in ORS 291.405 on the last day of each calendar
 42 quarter. Subject to the limitations in this section, the amount distributed to each district shall be
 43 equal to the total assessments received by the department during the immediate preceding three
 44 months under ORS 291.405 from agencies with employees performing subject services within that
 45 district.

(3) Distributions under this section are subject to the following limitations:

(a) Except for newly formed districts, the Oregon Department of Administrative Services shall not distribute to a district during a calendar year an amount that exceeds the amount received by the district under the district's own taxes during the immediate preceding fiscal year of the district.

(b) The Oregon Department of Administrative Services shall not distribute to a newly formed district during a calendar year an amount that exceeds the amount the budget approved by the district board proposes as revenue for the district from the district's own taxes during the current fiscal year of the district. If the district does not collect the proposed amount, the department shall make adjustments in the distributions during subsequent years to recover any amount paid under this section that is over the amount the district actually received under the district's own taxes.

(4) The limitations imposed under this section that are based on amounts received by a district under its own taxes do not include amounts received by the district from farebox revenues, federal moneys, state moneys, gifts, investments, bonds or similar moneys received by the district.

(5) The Department of Transportation shall provide the Oregon Department of Administrative Services with any information concerning a mass transit district or transportation district that the Oregon Department of Administrative Services determines necessary for the performance of its duties under this section and ORS 291.405. The Department of Transportation shall provide the information in the form and at times determined by the Oregon Department of Administrative Services.

(6) In exchange for payments authorized under this section to transit districts, the State of Oregon and its agencies shall be exempt *[from any parking code requirements for existing state-owned buildings, construction of new state buildings or the renovation of existing state buildings, which]*, **with respect to existing state buildings and newly constructed, acquired or renovated state buildings, from any parking code requirements that** have been or may be established by any political subdivision within the boundaries of a transit district receiving such payments.

(7) As used in this section, "state buildings" includes office buildings as defined in ORS 276.110.

SECTION 11. ORS 276.005 is amended to read:

276.005. (1) The Oregon Department of Administrative Services through funds appropriated therefor, from balances in the Capital Projects Fund, or as otherwise provided by law, may enter into all contracts or agreements deemed necessary to:

(a) Purchase, construct, improve, repair, equip and furnish office buildings as defined in ORS 276.110;

(b) Purchase, construct, improve and repair utility and service facilities;

(c) Execute such other buildings, grounds and public works projects for state government as may be necessary to accomplish the purposes of this chapter; and

(d) Acquire land by purchase, gift, exchange, lease, condemnation or otherwise for the purposes of paragraphs (a), (b) and (c) of this subsection and to improve sites therefor.

(2) There is established in the State Treasury a Capital Projects Fund, separate and distinct from the General Fund. The moneys in the Capital Projects Fund may be invested as provided in ORS 293.701 to 293.857. Interest earnings on the fund assets shall be credited to the fund. All moneys credited to the fund by law are appropriated continuously to the department for the purposes set out in subsection (1) of this section.

(3) The Oregon Department of Administrative Services on behalf of the State of Oregon may accept gifts, grants and donations from public and private sources for the purposes set out in subsection (1) of this section. Such gifts, grants and donations shall be deposited by the department in

1 appropriate separate trust accounts until such time as required to meet the obligations for which
 2 the gift, grant or donation was intended. When so required, the department shall deposit such
 3 amounts in the Capital Projects Fund, subject to any limitations imposed by the donor.

4 (4) Moneys loaned by an investing fund under ORS **276.009**, 276.013, 276.015 and 276.110 to
 5 276.137 shall be deposited in the Capital Projects Fund and are appropriated continuously for the
 6 purposes set out in subsection (1) of this section.

7 **SECTION 12.** ORS 276.007 is amended to read:

8 276.007. (1) Moneys credited to the Oregon Department of Administrative Services Operating
 9 Fund by law are appropriated continuously to the Oregon Department of Administrative Services
 10 and may be used to:

11 (a) Repay investing funds for moneys loaned under ORS **276.009**, 276.013, 276.015 and 276.110 to
 12 276.137, and the interest thereon; and

13 (b) Pay all the expenses associated with operating, maintaining, repairing, equipping and fur-
 14 nishing the buildings and facilities described in ORS 276.004.

15 (2) For any biennium any moneys collected by the department pursuant to ORS 276.385 and
 16 276.412 as rental payments for depreciation reserves for space in buildings, parking facilities and
 17 mall houses specified in ORS 276.004 and any net profit from mall houses shall be transferred from
 18 the Oregon Department of Administrative Services Operating Fund to the Capital Projects Fund for
 19 any of the purposes enumerated in ORS 276.005 (1).

20 (3) Except as provided in subsection (2) of this section, and except an amount as determined by
 21 the department for operating capital for the management of such office space, for any biennium any
 22 moneys collected by the department pursuant to ORS 276.385 and 276.412 as rental payments for
 23 space in buildings specified in ORS 276.004 that exceed the amounts required by law to be paid out
 24 of such moneys with respect to that biennium, shall be used to adjust rental rates in the current
 25 or subsequent biennia.

26 **SECTION 13.** ORS 276.137 is amended to read:

27 276.137. On repayment of all moneys loaned by investing funds to acquire a building under ORS
 28 **276.009**, 276.013, 276.015 and 276.110 to 276.137, title to such building shall vest automatically in the
 29 Oregon Department of Administrative Services in the name of the State of Oregon.

30
 31 **DEFINITIONS OF STATE AGENCY**

32
 33 **SECTION 14.** ORS 293.226 is amended to read:

34 293.226. (1) Subject to subsection (2) of this section, a state agency may request that a person
 35 voluntarily supply the person's Social Security number for use in collecting debts owed to the State
 36 of Oregon on any document relating to any monetary obligation or transaction. A state agency that
 37 so requests shall include on the document a notice disclosing that the Social Security number is
 38 requested for and may be used for state agency debt collection activities.

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

40 (a) Specifying the form of the notice, including provisions specifying when the notice must state
 41 whether the disclosure of a Social Security number is voluntary or mandatory; and

42 (b) Setting procedures for the sharing of Social Security numbers between state agencies, and
 43 between the Department of Revenue and private collection agencies, for the purpose of collecting
 44 debts owed state agencies.

45 (3) If a person is required to provide the person's Social Security number to a state agency un-

1 der federal or state law for purposes other than collection of a debt owed to the State of Oregon,
 2 the agency may not use the Social Security number for debt collection purposes, except:

3 (a) When the agency requests that the person voluntarily disclose the person’s Social Security
 4 number for the purpose of collecting debts owed to the State of Oregon, the agency provides the
 5 notice required under subsection (1) of this section and the person subsequently voluntarily provides
 6 the person’s Social Security number; or

7 (b) When otherwise allowed under state or federal law.

8 (4) A state agency, the Department of Revenue or a private collection agency that is collecting
 9 a liquidated and delinquent account may use a Social Security number collected under this section,
 10 or collected as otherwise allowed by law, to collect any debt owed a state agency or local govern-
 11 ment by the person associated with the Social Security number.

12 (5) Nothing in this section authorizes a state agency, the Department of Revenue or a private
 13 collection agency that is collecting a liquidated and delinquent account to use or disclose a Social
 14 Security number for any reason other than a reason specified in this section.

15 (6) Rules adopted under subsection (2) of this section do not apply to [*state courts and commis-*
 16 *sions, departments and divisions in the judicial branch of state government*] **the judicial department**
 17 **as defined in ORS 174.113**, the Secretary of State or the State Treasurer.

18 [(7) *Except as provided in subsection (6) of this section, as used in this section, “state agency”*
 19 *means any state officer, board, commission, corporation, institution, department or other state organ-*
 20 *ization.*]

21 **(7)(a) As used in this section, “state agency” means any state officer, board, commission,**
 22 **corporation, institution, department or other state organization.**

23 **(b) Notwithstanding ORS 182.460, 284.118, 284.375, 377.836, 421.352, 656.753 and 757.552,**
 24 **“state agency” includes semi-independent state agencies listed in ORS 182.454, the Oregon**
 25 **Tourism Commission, the Oregon Film and Video Office, the Travel Information Council, the**
 26 **Children’s Trust Fund of Oregon Foundation, Oregon Corrections Enterprises, the State**
 27 **Accident Insurance Fund Corporation and the Oregon Utility Notification Center.**

28 **SECTION 15.** ORS 293.227 is amended to read:

29 293.227. As used in ORS 293.227 to 293.233, unless the context requires otherwise:

30 (1) “Payment” means a voluntary amount of money paid by a debtor to a state agency or an
 31 involuntary amount of money paid by a debtor through offset or garnishment.

32 (2) “State agency” [*means any officer, board, commission, department, division or institution in the*
 33 *executive or administrative branch of state government*] **has the meaning given that term in ORS**
 34 **293.226, except that it does not include the judicial department as defined in ORS 174.113, the**
 35 **legislative department as defined in ORS 174.114 or entities described in ORS 293.226 (7)(b).**

36 **SECTION 16.** ORS 293.229 is amended to read:

37 293.229. (1) Not later than October 1 of each fiscal year, each state agency shall submit a report
 38 to the Legislative Fiscal Office that describes the status of that agency’s liquidated and delinquent
 39 accounts and efforts made by that agency to collect liquidated and delinquent accounts during the
 40 previous fiscal year. The report required under this subsection shall be in a form prescribed by the
 41 Legislative Fiscal Office and shall include but not be limited to:

- 42 (a) Beginning balance and total number of all liquidated and delinquent accounts;
- 43 (b) New liquidated and delinquent accounts added during the last preceding fiscal year;
- 44 (c) Total collections of liquidated and delinquent accounts;
- 45 (d) Total amount and total number of liquidated and delinquent accounts that have been written

- 1 off;
- 2 (e) Total number and ending balance of all liquidated and delinquent accounts;
- 3 (f) Total amount of liquidated and delinquent accounts assigned to the Department of Revenue
4 and the total amount collected by the department under ORS 293.250;
- 5 (g) Total amount of liquidated and delinquent accounts assigned to private collection agencies
6 and the total amount collected by private collection agencies under ORS 293.231;
- 7 (h) Total number and total amount of all liquidated and delinquent accounts exempted under
8 ORS 293.233;
- 9 (i) Total number and ending balance of all liquidated and delinquent accounts that have been
10 placed in suspended collection status under ORS 305.155; and
- 11 (j) A statement indicating whether the agency has liquidated and delinquent accounts that are
12 not exempt under ORS 293.233, or are otherwise prohibited or exempted by law from assignment, for
13 which no payment has been received for more than 90 days and that have not been assigned to the
14 Department of Revenue under ORS 293.231.
- 15 (2) If a state agency reports under subsection (1) of this section that the total ending balance
16 of its liquidated and delinquent accounts is \$50 million or greater, the state agency shall, not later
17 than three months after it submits the report under subsection (1) of this section, submit an addi-
18 tional report to the committees or interim committees of the Legislative Assembly related to ways
19 and means that:
- 20 (a) Describes major categories of liquidated and delinquent accounts held by the state agency;
- 21 (b) Describes circumstances under which the state agency writes off or adjusts liquidated and
22 delinquent amounts or removes an account from liquidated and delinquent status;
- 23 (c) Describes actions undertaken by the state agency to reduce the amount of liquidated and
24 delinquent debt owed to it at the end of each fiscal year; and
- 25 (d) Sets forth a plan for future actions that will reduce the amount of liquidated and delinquent
26 debt owed to the state agency at the end of each fiscal year and describes any additional resources
27 that are necessary to carry out the plan.
- 28 (3) The Legislative Fiscal Office shall produce an annual report not later than December 31 of
29 each fiscal year on the status of liquidated and delinquent accounts of state agencies and the judi-
30 cial branch of state government. The report shall be based on the reports submitted by state agen-
31 cies as required in this section and on reports submitted by the judicial branch of state government
32 under ORS 1.195.
- 33 (4) The report required under subsection (3) of this section shall:
- 34 (a) List those state agencies, including the judicial branch of state government, that have liqui-
35 dated and delinquent accounts that are not exempt under ORS 1.198, 1.199 or 293.233, or are other-
36 wise prohibited or exempted by law from assignment, for which no payment has been received for
37 more than 90 days and that have not been assigned to a private collection agency or to the De-
38 partment of Revenue under ORS 1.197 or assigned to the Department of Revenue under 293.231;
- 39 (b) List separately information about the liquidated and delinquent accounts of the Secretary
40 of State, the State Treasurer, other state agencies in the executive branch of state government and
41 the judicial branch of state government; and
- 42 (c) Include any other information the Legislative Fiscal Office determines is necessary to de-
43 scribe the status of liquidated and delinquent accounts across offices and branches of state govern-
44 ment.
- 45 [(5) Notwithstanding ORS 182.460, 284.118, 284.375, 352.138, 353.100, 377.836, 421.352, 656.753 and

1 757.552, for purposes of this section, “state agency” also includes semi-independent state agencies listed
 2 in ORS 182.454, the Oregon Tourism Commission, the Oregon Film and Video Office, the Travel In-
 3 formation Council, the Children’s Trust Fund of Oregon Foundation, Oregon Corrections Enterprises,
 4 Oregon Health and Science University, the State Accident Insurance Fund Corporation, the Oregon
 5 Utility Notification Center and public universities listed in ORS 352.002.]

6 **(5) Notwithstanding ORS 293.227, as used in this section, “state agency” has the meaning**
 7 **given that term in ORS 293.226, except that it:**

8 **(a) Does not include the judicial department as defined in ORS 174.113 or the legislative**
 9 **department as defined in ORS 174.114; and**

10 **(b) Includes public universities listed in ORS 352.002 and Oregon Health and Science**
 11 **University, notwithstanding ORS 352.138 and 353.100.**

12 **SECTION 17.** ORS 293.234 is amended to read:

13 293.234. (1) The Oregon Department of Administrative Services shall, no later than December
 14 31 of each year and in the manner provided by ORS 192.245, report to the Legislative Assembly the
 15 amounts of liquidated and delinquent debt that, in the previous fiscal year:

16 (a) Were written off by a state agency under ORS 293.240;

17 (b) Were abated by a state agency; and

18 (c) Were canceled by the Department of Revenue under ORS 305.155.

19 (2) Each state agency shall certify to the Oregon Department of Administrative Services that
 20 the debts described in subsection (1) of this section were written off, abated or canceled in accord-
 21 ance with applicable statutes and rules.

22 (3) All state agencies shall provide to the department any information that the department
 23 considers necessary or convenient for carrying out its duties under this section, to the extent per-
 24 mitted by laws relating to confidentiality.

25 (4) The department may adopt rules necessary to carry out the provisions of this section.

26 (5) As used in this section:

27 (a) “Abated” means waived, settled or determined not to be owed.

28 (b) “State agency” [means:]

29 [(A) Any state officer, board, commission, corporation, institution, department or other state or-
 30 ganization having power to collect state funds; and]

31 [(B) Semi-independent state agencies listed in ORS 182.454, the Oregon Tourism Commission, the
 32 Oregon Film and Video Office, the Travel Information Council, the Children’s Trust Fund of Oregon
 33 Foundation, Oregon Corrections Enterprises, the State Accident Insurance Fund Corporation and the
 34 Oregon Utility Notification Center.] **has the meaning given that term in ORS 293.226.**

35 **SECTION 18.** ORS 293.235 is amended to read:

36 293.235. As used in ORS 293.240 and 293.245, “state agency” [means any state officer, board,
 37 commission, corporation, institution, department or other state organization having power to collect
 38 state funds.] **has the meaning given that term in ORS 293.226.**

39 **SECTION 19.** ORS 293.252 is amended to read:

40 293.252. (1) The Oregon Department of Administrative Services shall monitor state agency debt
 41 collection functions described by law and assist state agencies in efforts to improve the collection
 42 of delinquent debts owed to state agencies. The department’s duties under this subsection include,
 43 but are not limited to:

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

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

4 (c) Developing performance standards for state debt collection, including but not limited to
 5 standards defining what constitutes liquidated and delinquent accounts and when debt may be
 6 written off pursuant to ORS 293.240.

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

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

14 (2) The department shall adopt policies:

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

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

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

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

24 (e) Setting exemptions or adjustments for state agencies that are prohibited by law from adding
 25 or collecting fees under ORS 293.231, 293.250 or 697.105 and for agencies for which the addition or
 26 collection of the fees is not feasible given the agency resources available for collection of accounts
 27 receivable.

28 (f) For the improvement of communications regarding liquidated and delinquent accounts among
 29 state agencies and between private collection agencies and the Department of Revenue.

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

34 (h) After consultation with the Attorney General, setting criteria under which state agencies,
 35 the Department of Revenue and private collection agencies may propose and accept offers of com-
 36 promise as provided in ORS 293.240.

37 (3) As used in this section[:]

38 [(a) "State agency" means any state officer, board, commission, corporation, institution, department
 39 or other state organization.]

40 [(b) "State agency" does not include all state courts and all commissions, departments and divisions
 41 in the judicial branch of state government, the Secretary of State and the State Treasurer.], **"state
 42 agency" has the meaning given that term in ORS 293.226, except that it does not include the
 43 judicial department as defined in ORS 174.113, the Secretary of State or the State Treasurer.**

44 **SECTION 20.** ORS 293.254 is amended to read:

45 293.254. (1) Subject to ORS 293.250, a state agency shall make all reasonable efforts to collect

1 liquidated and delinquent accounts owing to the state agency, including the use of Social Security
 2 numbers made available by state agencies pursuant to ORS 293.226, and the setoff of any refunds
 3 or sums due to the debtor from the state agency, the Department of Revenue or from any other state
 4 agency.

5 (2) The Oregon Department of Administrative Services shall adopt rules establishing procedures
 6 for the setoff of amounts between state agencies under this section. Prior to adopting rules under
 7 this subsection, the Director of the Oregon Department of Administrative Services shall consult with
 8 the Chief Justice regarding the application of the rules to state courts and all commissions, de-
 9 partments and divisions in the judicial branch of state government.

10 (3) Rules adopted under subsection (2) of this section do not apply to the Secretary of State or
 11 the State Treasurer.

12 (4) *[Except as provided in subsection (3) of this section,]* As used in this section, “state agency”
 13 *[means any state officer, board, commission, corporation, institution, department or other state organ-*
 14 *ization]* **has the meaning given that term in ORS 293.226.**

15 **SECTION 21.** ORS 293.256 is amended to read:

16 293.256. (1) The Oregon Department of Administrative Services shall estimate in advance the
 17 expenses that the department will incur during a biennium in carrying out the provisions of ORS
 18 293.226 and 293.252 to 293.256.

19 (2) The department shall charge each state agency for the agency’s share of the expenses de-
 20 scribed in subsection (1) of this section for the biennium. The department shall determine the rate
 21 to be charged state agencies.

22 (3) Each state agency shall pay to the credit of the department the charge described in this
 23 section as an administrative expense from funds or appropriations available to the state agency in
 24 the same manner as other claims against the state agency are paid.

25 (4) All moneys received by the department under this section shall be credited to the Delinquent
 26 Accounts Administration Fund established under ORS 293.258.

27 (5) The department shall adopt rules specifying the methods for calculating and collecting the
 28 rates and charges described in this section.

29 (6) As used in this section[:]

30 *[(a) “State agency” means any state officer, board, commission, corporation, institution, department*
 31 *or other state organization.]*

32 *[(b) “State agency” does not include all state courts and all commissions, departments and divisions*
 33 *in the judicial branch of state government, the Secretary of State and the State Treasurer.], “state*
 34 **agency” has the meaning given that term in ORS 293.226, except that it does not include the**
 35 **judicial department as defined in ORS 174.113, the Secretary of State or the State Treasurer.**

36
 37 **CONSUMER PRICE INDEX**

38
 39 **SECTION 22.** ORS 565.447 is amended to read:

40 565.447. (1) Subject only to the availability of unobligated net lottery proceeds, there is allocated
 41 from the Administrative Services Economic Development Fund to the County Fair Account created
 42 under ORS 565.445 an amount equal to one percent of the net proceeds from the Oregon State Lot-
 43 tery, but not to exceed \$1.53 million annually, adjusted biennially pursuant to the change in the
 44 **West Region Size Class A Consumer Price Index**, *[as defined in ORS 327.006]* **for All Urban**
 45 **Consumers for All Items, as published by the Bureau of Labor Statistics of the United States**

1 **Department of Labor**, between January 1, 2001, and January 1 immediately preceding commence-
 2 ment of the biennium.

3 (2) The allocation of moneys from the Administrative Services Economic Development Fund un-
 4 der this section is subject to the requirements in section 4, Article XV of the Oregon Constitution,
 5 for deposit of specified amounts of the net proceeds from the Oregon State Lottery into the Educa-
 6 tion Stability Fund and into the Parks and Natural Resources Fund and shall be made only after
 7 satisfaction or payment of:

8 (a) Amounts allocated to Westside lottery bonds issued under ORS 391.140 or to the reserves
 9 or any refunding related to the Westside lottery bonds in accordance with the priority for allocation
 10 and disbursement established by ORS 391.130;

11 (b) All liens, pledges or other obligations relating to lottery bonds or refunding lottery bonds
 12 due or payable during the year for which an allocation is to be made; and

13 (c) Amounts required by any other pledges of, or liens on, net proceeds from the Oregon State
 14 Lottery.

15 **SECTION 23.** Section 3, chapter 390, Oregon Laws 2017, is amended to read:

16 **Sec 3.** (1) On January 1, 2021, the Oregon Department of Administrative Services shall deter-
 17 mine the cumulative percentage increase or decrease in the cost of living for the previous four
 18 years, based on changes in the [*Portland-Salem, OR-WA,*] **West Region Size Class A** Consumer
 19 Price Index for All Urban Consumers for All Items as published by the Bureau of Labor Statistics
 20 of the United States Department of Labor. The Oregon Department of Administrative Services shall
 21 adjust the fees under ORS 21.300 (1) and (4) as follows:

22 (a) If the cost of living has increased, the department shall adjust the fees by multiplying the fee
 23 amounts by the percentage amount determined under this subsection. The department shall round
 24 the adjusted fees up to the nearest \$1. The adjusted fees become effective on July 1, 2021, and apply
 25 to all fees incurred on or after July 1, 2021.

26 (b) If the cost of living has not increased, the department may not change the fees.

27 (2) After the department adjusts the fees under ORS 21.300 (1) and (4) as provided in subsection
 28 (1) of this section, the department shall promptly notify the Oregon State Sheriffs' Association of the
 29 adjusted fees.

30
 31 **TELECOMMUTING**

32
 33 **SECTION 24.** ORS 240.855 is amended to read:

34 240.855. (1) As used in this section:

35 (a) "State agency" means any state office, department, division, bureau, board and commission,
 36 whether in the executive, legislative or judicial branch.

37 (b) "Telecommute" means to work from the employee's home or from an office near the
 38 employee's home, rather than from the principal place of employment.

39 (2) It is the policy of the State of Oregon to encourage state agencies to allow employees to
 40 telecommute when there are opportunities for improved employee performance, reduced commuting
 41 miles or agency savings.

42 (3) Each state agency shall adopt a written policy that:

43 (a) Defines specific criteria and procedures for telecommuting;

44 (b) Is applied consistently throughout the agency; and

45 (c) Requires the agency, in exercising its discretion, to consider an employee request to tele-

1 commute in relation to the agency's operating and customer needs.

2 (4) Each state agency that has an electronic bulletin board, home page or similar means of
3 communication shall post the policy adopted under subsection (3) of this section on the bulletin
4 board, home page or similar site.

5 [(5) *The Oregon Department of Administrative Services, in consultation with the State Department*
6 *of Energy, shall provide a biennial report to the Joint Committee on Technology, or a similar committee*
7 *of the Legislative Assembly, containing at least the following:*]

8 [(a) *The number of employees telecommuting;*]

9 [(b) *The number of trips, miles and hours of travel time saved annually;*]

10 [(c) *A summary of efforts made by the state agency to promote and encourage telecommuting;*]

11 [(d) *An evaluation of the effectiveness of efforts to encourage employees to telecommute; and*]

12 [(e) *Such other matters as may be requested by the committee.*]

13 **(5) The Oregon Department of Administrative Services, in consultation with the State**
14 **Chief Information Officer and state agencies, shall work to identify barriers to telecommut-**
15 **ing for state employees and identify solutions to promote telecommuting.**

16
17 **UNIT CAPTIONS**

18
19 **SECTION 25. The unit captions used in this 2019 Act are provided only for the conven-**
20 **ience of the reader and do not become part of the statutory law of this state or express any**
21 **legislative intent in the enactment of this 2019 Act.**

22

Senate Bill 73

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**.

Permits Oregon Department of Administrative Services to enter into financing agreements that exceed \$100,000 without needing to comply with requirements concerning state borrowing if financing agreements include nonrecourse provision.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to requirements for financing agreements executed in connection with obtaining office
3 quarters for the state; creating new provisions; amending ORS 283.087; and prescribing an ef-
4 fective date.

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

6 **SECTION 1.** ORS 283.087 is amended to read:

7 283.087. (1) The Director of the Oregon Department of Administrative Services may enter into
8 financing agreements in accordance with ORS 283.085 to 283.092.

9 (2) Financing agreements [*entered*] **the director enters** into under ORS 283.085 to 283.092 are
10 subject to the following limitations:

11 (a) Neither the director nor any other agency of the state may pay amounts due under a fi-
12 nancing agreement from any source other than available funds. If there are insufficient available
13 funds to pay amounts due under a financing agreement, the lender may exercise any property rights
14 which the state has granted to [*it*] **the lender** in the financing agreement, against the property
15 which was purchased with the proceeds of the financing agreement, and apply the amounts so re-
16 ceived toward payments scheduled to be made by the state under the financing agreement.

17 (b) Neither the director nor any other agency of the state may grant property rights in property
18 unless the property is being acquired, substantially improved or refinanced with proceeds of a fi-
19 nancing agreement entered into under ORS 283.085 to 283.092 or the property is land on which im-
20 provements financed, in whole or in part, under ORS 283.085 to 283.092 are located.

21 (c)(A) **Except as provided in subparagraph (B) of this paragraph**, a financing agreement
22 with a principal amount in excess of \$100,000 is subject to the requirements of ORS chapter 286A,
23 and the director may exercise the powers granted to a related agency, as defined in ORS 286A.001,
24 with respect to a financing agreement described in this paragraph.

25 **(B) A financing agreement is exempt from the requirements of ORS chapter 286A if:**

26 (i) **The Oregon Department of Administrative Services enters into the financing agree-**
27 **ment in connection with a lease purchase or an installment purchase, or in exercising a**
28 **purchase option, under ORS 276.429 (4); and**

29 (ii) **The financing agreement includes a nonrecourse provision.**

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 (3) The expenditure of funds used to finance previously executed financing agreements or to pay
2 costs incurred to issue a financing agreement must be recorded using administrative budget limita-
3 tions.

4 (4) For purposes of this section, the principal amount of a financing agreement, other than a fi-
5 nancing agreement to refinance a financing agreement, exceeds \$100,000 if the principal amount,
6 when combined with the principal amount of a financing agreement, other than a financing agree-
7 ment to refinance a financing agreement, previously issued for the same project exceeds \$100,000.

8 (5) Upon the request and with the approval of the Chief Justice of the Supreme Court or the
9 State Court Administrator, the director [*of the Oregon Department of Administrative Services*] may
10 enter into financing agreements in accordance with ORS 283.085 to 283.092 on behalf of the Judicial
11 Department.

12 **SECTION 2. The amendments to ORS 283.087 by section 1 of this 2019 Act apply to fi-**
13 **nancing agreements into which the Oregon Department of Administrative Services enters**
14 **on and after the effective date of this 2019 Act.**

15 **SECTION 3. This 2019 Act takes effect on the 91st day after the date on which the 2019**
16 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

17 _____

DAS
2019 - 2021 Biennium

Detail of Reductions to 2019-21 Current Service Level Budget

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div														
1	1	DAS	EGS	Publishing & Distribution Services			1,477,542				\$ 1,477,542	0	0.00	Yes	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.
2	2	DAS	COO	DAS IT			150,000				\$ 150,000	0	0.00	No	Reduce S&S limitation (including Gartner) which will reduce DAS IT leadership access to strategic, forward-looking expertise, and focuses on tactical execution.
3	2	DAS	EAM	Operations			850,000				\$ 850,000	0	0.00	No	Transfer Portland Crime Lab and debt service to Oregon State Police. Reduce limitation for cost of custodial services, maintenance, building security, and utilities associated with this building.
4	2	DAS	EGS	Financial Business Systems			140,000				\$ 140,000	0	0.00	Yes	Reduce temp appointments and S&S in Office Expense, Publicity, Attorney General. Opportunities for job rotations will not be approved which are normally covered by hiring temps. The S&S reduction resulted from savings realized from lower than anticipated costs. An unexpected increase in costs may require cuts to services.
5	3	DAS	EGS	Shared Financial Services			19,639				\$ 19,639	0	0.00	No	Reduce Services & Supplies - reduction would provide less funding for program related needs.
6	3	DAS	DBS	Finance/Budget			37,283				\$ 37,283	0	0.00	No	Reduce Other S&S limitation.
7	6	DAS	EAM	Operations			580,000				\$ 580,000	0	0.00	Yes	Reduce S&S in Custodial due to efficiencies in green material and chemical use. Fewer supplies, materials and tools are needed.
8	6	DAS	EGS	Financial Business Systems			210,000				\$ 210,000	0	0.00	Yes, partial	Reduce S&S in Other Services & Supplies, IT Expendable Prop. Reduction resulted from savings realized from lower than anticipated costs. An unexpected increase in costs may require cuts to services.
9	7	DAS	EAM	All programs			125,000				\$ 125,000	0	0.00	Yes	Reduce S&S Telecom limitation.
10	7	DAS	EGS	Risk Management			6,000				\$ 6,000	0	0.00	No	Reduce In-state travel. No professional conferences such as PRIMA. Negative impact on ability to build and maintain technical expertise.
11	8	DAS	EAM	All programs			820,000				\$ 820,000	0	0.00	Yes	Reduce S&S Data Processing limitation.
12	10	DAS	EGS	Financial Business Systems			27,119				\$ 27,119	0	0.00	No	Reduce S&S in Inflation - IT Professional Services. Reduction resulted from savings realized from costs covered in other line items. Costs to operate the systems may continue to rise and could reduce services available to customers.
13	11	DAS	EAM	Real Estate			100,000				\$ 100,000	0	0.00	Yes	Reduce unnecessary Governor's Regional Solutions Centers limitation. The program costs have stabilized and the excess limitation is not needed given current and projected costs.
14	12	DAS	EAM	All programs			1,656,597				\$ 1,656,597	0	0.00	Yes, partial	Eliminate a majority of standard inflation on Personal Services, S&S and Capital Outlay expenditures.

DAS

2019 - 2021 Biennium

Detail of Reductions to 2019-21 Current Service Level Budget

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div														
15	4	DAS	EAM	Operations		200,000				\$ 200,000	0	0.00	Yes	Change set point temperature range in Self Support 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.	
16	13	DAS	EAM	Operations		86,679				\$ 86,679	0	0.00	Yes	Reduce utilities expenditure in uniform rent buildings. Reduction in limitation based on historical consumption.	
17	1	DAS	COO	Administration		182,174				\$ 182,174	1	1.00	Yes	Eliminate an Executive Assistant position.	
18	1	DAS	COO	DAS IT		122,000				\$ 122,000	0	0.00	Yes	Eliminate On-Call pay which will cause any DAS Division employee or supported Boards and Commissions to not receive support outside of business hours.	
19	1	DAS	CFO	Facilities Planning		131,925				\$ 131,925	1	1.00	Yes	Eliminate an Admin Spec 1 position.	
20	1	DAS	OSCIO	All programs		1,005,821				\$ 1,005,821	0	0.00	Yes	Eliminate a majority of standard inflation on Services and Supplies (excludes rent). Inflation across all OSCIO Services and Supplies would need to be managed closely by the OSCIO 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 and development, Attorney General, etc.	
21	1	DAS	SDC	X86 Infrastructure		526,310				\$ 526,310	0	0.00	Yes	Reduce use of offsite colocation. Minimal impact to customers expected.	
22	2	DAS	CHRO	Classification & Compensation		4,000				\$ 4,000	0	0.00	No	Eliminate ERI Study which will eliminate the process of using private purchased surveys.	
23	2	DAS	OSCIO	Administration		150,000				\$ 150,000	0	0.00	No	Reduce Services and Supplies-IT Professional Services budget. This provides funding for IT consultants including application modification, network consulting, IT security consulting, vendor managed services, etc.	
24	2	DAS	SDC	All programs		2,591,629				\$ 2,591,629	0	0.00	Yes, partial	Eliminate a majority of standard inflation on S&S (excludes rent) and Capital Outlay. Will limit ETS's current service levels. Will extend ETS time to deliver standard services and response to outages.	

DAS

2019 - 2021 Biennium

Detail of Reductions to 2019-21 Current Service Level Budget

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes		
Dept	Prgm/ Div															
25	3	DAS	EAM	Fleet						1,915,000	\$	1,915,000	0	0.00	No	Discontinue service to IGA Customers. Reduce 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. About 65 vehicles from these customers that are less than 15 yrs. old and under 100K 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. Because this is repurposing older vehicles for temporary replacements in the permanent fleet agencies use, this reduction must be one time and restored the following biennium to be viable. 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.
26	3	DAS	OSCIO	GEO						171,724	\$	171,724	0	0.00	No	Reduce Services and Supplies-IT Professional Services budget. This provides funding for IT Consultants, including application modification, network consulting, IT security consulting, vendor managed services, etc.
27	4	DAS	EGS	Procurement Services						130,000	\$	130,000	0	0.00	No	Eliminate most of the S&S from inflation package 031. Reduces funding available for office expenses and staff training.
28	5	DAS	EGS	Risk Management Claims						1,170,347	\$	1,170,347	0	0.00	No	Reduce Attorney General budgeted amount - less defense budget for tort claims that have no merit.
29	5	DAS	OSCIO	IT Governance						120,000	\$	120,000	0	0.00	No	Reduce Services and Supplies-IT Professional Services budget. This provides funding for IT Consultants, including application modification, network consulting, IT security consulting, vendor managed services, etc.
30	1	DAS	MISC	Oregon Public Broadcasting	25,000					25,000	\$	25,000	0	0.00	No	Reduce special payment to external recipient.
31	2	DAS	MISC	Oregon Historical Society	37,500					37,500	\$	37,500	0	0.00	No	Reduce special payment to external recipient.
32	3	DAS	MISC	Oregon State Fair Council	50,765					50,765	\$	50,765	0	0.00	No	Reduce special payment to external recipient.
33	2	DAS	COO	CASA	94,004					94,004	\$	94,004	0	0.00	No	Reduce special payment to external recipient.
34	8	DAS	EGS	Risk Management						10,000	\$	10,000	0	0.00	No	Reduce Out of state travel.
35	9	DAS	EGS	Publishing & Distribution Services						800,000	\$	800,000	0	0.00	No	Reduce Additional 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.
36	11	DAS	EGS	Procurement Services						190,709	\$	190,709	1	1.00	Yes	Eliminate a Program Analyst 1 position on the statewide procurement training team. Would result in duties being absorbed by the trainers which limits time available for course development and delivery. If sufficient training is not offered by DAS, agencies buy training on the open market at 4X the cost.

DAS

2019 - 2021 Biennium

Detail of Reductions to 2019-21 Current Service Level Budget

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Used in Gov. Budget Yes / No	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div														
37	14	DAS	EGS	Shared Financial Services						\$ 177,605	1	1.00	No	Eliminate an Accountant 2 position - reduction would reduce accounting processing time, add workload to others and delay payments.	
38	17	DAS	EGS	Publishing & Distribution Services						\$ 559,295	0	0.00	No	Reduce inflation estimation putting Publishing & Distribution at risk of running short of limitation.	
39	1	DAS	EAM	Parking						\$ 500,000	0	0.00	No	Repeal ORS 307.095. Eliminate property tax on DAS parking spaces rented to individuals in Marion and Multnomah Counties. The state also pays a mass transit "tax" on payroll that generates payment in excess of \$5.9 million to multiple transit districts in the state including over \$1.9 million to Trimet within Multnomah County and \$2.4 million to Salem Keizer Transit District within Marion County.	
40	14	DAS	EAM	Operations						\$ 611,035	5	5.00	No	Reduce frequency of vacuuming and general cleaning not to include restrooms. Reduction of five custodial positions.	
41	1	DAS	CHRO	Classification & Compensation						\$ 55,000	0	0.00	No	Eliminate Salary Surveys which will eliminate the process of using private purchased surveys.	
42	1	DAS	Capital Impr	Capital Improvement projects						\$ 457,050	0	0.00	No	Reduce limitation for Capital Improvement Projects.	
43	2	DAS	COO	OEA						\$ 200,577	1	1.00	No	Eliminate an Economist 2 position that supports the Clean Fuels Forecasting.	
44	2	DAS	DBS	Budget						\$ 162,940	1	1.00	Yes	Eliminate an Office Manager 2 position. No workload available to support this position.	
45	3	DAS	COO	DAS IT - Application Service Delivery						\$ 206,665	1	1.00	No	Eliminate an ISS6 position, assuming Workday goes live as scheduled, there would be no impact to eliminating this support as PICS and PPDB would no longer used and would be retired. However, the position could be used in other areas of DAS IT to resolve existing resource needs.	
46	2	DAS	CFO	SARS						\$ 611,248	2	2.00	No	Eliminate DAS coordination of accounts receivable management, including liquidated and delinquent collection (SB 55) efforts and two OPA4 positions. Agencies would still be required to manage all aspects of their accounts receivable process, but would not have central oversight to ensure consistency across agencies.	
47	3	DAS	CHRO	Workforce Development						\$ 306,513	1	1.00	No	Eliminate an OPA 4 position which will result in the elimination of the employment engagement statewide.	
48	3	DAS	SDC	Email Services						\$ 800,000	0	0.00	No	Eliminate lower cost on premise email. ETS will discontinue the offering of on premise email and all customers will have to migrate to cloud Office365 or move to another solution. Licensing for Office365 cloud services has been cost prohibitive for some Agencies, which is why ETS offered the on premise lower cost alternative.	

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
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Dept	Prgm/ Div														
49	4	DAS	COO	DAS IT				300,000			\$ 300,000	0	0.00	No	Eliminate S&S limitation for Citrix - applications with a dependency on Citrix (e.g. ORBITS) would require transferring to a different solution that provides acceptable level of usability, security and stability.
50	4	DAS	OSCIO	IT Acquisition				250,000			\$ 250,000	0	0.00	No	Reduce Services and Supplies-IT Professional Services budget. This provides funding for IT Consultants, including application modification, network consulting, IT security consulting, vendor managed services, etc.
51	4	DAS	SDC	Mainframe				2,705,563			\$ 2,705,563	1	1.00	No	Reduce Mainframe Data Processing efficiencies and eliminate an ISS8 position. This will cause a reduction in the computing capacity for the mainframe. Customers may 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 disruption. A reduction in staff may extend ETS time to deliver standard mainframe services and response to outages.
52	5	DAS	EAM	Operations				352,000			\$ 352,000	0	0.00	No	All self support building tenants would contract directly with custodial vendor. Of the nine (9) self-support building tenants, five (5) of them already contract outside of DAS for custodial services.
53	5	DAS	SDC	Midrange				317,608			\$ 317,608	1	1.00	No	Eliminate an ISS8 position in Midrange services. May extend ETS time to deliver standard midrange services and response to outages.
54	6	DAS	OSCIO	EGOV				501,076			\$ 501,076	1	1.00	No	Reduce Attorney General fees budget and eliminate a PEMF manager position. This work would need to be absorbed by other managers and staff. Additionally, this program would need to be re-calibrated.
55	6	DAS	SDC	Disaster Recovery				1,014,454			\$ 1,014,454	0	0.00	No	Eliminate Disaster Recovery alternate location service. ETS will close down the DR location in Montana. Bring back system to SDC location. Work with customers to find them an alternate DR solution.
56	8	DAS	SDC	X86 Server				1,200,000			\$ 1,200,000	0	0.00	No	Reduce Microsoft Premier Support, which will reduce vendor technical support for server and email outages. May increase costs by purchasing ad hoc support when outages occur.
57	9	DAS	EAM	Operations				487,300			\$ 487,300	0	0.00	No	Sell Commission for the Blind Building in Portland. Reduce limitation for cost of custodial services, maintenance, building security, and utilities associated with building. Buyer would be required to lease building to tenant at current rate for 5 years so the agency has time for planning move and obtaining a new lease.

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Dept	Prgm/ Div														
58	10	DAS	EAM	Fleet		1,660,000				\$ 1,660,000	0	0.00	No	Discontinue fueling to non-DAS Fleet vehicles at Salem Motor Pool (SMP). Reduce services and supplies expenditure for fuel inventory. 40 different agencies and local government customers purchased fuel from DAS in 2015-17. By dollars spent, ODOT accounts for 76% of non-DAS fuel purchases at SMP and would be the most impacted. These customers would have to seek retail fueling at a higher price per gallon. An additional impact is a reduction in cleaner fuels usage since B20 biodiesel or R20 renewable diesel and E85 gasoline are available from SMP and not local retail stations.	
59	12	DAS	EGS	Administration		178,798				\$ 178,798	0	0.50	No	Reduce the vacant EGS Administrator (PEM H) from permanent full-time (1.00 FTE) to half-time (.50 FTE).	
60	13	DAS	EGS	Risk Management		144,397				\$ 144,397	1	1.00	No	Eliminate an Administrative Specialist 1 position. Other duties to be absorbed by higher level Admin Spec 2s. Includes Accounts Payable, SAIF payroll reports, maintenance of insurance files and closed claim file purge and retention.	
61	15	DAS	EGS	Shared Financial Services		140,039				\$ 140,039	1	1.00	No	Eliminate an Accounting Technician 3 position - reduction would reduce accounting processing time, add workload to others and delay payments.	
62	16	DAS	EGS	Procurement Services		93,173				\$ 93,173	0	0.00	No	Reduce S&S by an additional amount. Further limits office expenses and staff training, and eliminates temps, overtime. Reduces AG legal budget which would limit staff interactions with DOJ to only those which are required.	
63	18	DAS	EGS	Publishing & Distribution Services		50,649				\$ 50,649	0	0.00	No	Eliminate most Temporary Appointments limitation. This will put a strain on permanent employees during the peak times as we will need to have mandatory overtime.	
64	19	DAS	EGS	Risk Management		184,007				\$ 184,007	1	1.00	No	Eliminate an Administrative Specialist 2 position. Elimination of handling Citizen Reports for the state. With reduction of AS1, 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 admins. This will result in less time for analysts, consultants and managers to focus on higher level work.	
65	26	DAS	EGS	Shared Financial Services		226,602				\$ 226,602	1	1.00	No	Eliminate an Operations & Policy Analyst 3 position - reduction would reduce accounting processing time, add workload to others and delay payments.	
66	29	DAS	EGS	Risk Management		184,007				\$ 184,007	1	1.00	No	Eliminate an Administrative Specialist 2 position. Elimination of this position leaves RM with zero administrative support for the program. The program would have its analyst and adjusters helping with administrative duties such as answer phones, mail room support, HR DPC coordination and accounts receivable.	

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Dept	Prgm/ Div														
67	1	DAS	DBS	Support				273,726			\$ 273,726	1	1.00	No	Eliminate an OPA3 position that supports the performance management and data quality services for the department.
68	3	DAS	COO	Administration				139,979			\$ 139,979	1	1.00	No	Eliminate an Executive Support Specialist 2 position.
69	3	DAS	CFO	Budget				532,834			\$ 532,834	2	2.00	No	Reduce CFO oversight of small Other Funded state agencies. Eliminates a Public Admin. Trainee position and one SABR auditor position.
70	4	DAS	COO	OEA				306,135			\$ 306,135	0	0.00	No	Reduce S&S limitation.
71	4	DAS	CFO	Capital Finance				296,896			\$ 296,896	1	1.00	No	Eliminate DAS oversight of Higher Education Capital Financing Activities. Shifts work to the Higher Education Coordinating Commission Eliminates an OPA 4 position.
72	4	DAS	CHRO	Administration				157,530			\$ 157,530	1	1.00	No	Eliminate an Office Specialist 2 position which will reduce the ability to respond to requests for services and respond to accounting and contracting.
73	5	DAS	COO	DAS IT				623,157			\$ 623,157	2	2.00	No	Eliminate two ISS8 positions. DAS divisions requiring project work would need to provide this oversight out of their own resources. DAS IT would no longer be able to provide this level of support to agency initiatives.
74	5	DAS	CHRO	Classification & Compensation				238,552			\$ 238,552	1	1.00	No	Eliminate a Human Resource Analyst 2 position which will result in statewide class review turnaround times to increase.
75	6	DAS	CHRO	Employee Relations				285,176			\$ 285,176	1	1.00	No	Eliminate a 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.
76	7	DAS	CHRO	Employee Relations				285,176			\$ 285,176	1	1.00	No	Eliminate a 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.
77	7	DAS	OSCIO	Managed Services				309,158			\$ 309,158	1	1.00	No	Eliminate an OPA4 position required to run the Telecommunications and Broadband programs. This would create a gap in holding the telecom vendor accountable to the contract and managing the deployment of fiber throughout the State as part of the Oregon Fiber Partnership (between the State of Oregon and Oregon's four research universities).
78	7	DAS	SDC	Network WAN				4,955,071			\$ 4,955,071	0	0.00	No	Migrate network circuits to Oregon Fiber. Recover network savings through the migration of network circuits to the Oregon Fiber offering.
79	1	DAS	COO	OEA			33,875				\$ 33,875	0	0.00	No	Reduce S&S limitation.

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Dept	Prgm/ Div														
80	8	DAS	CHRO	Labor Relations			336,265				\$ 336,265	1	1.00	No	Eliminate a Labor Relations Manager position which will reduce the capacity to provide training, cause longer response times for grievances and less bargaining preparation.
81	8	DAS	OSCIO	Managed Services			1,554,099				\$ 1,554,099	0	0.00	Yes, partial	Reduce Services and Supplies - IT Professional Services budget. This provides funding for IT Consultants including application modification, network consulting, IT security consulting, vendor managed services, etc.
82	9	DAS	CHRO	Strategic			168,740				\$ 168,740	1	1.00	No	Eliminate a HRA 1 position which will result in fewer capabilities in the areas of background check, employment processing and documentation.
83	9	DAS	OSCIO	IT Governance			227,591				\$ 227,591	1	1.00	No	Eliminate a vacant ISS7 position which will reduce the OSCIO Business Analyst program by 50%. This position is primarily responsible for assisting agencies with business process re-engineering. Elimination of this FTE will affect how projects and programs are initiated and sustained across the Enterprise.
84	10	DAS	CHRO	Classification & Compensation			252,718				\$ 252,718	1	1.00	No	Eliminate a HRC 1 position which will result in the elimination of the employment engagement statewide.
85	10	DAS	OSCIO	ESO			1,800,000				\$ 1,800,000	0	0.00	No	A 50% reduction in consultants engaged to conduct independent third party security evaluations of agencies and ESO. Forgo licensing of service monitoring. This service is licensed annually and monitors key security services that should remain up and functional. Without this, security services outages may increase due to inherent delay in a manual monitoring scheme. Postpones or cancels replacement of existing security incident and event monitoring solution. Lifecycle of existing solution (Qradar) will expire in the 2019-21 biennium. The impact of accepting this reduction would be a less efficient incident management operation and an increase in "technical debt" that would need to be addressed in a future biennium.
86	11	DAS	CHRO	Labor Relations			350,660				\$ 350,660	1	1.00	No	Eliminate a Labor Relations Manager position which will reduce the capacity to provide training, cause longer response times for grievances and less bargaining preparation.

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Detail of Reductions to 2019-21 Current Service Level Budget

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Dept	Prgm/ Div														
87	20	DAS	EGS	Procurement Services			309,158			\$ 309,158	1	1.00	No	Eliminate an Operation & Policy Analyst 4 position that serves as the policy officer and legislative and rules coordinator for procurement. PS would need to rely on the resources in DAS COO and DBS for legislative tracking and rulemaking. Legislative analysis would be shifted to seasoned procurement staff and managers, increasing workloads and extending procurement timelines. Eliminates a key resource for agencies to consult with on complex policy matters related to procurement.	
88	21	DAS	EGS	Financial Business Systems			750,000			\$ 750,000	0	0.00	No	Reduce S&S in IT Professional Services. Reduction resulted from savings realized from costs covered in other line items. Costs to operate the systems may continue to rise and could reduce services available to customers.	
89	22	DAS	EGS	Risk Management			837,956			\$ 837,956	4	4.00	No	Eliminate four Risk Management positions: Administrative Specialist 2, Operation & Policy Analyst 2, Claim Representative 1 and Operation & Policy Analyst 3. Reduced services from Risk Management to include Claim adjusting, Consulting and Administrative support. No administrative support for the Risk team resulting in administrative duties being completed by claim and risk consultants. Claims adjusting for low level and mid-level tort and property claims taking significantly longer to review and resolve that could result in increased litigation and citizen claims resolution hampered. Consulting services reduced from three to two consultants that review and bind commercial property insurance, review insurance provisions for contracts and consult with agencies on ways manage and mitigate risk.	
90	23	DAS	EGS	Shared Financial Services			165,043			\$ 165,043	1	1.00	No	Eliminate an Administrative Specialist 1 position - reduction would reduce accounting processing time, add workload to others and delay payments.	
91	24	DAS	EGS	Procurement Services			960,085			\$ 960,085	5	5.00	No	Eliminate 5 positions dedicated to procurement. Includes three Procurement & Contract Assistant positions, the Procurement & Contract Specialist 2 supporting the QRF program and one PEM/E Procurement Manager. Would result in need to shift administrative procurement work to higher level procurement staff, increasing workloads and extending procurement timelines. May need to consider increasing delegations to agencies and DAS Divisions. Reduces the ability to administer statewide contracts and the legislatively mandated QRF program. Eliminating the manager position increases the span of control for the remaining Ops & Sourcing Managers to 16:1.	

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Dept	Prgm/ Div														
92	25	DAS	EGS	Publishing & Distribution Services			330,086			\$ 330,086	2	2.00	No	Eliminate two permanently filed Preflight Operators positions. The reduction would greatly delay complex production jobs. This would shift the work and responsibility to agencies with limited knowledge and resource.	
93	27	DAS	EGS	Shared Financial Services			140,039			\$ 140,039	1	1.00	No	Eliminate a permanently filled Accounting Technician 3 position - reduction would reduce accounting processing time, add workload to others and delay payments.	
94	28	DAS	EGS	Risk Management Claims			213,578			\$ 213,578	1	1.00	No	Eliminate a Claims Representative 2 position. Handles midlevel property and liability claims including damages to state owned vehicles and buildings as well as injury claims for auto accidents against employees. Inmate property and lower level civil rights issues. These claims include files in small claims court. Remaining CRs will have significantly increased workload, resulting in less proactive handling of claims, increased loss payments and increased litigation. SLA metric results will be adversely impacted: agency contact time, liability and restoration cycle time, and claim average paid amounts.	
95	1	DAS	MISC	Oregon Public Broadcasting	25,000					\$ 25,000	0	0.00	No	Reduce special payment to external recipient.	
96	2	DAS	MISC	Oregon Historical Society	37,500					\$ 37,500	0	0.00	No	Reduce special payment to external recipient.	
97	3	DAS	MISC	Oregon State Fair Council	50,765					\$ 50,765	0	0.00	No	Reduce special payment to external recipient.	
98	2	DAS	COO	CASA	137,600					\$ 137,600	0	0.00	No	Reduce special payment to external recipient.	
										\$ -					
					492,009	-	47,144,507	-	-	\$ 47,636,516	55	55.50			

1st five % - Priority #1-51	\$ 23,818,258	16	16.00
2nd five % - Priority #52-98	\$ 23,818,258	39	39.50
	<u>\$ 47,636,516</u>	<u>55</u>	<u>55.50</u>

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.

Audit Recommendation:	Response/Action Taken:
<ul style="list-style-type: none"> 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. 	<p><u>Management Update per 17-19 Budget Narrative:</u> 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.</p> <p><u>Management Update for 19-21:</u> Per FY2017 Secretary of State’s annual audit of the State of Oregon’s financial statements (documented in the Comprehensive Annual Financial Report) and verified with the Secretary of State’s Audit Division: this finding is resolved.</p>
<ul style="list-style-type: none"> 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. 	<p><u>Management Update 17-19 Budget Narrative:</u> 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.</p> <p><u>Management Update for 19-21:</u> Per FY2017 Secretary of State’s annual audit of the State of Oregon’s financial statements (documented in the Comprehensive Annual Financial Report) and verified with the Secretary of State’s Audit Division: this finding is resolved.</p>

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

Audit Recommendation:	Response/Action Taken:
<ul style="list-style-type: none"> Ensure that appropriate and sufficient staff is assigned to develop, review and enforce stage gate requirements. 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> The full complement of staff were hired in November/December of 2015. We consider this finding closed.</p>
<ul style="list-style-type: none"> 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 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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</p>

<p>quality assurance contractors will be used when evaluating projects; ensure significant planning issues are appropriately evaluated and addressed; evaluate the sufficiency of contracts and contract deliverables, and determine whether state agencies are properly executing project plans.</p>	<p>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> <p><u>Management Update for 19-21:</u> Project Portfolio Management tool was implemented 1st quarter of 2016 and project templates were completed and are available through the system. We consider this finding closed.</p>
<ul style="list-style-type: none"> • Provide guidance and direction to agencies that lack appropriate resources to plan and manage major development projects. 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> A revised Investment Policy and new Investment Procedure are ready for publishing – which codify some of the practices aligned with this finding. We consider this finding closed.</p>

- Develop and establish consequences for failing to meet stage gate requirements and how they will be enforced.

Management Response per 17-19 Budget Narrative: 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.

Management Update for 19-21: OSCIO does not “deal consequences” so much as we don’t or won’t grant a stage endorsement until issues have been remediated. We understand the importance of having a transparent process and we work with agencies to understand the risk(s) associated with failing to meet the requirements of the stage gate process – in supportive and collaborative ways.

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"> 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 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division: Audit superseded by Report 2018-34.</p>
<ul style="list-style-type: none"> 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 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division: Audit superseded by Report 2018-34.</p>
<ul style="list-style-type: none"> 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 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division: Audit superseded by Report 2018-34.</p>

<ul style="list-style-type: none"> To correct the unresolved security weaknesses, we recommend management: replace network equipment that is no longer supported by vendors 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division: Audit superseded by Report 2018-34.</p>
<ul style="list-style-type: none"> 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 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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 re-platform agencies to supported versions of SQL. This work has direction but still needs a project plan.</p> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division: Audit superseded by Report 2018-34.</p>
<ul style="list-style-type: none"> To correct the unresolved security weaknesses, we recommend management: create and implement a plan with associated procedures to track and evaluate potential security incidents. 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division: Audit superseded by Report 2018-34.</p>
<ul style="list-style-type: none"> 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 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division: Audit superseded by Report 2018-34.</p>

<ul style="list-style-type: none"> To better configure the data center for security, we recommend management clearly define and assign data center security roles, responsibility, and authority 	<p><u>Management Response per 17-19 Budget Narrative:</u> Management agreed with this recommendation and believes this audit recommendation has been implemented through the OSCIO-State Data Center reorganization.</p> <p><u>Management Update for 19-21:</u> Though Cybersecurity is a fluid and always changing activity; per meeting with Secretary of State auditors on current 2018 State Data Center Audit this finding has been resolved.</p>
<ul style="list-style-type: none"> To better configure the data center for security, we recommend management provide sufficient human resources to carry out critical security functions. 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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.</p> <p><u>Management Update for 19-21:</u> Though Cybersecurity is a fluid and always changing activity; per meeting with Secretary of State auditors on current 2018 State Data Center Audit this finding has been resolved.</p>
<ul style="list-style-type: none"> To ensure that the state's computing infrastructure, computer programs, and data could be restored after a disaster, we recommend management update and fully test disaster recovery plans and ensure data is secure at the remote site. 	<p><u>Management Update per August 2015 Audit Report:</u> The State Data Center has made great progress in designing and implementing an innovative disaster recovery capability, leveraging relationships with the State of Montana. This project is a large multi-year undertaking being completed in phases. Infrastructure is now in place at State of Montana to facilitate operation of some critical systems and recovery of critical data in the event of disaster and testing of capabilities in key areas has already been completed.</p> <p><u>Management Update for 19-21:</u> Per meeting with SoS auditors on current SDC Audit (every two - three years) while this is an ongoing project; the finding has been resolved.</p>

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"> 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. 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> We consider this finding resolved. DAS has fully hired SWARM staff who have met with 98 different agencies, boards and commissions. Those agencies represent 99.999% of the Liquidated and Delinquent debt balance reported for FY2017. SWARM has issued Accounts Receivable Management Reports for fiscal years 2016 and 2017 (http://www.oregon.gov/das/Financial/Acctng/Pages/Pub.aspx) to the Legislative Assembly.</p> <p>SWARM continues to meet with agencies that have the largest volume of accounts to understand their work, identify improvements and obstacles and evaluate agency collection efforts.</p>
<ul style="list-style-type: none"> 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. 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> The Accounts Receivable Core Committee (ARCC) continues to meet monthly and provides agency A/R representatives with information and best practices as well as a peer forum to discuss collection issues and ask other agencies for feedback. There are many sub-groups</p>

within the ARCC that have been established to focus on specific issues or outcomes related to debt collection.

- Policy review- This group performs regular and thorough reviews of all Oregon Accounting Manual, chapter 35 policies which provide guidance to agencies on debt collection.
- Communications- Members identified the most effective ways for SWARM and agencies to facilitate communication across a variety of customers and stakeholders. The SWARM quarterly newsletter and website content was a product of the input received from this committee.
- Tools and process improvement- Committee members compiled a list of tools used by state agencies and developed a package called the Accounts Receivable toolkit that included: a process flowchart; sample forms for calculating interest, payment plan agreements, collection firm purchase orders and write-off certification; and a matrix of the available tools for each phase of the collection process.
- Performance metrics- This group assisted with the development of OAM 35.60.20 which includes quarterly data to be monitored and reported to DAS as well as annual measurements designed to help agencies evaluate their collection processes and identify opportunities to improve.
- Centralization workgroup- During the 2017 legislative session, DAS proposed SB89 (which became SB1067) that centralizes debt collection activities for Executive branch agencies within the Department of Revenue (DOR). This workgroup was formed to provide stakeholder input to the process changes that DOR would need to develop to most effectively use third party collection firms in addition to the efforts made within DOR. The debt collection provisions within SB1067 become effective July 1, 2018.
- Private Collection Firm Contracts- This workgroup is reviewing and evaluating the provisions of the current collection contracts and identifying areas of improvement or clarity. Evaluations are also considering possible changes necessary from SB1067 and the centralized assignments through DOR.

SWARM works regularly with staff at the Attorney General's office to identify legal issues and provide resources and policies that conform to the legal requirements. In October 2017, SWARM arranged for a training by DOJ on the subject of Bankruptcy.

SWARM believes this recommendation is a fundamental component of the ongoing service provided to agencies and is committed to continuing to meet with agencies to better understand their programs, legal challenges or concerns and identify opportunities to improve collections. SWARM could use guidance on the interpretation of when this recommendation would be considered fully implemented, much of the work will continue to be part of the services that SWARM provides to agencies and stakeholders so it is difficult to know when to consider this fully implemented.

<ul style="list-style-type: none"> • 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]. 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> SWARM has continued to meet with agencies regarding LFO reporting data requirements and has seen improvement in agencies understanding of the reporting format. SWARM has also worked with LFO to improve the language in the reporting manual and conduct agency training each year. Some agencies have seen substantial changes in their data due to implementation of new technology which better captures accounts subject to LFO reporting. SWARM conducts a data review after each agency has reported to ensure the format of the data meets the provided guidance, given that SWARM does not have access to specific account information we do not guarantee the accuracy of the agency reported data.</p> <p>Fiscal year 2018 reporting will see significant changes to the LFO reporting website as LFO has made changes in the technology to better capture data elements and includes new elements as well. SWARM will continue to provide agencies with training and resources.</p> <p>SWARM could use guidance on the interpretation of when this recommendation would be considered fully implemented, much of the work will continue to be part of the services that SWARM provides to agencies and stakeholders so it is difficult to know when to consider this fully implemented.</p>
<ul style="list-style-type: none"> • 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. 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> Due to legislative changes made in the 2017 legislative session the workgroup effort was put on hold. The focus of the SWARM team has been on assisting Department of Revenue with the implementation of SB1067 changes to centralized debt collection. Once the implementation is complete the workgroup to develop a strategic plan will commence based on the new operational model for the state under SB1067.</p> <p>SWARM has conducted internal planning efforts to drive work activities and ensure work efforts are coordinated and outcomes are achieved within program timelines. The work of the strategic plan</p>

	<p>workgroup will help determine future SWARM planning efforts to accomplish the objectives of the strategic plan.</p>
<ul style="list-style-type: none"> We recommend that DAS: Further improve performance reporting by focusing 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, developing 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. 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> We consider this finding to be resolved. SB89 became part of SB1067 during the 2017 legislative session and was passed with an effective date of July 1, 2018. SWARM has partnered with the Department of Revenue to implement the provisions of SB1067 and identify other operational improvements that can be implemented as a result of centralization.</p> <p>DAS issued Oregon Accounting Manual policy 35.60.20 which requires agencies to report on accounts receivable performance measures quarterly and annually. To date there have been three quarterly reports submitted. SWARM evaluates the agency reported data to ensure proper data is being reported. Beginning in FY19 agencies will begin to establish their specific targets for the performance measures and report the actual activity against the projected target. SWARM will assist agencies in the development of the targets as needed based on the data reported during FY18.</p> <p>Implementation of SB1067 provides a management tool for the Department of Revenue to manage their caseloads within the Other Agency Accounts Unit and the programming has been developed to assist the agency identify the accounts which best provide sources of collection for the agency to work compared to those accounts that are best suited for assignment to a private collection firm.</p> <p>Department of Revenue has also been undergoing a review to consider development of a collections specific function for all tax related programs within the agency, while not implemented this would be a consistent organizational model as the state centralization of the collection functions within the Other Agency Accounts Unit at DOR.</p> <p>SWARM continues to assist agencies with large volumes and balances of delinquent debts to provide best practices and identify efficiencies for collection of debts owed to the State.</p>

- Further improve debt assignment by promoting debt assignment based on collections performance; helping agencies test whether OAA, private firms or their own agencies collect aging debt most effectively; helping agencies improve the quality of information sent to OAA and private collection firms; and helping agencies comply with assignment rules.

Management Response per 17-19 Budget Narrative: 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.

Management Update for 19-21: We consider this finding to be resolved. SB1067 has dramatically changed the way that account assignments will take place beginning July 2018. Agencies will be required to assign to DOR and DOR will then perform the assignment to the private collection firms. Implementation efforts have focused on scoring criteria to assist DOR in identifying accounts that are best worked within the agency based on collectability criteria and enforcement tools available. DOR is going to be using three different vendors and will perform assignment of debts twice. DOR is establishing performance measurements to identify the types of debts that specific vendors are most successful at collecting and will use that information to determine placement of future debts to maximize collections for the State.

SWARM has provided agencies with updated Oregon Accounting Manual policies on account assignment and has discussed the statutory requirements with agencies during individual meetings. Significant progress has been made regarding compliance with the assignment requirements in statute.

SWARM has provided agencies with a website that includes resources for debt collection. The toolkit includes a matrix of available tools available to locate debtor information to assist with the collection efforts within agencies as well as when assigning debts. Agency resources continues to be a challenge, especially for small agencies to have the time to use the resources identified.

The Department of Revenue is able to compare different assigned accounts with records from other debts including tax debts to complete data elements not provided by the assigning agency. Under SB1067 when those accounts are assigned to private collection those records will include the information that was not previously provided by the agencies. This process improvement is expected to provide vendors with additional data elements that will assist with the identification and location of the debtor which will ensure vendor compliance with state and federal collection requirements. Additionally, under SB1067 all debts owed by the same debtor will be assigned to the same vendor which will improve the efficiency of

	<p>collections by allowing the same vendor to make arrangements for all state debts that are owed at that time.</p> <p>SWARM will continue to partner with DOR to evaluate data issues from debts assigned by agencies and identify policy solutions that will improve the collection of state debts.</p>
<ul style="list-style-type: none"> • Further improve use of collection tools by implementing state vendor offset; working 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; working 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 exploring successful tools used in other states. 	<p><u>Management Response per 17-19 Budget Update:</u> 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> <p><u>Management Update for 19-21:</u> SB89 became SB1067 during the 2017 legislative session which included language that allows the Other Agency Accounts Unit at DOR access to all data within DOR. The 2017 session also saw SB254 passed which did two main things regarding DOR collection activities: first it established a financial institution data match (FIDM) to allow DOR to obtain records of account information for debtors who owe money to the state. This will improve the efficiency for how DOR issues garnishments to financial institutions. Second, the bill established the authority for DOR and DOJ Child Support to establish agreements for the sharing of data under the new hire reporting required to the division of child support. This information will allow DOR access to employment information months before</p>

	<p>it was previously received from the Employment department quarterly employer reporting. Again, having this information will allow for a much more efficient process to submit garnishments to employers and improve collections for those debtors who “skip” from job to job trying to avoid garnishments.</p> <p>In May 2017 Governor Brown issued Executive Order 17-09 in which DAS was directed to establish policies for the coordination of vendor payments to recover liquidated and delinquent debts owed to the state from entities receiving payments from the State. In implementing the Executive Order, it was determined that a data match process would be established that provided notification to DOR to issue a garnishment prior to the release of the payment to the vendor. This process was chosen for a number of issues related to the Administrative Procedures Act which ensure due process to the debtor and follows existing statutory authority. This method was chosen over a potentially more efficient offset model because there was unclear legal authority for the state to offset debts owed to one agency from payments made by a different agency. Until further research and possible legislative changes are made, the garnishment model provides the least risk while accomplishing the intent of the Executive Order. The Department of Transportation was the first agency to perform data matching beginning in late 2017 with full implementation in early 2018. The Statewide Financial Management System will begin data matching for agencies that use the application on June 1, 2018.</p> <p>The Executive Order also directed the Department of Revenue to provide the DAS director with a report on the feasibility of posting debtor information online. That report was submitted, but the Executive Order did not direct the state to implement internet posting. DAS continues to work with DOR to identify the most effective tools for debt collection.</p> <p>DAS evaluated the possibility of state lien registry for the 2019 legislative session. This has been introduced in prior sessions but did not gain support due to the financial impacts on the counties. It was decided that more collaboration needed to occur with counties to identify potential solutions which would minimize fiscal impacts to counties while providing operational efficiencies for the state. Once those potential solutions are identified a statutory recommendation will be made.</p> <p>Due to the implementation of SB1067 there has not been further research done on other states collection tools, this will be revisited after completion of SB1067 efforts.</p>
<p>Improve compliance with collection rules by increasing training for agencies; clarifying assignment requirements and exemptions, handling of private collection firm contracts, and write-off procedures;</p>	<p><u>Management Response per 17-19 Budget Narrative:</u> 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</p>

and helping agencies follow appropriate collection practices, including using skip tracing and reconciling debt sent to OAA.

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.

Management Update for 19-21: We consider this finding to be resolved. SWARM has facilitate a number of trainings since the last update including: a best practices workshop by one of the vendors under the private collection firm contract; annual LFO reporting, Bankruptcy 101 provided by DOJ attorney Carolyn Wade; OSFA 2018 Winter half day training on Effective and Efficient A/R Management. The Accounts Receivable 101 iLearn course was also completed and posted for agencies to use as needed. The Service member Civil Relief Act training was postponed until 2018 due to efforts in coordinating implementation of SB1067 with DOR.

SWARM has provided updates to the OAM on assignments to DOR and private collection and has assisted agencies during one on one meetings to better understand the write-off criteria and how to document the account. SWARM is currently updating the write-off OAM to include a template for agencies to use in approving a write-off internally and identifying the specific criteria that applies.

As implementation of SB1067 has progressed, much effort has been made to improve the reporting from DOR to assist agencies with the reconciliation of assigned debts. Programming efforts will be implemented in July 2018 for agencies that pass the cost of collection to the debtor.

The SWARM website has been updated to include an A/R toolkit that provides agencies with links to a variety of skip tracing tools for use in their collection of delinquent debts. Many agencies still face resource limitations that make use of these tools difficult due to the time consuming nature of the process.

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"> 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. 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> We consider this finding resolved. The Public Records Requests and Management Project steering team, in collaboration with the State Archivist, developed the <i>Statewide Public Records Management Policy</i>, which DAS adopted in June 2016. This policy establishes the minimum standards for state agency policies relating to the internal management of public records. It provides guidance on communicating with requesters regarding fees and timelines; procedures for the use and retention of electronic communications, 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. In regards to training, the statewide policy directs agencies to designate an Agency Records Officer in accordance with ORS 192.105 to be responsible for working with the Archives Division and State Archivist to carry out a number of duties related to records management, including coordinating and tracking employee completion of public records management training to ensure agency staff understand how records are properly managed, in compliance with authorized records retention schedules. Per Executive Order #18-05 this finding is resolved.</p>

<ul style="list-style-type: none"> 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 identifying rates to charge for labor for state employees working on public records requests. 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <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> <p><u>Management Update for 19-21:</u> In July 2016, the Statewide Standardized Fee-Structure Workgroup was established under the Public Records Requests and Management Project (PRRMP). The workgroup convened several times over the course of three months and developed a statewide standardized fee-structure (SSFS). The SSFS was reviewed and approved by the DAS Director, Governor's Office, and Enterprise Leadership Team for adoption as a DAS Statewide Policy.</p> <p>The SSFS includes requirements for communicating with requesters regarding fees, as well as a requirement that agency staff work with requesters to refine the scope of their requests to ensure the request translates to a search that will actually capture the information that is being sought.</p> <p>The next step is to move forward with official rulemaking for the SSFS. The creation of the Public Records Advocate and Public Records Advisory Council (per SB 106) will provide an avenue for starting this process. With their review, support and collaboration, DAS will begin to initiate formal rulemaking by fall 2018. Per Executive Order #18-05 this finding is resolved.</p>
<ul style="list-style-type: none"> 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 	<p><u>Management Response per 17-19 Budget Narrative:</u> 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>

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).

Management Update for 19-21: Per Recommendation #1, the Public Records Requests and Management Project (PRRMP) steering team, in collaboration with the State Archivist, developed the Statewide Public Records Management Policy, which DAS adopted in June 2016. This policy was adopted by all executive branch agencies, and achieved 100% Executive Branch compliance by November 2016.

The PRRMP's final piece of work was to develop a roadmap for the future of public records management in Oregon. This roadmap includes strategies to 1) quantify and manage public records requests throughout the state; 2) improve responses to public records requests and track both requests and responses; and 3) use technologies to streamline all aspects of public record management and requests.

DAS's work on this recommendation is complete. We have delivered the roadmap to the Governor's Office and Advisory Council for their consideration of options to address the three strategies listed above. **Per Executive Order #18-05 this finding is resolved.**

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.

Audit Recommendation:	Response/Action Taken:
<p>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.</p>	<p><u>Management Response per 17-19 Budget Narrative:</u> 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.</p> <p>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.</p> <p><u>Management Update for 19-21:</u> Per FY2017 Secretary of State’s annual audit of the State of Oregon’s financial statements (documented in the Comprehensive Annual Financial Report) and verified with the Secretary of State’s Audit Division: this finding is resolved.</p>

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

Division: Office of the State Chief Information Officer

Audit Number: 2016-30

Issue Date: November 2016

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

Audit Recommendation:	Response/Action Taken:
<ul style="list-style-type: none">• We recommend that the Office of the State Chief Information Officer:<ol style="list-style-type: none">a. Collaborate with state agencies to develop detailed plans in order to fully implement the requirements of Executive Order No. 16-13.b. Develop sufficient statewide standards and processes for oversight to ensure security of agency computer systems.c. Collaborate with state agencies to ensure remediation of the specific weaknesses communicated to state agencies in separate management letters.d. Work with the Governor, Legislature, and agency directors to ensure staffing and resources are available to implement agency security measures.	<p><u>Management Response per 17-19 Budget Narrative:</u> 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> <p><u>Management Update for 19-21:</u> Per the OSCIO the Statewide Information Security Standards can be found here: http://www.oregon.gov/das/OSCIO/Documents/2017%20ISO%20Standards%20Oregon.pdf</p>

Audit Title: Department of Administrative Services Should Enhance Succession Planning to Address Workforce Risks and Challenges

Division: Office of the Chief Human Resources Officer

Audit Number: 2017-21

Issue Date: August 2017

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

Audit Recommendation:	Response/Action Taken:
<ul style="list-style-type: none"> Develop a statewide workforce succession planning strategy and framework, in consultation with state agencies and stakeholders that provides consistent guidance and direction, but also allows agencies flexibility to manage within their unique situations. 	<p><u>Management Response August 2017:</u> Success planning continues to be a topic during biweekly human resource (HR) advisors meetings with agencies. The CHRO is reviewing the documentation submitted with the audit findings to incorporate practices as appropriate.</p> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division Follow up Report: November 2018 (#2018-37). DAS has developed a web page on its website that is devoted to succession planning. The webpage contains many resources, including definitions, answers to frequently asked questions, and a succession planning guide. DAS also includes a point of contact for questions and assistance. Status: Implemented / Resolved.</p>
<ul style="list-style-type: none"> Provide specific guidance to state agencies on succession planning, similar to the toolkits provided by other states, including but not limited to: a) definitions of concepts for statewide use, such as defining workforce planning, succession planning and retirement eligibility; b) explanation of key succession planning processes that should be used; c) tools and templates to inform succession planning such as tools to identify and analyze skills gaps or identify talent pools; d) recommend approaches to meet public sector principles such as guidance on developing a communication plan for improved transparency. 	<p><u>Management Response August 2017:</u> Due to the audit findings regarding readiness related to definitions and communications plans, we will revisit and prioritize our work in those areas. Training will be provided in the use of Workday to manage talent and complete workforce and succession planning tools and activities. Workday has built-in tools that allow the state to analyze skills gaps, and create talent pools. The talent pools can then be attached to specific positions for use in succession planning.</p> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division Follow up Report: November 2018 (#2018-37). (a) DAS has developed a glossary of succession planning terms and included this glossary on its website. Status: Implemented / Resolved. (b) DAS's succession planning webpage provides several planning resources. These include an initial agency assessment tool, a critical position chart and tool, and a succession planning guide. Status: Implemented / Resolved. (c) The succession planning page on DAS's website contains tools and templates, including a succession planning guide, several communication planning tools, and position planning tools. Status: Implemented / Resolved. (d) DAS has completed some work in this area, but at present, there are no metrics that would allow DAS or agencies to determine if succession planning efforts are adequate at either the agency or statewide level. DAS's succession planning guide briefly touches on performance measurement, highlighting a limited number of possible measures. DAS also reports that its staff are beginning to gather data, and some old HR systems contain metrics. DAS is hoping that Workday, its new statewide HR information system, will provide better data analytics tools. Status: Partially Implemented. (e) Equity, merit, and fairness are components of DAS's succession planning guide, and transparency is identified in a description of values</p>

	<p>adopted by the Oregon Enterprise Leadership Team (ELT). This team includes more than 20 state agency directors. The values and competencies adopted by the ELT support succession planning principles. The values include accountability, integrity, equity, and excellence. DAS has also produced a set of communication tools to support succession planning. These tools include a communication strategy guide. Status: Implemented / Resolved.</p>
<ul style="list-style-type: none"> Develop and implement processes to monitor, assess and address state agency efforts and state workforce risks to ensure critical positions are filled with qualified staff. This should include: a) regularly collecting information from state agencies about their actions and risks; b) assessing workforce risks, such as retirement eligibility from a state-level perspective; and c) regularly communication workforce information to state agencies and stakeholders, such as the legislature, public and labor organizations. 	<p><u>Management Response August 2017:</u> Access to PERS system data through the Workday application will provide dashboards for management and executive staff regarding actions and risks. The legislative and judicial branches are participating in the Workday application using Workday’s reporting capabilities and this information will be readily available through the application. Unlike in the past, access to this information will not require custom reports or requests to DAS for information.</p> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division Follow up Report: November 2018 (#2018-37). (a) DAS has developed an annual survey it will send to state agencies. This survey collects information that allows DAS to monitor and assess agency efforts and state risks. DAS has also provided three employee survey tools for the agencies to use. These tools will provide agencies information on data needs and possible risks. DAS is also collecting agency level information as it provides technical assistance to the agencies. Status: Implemented / Resolved. (b) DAS’s outreach efforts, annual agency survey tools, and the retirement eligibility data discussed in recommendation no. 6, will assist DAS and agencies in assessing retirement eligibility risks. Status: Implemented / Resolved. (c) DAS has developed tools to communicate with agencies via its website, outreach activities, technical assistance efforts, and regular meetings with HR managers and agency directors. DAS is also communication with stakeholders through its website and believes Workday will allow them to provide additional workforce data when it launches. Status: Implemented / Resolved.</p>
<ul style="list-style-type: none"> Work with agencies to define essential data needs related to succession planning and ensure needs are met, including workforce demographics and retirement eligibility data. 	<p><u>Management Response August 2017:</u> An integration to the Oregon PERS system is included in Workday implementation. Data needs, including demographic data requirements, were collected in collaboration with state agencies during the business case development and will be delivered in the Workday system.</p> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division Follow up Report: November 2018 (#2018-37). DAS sought agency input regarding data needs when it developed the Workday business case. DAS plans to include these data elements in Workday. Status: Implemented / Resolved.</p>

<ul style="list-style-type: none"> • Work with PERS to obtain retirement eligibility data in order to improve the accuracy of workforce information used for broad succession planning strategies. Address any concerns about individual privacy and guard against any potential for age discrimination. 	<p><u>Management Response August 2017:</u> In addition to response from Recommendation #3; the agency is piloting three surveys, entrance (to send to new employees within 30 days of hire), engagement/retention (to send to existing employees), and exit (to send to employees leaving their current position). The data provided by the surveys will enable us to further note areas the state is doing well and where there are opportunities to do better.</p> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division Follow up Report: November 2018 (#2018-37). DAS has entered into an intergovernmental agreement with PERS to obtain limited retirement eligibility data on a regular basis. This data will be uploaded to Workday. Note: Physical access will not occur until DAS launches Workday. Status: Implemented / Resolved.</p>
<ul style="list-style-type: none"> • Provide guidance and training in the new human resource information system to state HR employees to ensure appropriate business changes are made to support and capitalize on the new system, and to ensure data integrity. 	<p><u>Management Response August 2017:</u> Communication, training, and organizational change management activities are included and funded in the Workday implementation plan. The workday project team has trainers and change managers dedicated to the project to ensure employees are properly prepared to modify business processes and use Workday to its full potential.</p> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division Follow up Report: November 2018 (2018-37). Though Workday does not have a firm launch date, DAS has begun developing training materials and placing them on the Workday webpage. Status: Implemented / Resolved.</p>
<ul style="list-style-type: none"> • Expand on current opportunities for state agencies to share practices and coordinate with each other and DAS. This should include increasing outreach to agencies not represented at the HR advisors meeting, expanding opportunities at the HR directors meeting for agency collaboration and sharing, and reaching out to HR directors who do not regularly attend the HR directors meetings. 	<p><u>Management Response August 2017:</u> DAS will continue to meet biweekly with HR advisors and bimonthly with all HR managers with a standing agenda topic to discuss best practices. While it is not possible to contact each agency that does not attend the scheduled meeting individually, DAS will incorporate synopsis in the HR newsletter as another method of communicating with staff. A position within the CHRO to champion succession management and facilitate the use of best practices is under development with a target of having the position filled by January 2018. The CHRO also attends all Enterprise Leadership Team meetings and all Agency Directors meetings to share information and practices.</p> <p><u>Management Update for 19-21:</u> Per Secretary of State Audits Division Follow up Report: November 2018 (#2018-37). DAS is taking steps to foster cooperation and coordination through its succession planning efforts. Specific actions include: 1) Identifying and encouraging coordination and sharing as an important tool. 2) Providing support, training, and assistance to agencies seeking to coordinate and share information. 3) Encouraging agencies to work together when an opportunity for collaboration exists. DAS does this through its regular HR director’s meeting, statewide communication outreach efforts, and in its daily communications with agencies including through existing tools, such as the statewide HR newsletter. 4) Hosting open events to all HR staff not represented at the either of the director meetings. Status: Implemented / Resolved.</p>

- Work with state agency executives and HR personnel to address barriers in succession planning related to state HR policy, rules, or processes, by making adjustments when appropriate and providing guidance to agencies on how to achieve objectives within existing state structures.

Management Response August 2017: The activities in these areas will continue as a core function of workforce planning within the CHRO. Over the last few months, practices have been modified so that CHRO policies are reviewed by the Enterprise Leadership Team and all agency directors for feedback. They are also circulated to all human resource managers statewide for comment prior to finalization.

Management Update for 19-21: Per Secretary of State Audits Division Follow up Report: November 2018 (#2018-37). DAS has taken steps to engage state executives in an effort to build awareness, and develop a statewide capacity to address barriers, including: 1) Presenting the succession planning project to the ELT. 2) Modifying its policy review process to include a review by ELT members and agency directors who are not ELT members. 3) Actively communication with agencies through their outreach efforts noted in previous recommendations. **Status: Implemented / Resolved.**

Audit Title: Opportunities Exist to Increase the Impact of State Agency Internal Audit Functions

Division: Chief Operating Office

Audit Number: 2018-25

Issue Date: August 2018

<ul style="list-style-type: none"> Define the minimum amount of resources that constitutes an active internal audit function, whether staffed or contracted, and develop a methodology to determine the recommended staffing for internal auditing. 	<p><u>Management Response August 2018:</u> Management Generally Agree, however resource levels are determined by the state Legislature every two years through the biennial budget process. In consultation with DAS management, the DAS CAE, the CAE Council, and other agency executives, methodologies will be researched with the aim to provide best practices and information helpful to internal audit resources for Oregon state government. It is important to note that a recommendation for staffing or resources does not necessarily mean that any additional staff or resources will ultimately be made available.</p>
<ul style="list-style-type: none"> Determine whether the minimum qualifications for internal audit classifications should be amended to expand the pool of applicants. 	<p><u>Management Response August 2018:</u> Management Agrees: DAS Management and the DAS CAE will work with the Chief Human Resources Office (CHRO) to review the current MQ's of each of the three IA position levels. DAS Management and the CHRO feel it would be best to complete this work after implementing Recommendation #1.</p>
<ul style="list-style-type: none"> Dedicate sufficient human resources for both statewide internal audit coordination and internal auditing within DAS. 	<p><u>Management Response August 2018:</u> Management neither Agrees nor Disagrees. DAS Management will review the current staffing level and compare it to the resources needed to perform both statewide oversight and internal auditing within DAS. If it is determined the additional resources are needed, DAS may request the resources during the 2021 legislative session.</p>
<ul style="list-style-type: none"> Evaluate whether the classification of the statewide internal audit coordination position is appropriate, relative to the Chief Audit Executives throughout the state. 	<p><u>Management Response August 2018:</u> Management Agrees. DAS management and the DAS CAE will work with the CHRO to review the current classification level of the DAS CAE as well as the classification of statewide CAE's. DAS Management and the CHRO feel it would be best to complete work after implementing Recommendation #1.</p>
<ul style="list-style-type: none"> Propose changes to administrative rules to address concerns identified in this report, including those related to misalignment of reporting periods, audit committee 	<p><u>Management Response August 2018:</u> Management Agrees. DAS Management, DAS CAE, the Council, and other necessary stakeholders will work on a review and possible revision of administrative rules relating to internal audit.</p>

<p>composition, and functional and administrative reporting.</p>	
<ul style="list-style-type: none"> • Provide guidance to agency internal audit functions on minimum requirements for risk assessment processes, risk-based audits, and external reviews. 	<p><u>Management Response August 2018:</u> Management Agrees. DAS management, DAS CAE, and the Council will develop and make available to agencies guidance on consistent reporting of the work surrounding the risk assessment process; risk-based audits; and external reviews.</p>
<ul style="list-style-type: none"> • Develop a strategic plan to coordinate agency internal audit efforts, promote effectiveness, and ensure integrity of internal auditing in the state. 	<p><u>Management Response August 2018:</u> Management Neither Agrees nor Disagrees. DAS management will collaborate with the DAS CAE and the Council on the best set of tools to provide to state agencies that will assist in coordinating of the internal audit function in state agencies, promoting effectiveness and ensuring the integrity of internal auditing in the state.</p>
<ul style="list-style-type: none"> • Work with the Legislature to strengthen and clarify state laws related to internal auditing and DAS's role as a centralized coordinating body. 	<p><u>Management Response August 2018:</u> Management Agrees. DAS management and other applicable bodies will work with the Legislature to review and possibly change state laws relating to internal audit in state government, including the role DAS is to play. Because legislative concepts for 2019 are well under way, the next opportunity for DAS to request any statutory changes will be during the 2021 legislative session.</p>
<ul style="list-style-type: none"> • Develop guidance or criteria to determine when an exemption to the internal audit requirement is appropriate. 	<p><u>Management Response August 2018:</u> Management Agrees. DAS management, DAS CAE, and the Council will review the current policy on requesting and granting exemptions to rule. The DAS CAE and the Council will then develop procedures that relate directly to granting such exemptions on internal audit functions.</p>
<ul style="list-style-type: none"> • Inform agencies that meet the current criteria that they are required to have an internal audit function. 	<p><u>Management Response August 2018:</u> Management Agrees. DAS management and the DAS CAE will develop a letter that informs agencies that meet the current requirement and what guidance DAS is able to provide.</p>

<ul style="list-style-type: none"> • Develop a formal process to track which agencies meet statutory requirements for establishing an internal audit function. 	<p><u>Management Response August 2018:</u> Management Agrees. DAS management and the DAS CAE will develop a tool to assist in reviewing and tracking when an agency meets the requirement of having an internal audit function.</p>
<ul style="list-style-type: none"> • Adjust the current criteria in state rules for the internal audit requirement to clearly identify state agencies that face the highest levels of risk. This should include a review of the types of transactions considered as “cash processed,” the levels of expenditure and staffing set more than a decade ago, and a consideration of other risk factors. 	<p><u>Management Response August 2018:</u> Management Agrees. Along with the work being done from recommendation 1, DAS management, DAS CAE, and the Council will work with other bodies to develop a review of current criteria and adjust if necessary. This may potentially require a revision to the current administrative rules.</p>
<ul style="list-style-type: none"> • Make training materials available to new and existing internal audit staff at state agencies, including trainings that would enable staff members to participate in external peer reviews at other agencies. 	<p><u>Management Response August 2018:</u> Management Agrees. The DAS CAE, in partnership with the Council and the IIA Salem Chapter, will develop a formal review process of training opportunities. This information will then be made available to all agency internal audit functions.</p>
<ul style="list-style-type: none"> • Provide training materials to new and existing committee members, including training on how to maintain the independence of the audit function and what work products to expect. 	<p><u>Management Response August 2018:</u> Management Agrees. In partnership with the Council, the DAS CAE will review the audit committee training currently available, such as the Audit Committee Handbook and a training presentation. They will be updated as determined necessary and made available to audit committees at state agencies.</p>
<ul style="list-style-type: none"> • Revise the annual report on statewide internal audit activities to ensure it is clear, accurate, and helpful for internal audit stakeholders; includes meaningful information on internal audit performance; describes 	<p><u>Management Response August 2018:</u> Management Agrees. Working with DAS management and the Council, the DAS CAE revise the annual report format after seeking input from stakeholders on what information should be included in the report.</p>

<p>conformance with professional standards and state requirements; and details the costs and outcomes of internal audit contracting.</p>	
<ul style="list-style-type: none"> • Convene an internal audit working group including stakeholders such as state CAE's and professional auditing organizations to determine the appropriate level of centralization for internal audit functions in Oregon. 	<p><u>Management Response August 2018:</u> Management Neither Agrees nor Disagrees. Working with DAS management, the Council and other applicable bodies, a review of the recommendation will be done after work is complete on the preceding 15 recommendations.</p>

Audit Title: Progress Has Been Made to Address Security Weaknesses at the State Data Center, but Improvements are Still Needed

Division: Office of the State Chief Information Officer

Audit Number: 2018-34

Issue Date: August 2018

<ul style="list-style-type: none"> Clarify the information security roles of data center personnel pertaining to security requirements defined in the information security plan and overall responsibility for security at the data center. 	<p><u>Management Response October 2018:</u> Management Agrees. The first stage in addressing security concerns at the SDC was establishing critical security capabilities that were missing, which the findings of this audit confirm have been addressed. The next stage is to mature those services from ad-hoc to fully documented and tested capabilities, including clear documentation of roles & responsibilities. The ESO will work in partnership with ETS to drive to this next level of maturity across security relevant operations through the end of the 2017-19 biennium.</p>
<ul style="list-style-type: none"> Improve tracking of remediation efforts to mitigate critical vulnerabilities detected by scans. 	<p><u>Management Response October 2018:</u> Management Agrees. Vulnerability remediation is taking place consistently at the SDC, as reflected in the audit findings. The SDC is currently managing vulnerabilities to a level which exceeds current state standards and has consistently maintained that level in monthly regular scan results. Processes to improve vulnerability management coordination between the SDC and agencies are under development and will be supported by the OSCIO Information Technology Service Management (ITSM) project. The ITSM project will deliver a modernized ticketing and workflow management platform the improved processes can take full advantage of.</p> <p>A policy option package has been submitted in the 2019-21 legislative session to permanently staff this lack of capacity to ensure dedicated focus to security vulnerabilities in SDC manages systems is put in place. This resource will establish a system for tracking vulnerabilities to closure, leveraging the SDC's implementation of the OSCIO ITSM platform that will replace the existing SDC ticket tracking system.</p>
<ul style="list-style-type: none"> Improve implementation and capabilities of the security information and event monitoring system by <ol style="list-style-type: none"> Developing metrics to measure and track volume and content of logs and associated offences generated by the system; Developing procedures to modify system rules; and 	<p><u>Management Response October 2018:</u> Management Agrees. The Enterprise Security Office (ESO) Security Operations Center (SOC) currently manages the security information and event management (SIEM) system that supports the state data center. The SOC is still early in its development, so detailed metrics and documented procedures are still being developed. Metrics will be established that will include the log information (type, contents, volume, etc.), as well as the related alerts and incidents generated from those logs. SOC development activities include the completion and documentation of formal operating procedures including, but not limited to, change management for SIEM rules. Specific requirements and controls around rule changes and /or changes to SIEM configuration will be documented in the coming months.</p>

<p>c. Continuing to build capacity to manage additional log sources for input and analysis in the system.</p>	<p>Both short and long-term plans for the enterprise SIEM include expansion to handle both the physical requirements for the growing number and sized of logs, as well as the processing capability to perform the necessary analysis to generate alerts. A policy option package to fund additional needed log capacity to serve SDC needs has been submitted for consideration in the 2019 legislative session.</p>
<ul style="list-style-type: none"> Request funding from the Legislature to implement networking and security equipment life cycle replacement as an ongoing program as opposed to individual projects. 	<p><u>Management Response October 2018:</u> Management Agrees. Funding has been requested in a policy option package in the 2019 legislative session to provide ongoing operating budget to sustain lifecycle replacement costs for security equipment-specifically, funding for firewall lifecycle. As new security solutions are implemented, funding requests will include budget provisions for on-going support of the entire lifecycle of the assets from concept to replacement. Discussions have been initiated to consider moving these resources to a lease model to ensure they are regularly refreshed automatically, rather than requiring periodic capital investment, which often includes delays in replacing older infrastructure.</p>
<ul style="list-style-type: none"> Develop and implement solutions to isolate operating system environments that are not fully supported by vendors. 	<p><u>Management Response October 2018:</u> Management Partially Agrees; with this recommendation, as hosted agencies drive this need. A more complete solution would involve a change in policy, such as the introduction of an Authority to Operate process, or other governance that would require compliance at the risk of application isolation from the Oregon Government Enterprise. In the absence of this kind of control, ESO standards prohibit the use of obsolete or non-vendor supported operating. Due to agency resourcing shortfalls, exceptions are sometimes granted to temporarily support business needs. ESO will formalize the exception process over the coming months. In addition to tracking of exceptions, a technical scheme for isolating systems that remain outside of state standards is necessary to protect the rest of the enterprise.</p>
<ul style="list-style-type: none"> Periodically reconcile installation of anti-malware and patch management agents on Windows servers with applicable servers in its inventory to ensure full coverage. 	<p><u>Management Response October 2018:</u> Management Agrees. Efforts are already underway in ESO to develop two enterprise solutions to accommodate this recommendation. The first will be focused on establishing a solution of solutions that accurately account for inventory in an automated manner, both for software and hardware. This will allow for confirmation of existence of appropriate anti-malware software and patch management agents on each client in the environment.</p> <p>The second solution will focus on configuration management, which will inform when a system is configured in an insecure, non-compliant manner. This solution will help ensure anti-malware and patch management agents are properly configured to do what was intended.</p> <p>ESO will be deploying these solutions during the 2019-21 biennium when the necessary budget will be available. ETS/SDC will be the target for both solutions once they are identified and procured.</p>

<ul style="list-style-type: none"> • Enforce existing procedures requiring periodic review of privileged access membership. 	<p><u>Management Response October 2018:</u> Management Agrees. ESO has worked with ETS and agency partners to drive a multi-year project to upgrade the controls around the isolation, tracking and use of privileged access credentials within ETS. Agreeing on a solution has included partnership with IT and security teams across all agencies with systems currently manages at ETS. ESO and ETS have already contracted a vendor and started implementation of the new privileged access system that should be ready for use starting in 2019.</p> <p>ESO will assist ETS in the development, documentation and testing of a periodic privileged access audit procedure as soon as the move to a new privileged access management system is complete. The conversion to this new system will take quite a while as each agency domain will need to be integrated individually. Substantial progress should be observable in the latter half of 2019.</p>
<ul style="list-style-type: none"> • Develop additional alerts to monitor actions taken by privileged access users, as required by the statewide security plan and standards. 	<p><u>Management Response October 2018:</u> Management Agrees. The Enterprise Security Office (ESO) Security Operations Center (SOC) is currently in the process of developing use cases that will enable alerting for actions taken by privileged users as required by the Statewide Information Security Plan. This includes alerting on specific behavior such as privilege escalation attempts, log modification and non-standard creation of user accounts and privilege assignment. Once these alerts are developed and ETS endpoint systems are integrated into the SOC, this finding will be fully addressed.</p>
<ul style="list-style-type: none"> • Further define procedures for security incident response, including: <ul style="list-style-type: none"> a) Better defining roles and responsibilities for security incident response between the Enterprise Security Office and the data center. b) Ensuring that potential security incidents are tracked to enable additional analysis; and c) Developing standard operating procedures for responding to different types of security incidents. 	<p><u>Management Response October 2018:</u> Management Agrees. As called out in the Statewide Information Security Plan (dated August 1, 2018), the Enterprise Security Office (ESO) is to develop, coordinate and maintain the State Incident Response capability. The ESO is currently in the process of clearly defining roles and responsibilities for security incident response as part of efforts to update the Statewide Security Incident Response policy (107-004-120) and related procedures. The body of work will enable better role definition and responsibilities in this area between the ESO and data center.</p> <p>As part of the SOC development mentioned in recommendations #1 and #8, the SOC will be formalizing the tracking and analysis of security incidents, as well as the standard operating procedures for responding to different types of security incidents. Incidents detected in the SOC are already being documented and tracked in a SOC ticketing system (this was implemented after the audit was completed). Written procedures for tracking and closing tickets in this system are still being developed, with an expected completion date of June 30, 2019. This procedures must be applicable to agency incidents as well as SDC incidents, therefore more time will be required to complete the documentation.</p>

<ul style="list-style-type: none"> • Identify and implement an automated solution for asset inventory and configuration management. 	<p><u>Management Response October 2018:</u> Management Agrees. Efforts are already underway in ESO to develop two enterprise solutions to accommodate this recommendation. The first will be focused on establishing a solution of solutions that accurately account for inventory in an automated manner, both for software and hardware. The second solution will focus on configuration management, which will inform when a configuration changes in a non-compliant way. ESO will be deploying those solutions during the 2019-21 biennium when the necessary budget will be available.</p> <p>ETS/SDC will be the first target for both solutions once they are identified and procured.</p>
<ul style="list-style-type: none"> • Work with state agencies dependent upon the data center for disaster recovery and ensure priorities for recovery are identified. 	<p><u>Management Response October 2018:</u> Management Agrees. ETS is currently in the process of gathering this information. Further work will then be needed to identify interdependencies and inter faces across platforms to fully understand the requirements and complexity of system recovery. Completion of the recommendation will require partnership between ETS and customer agencies.</p>

Audit Title: Significant Cost Savings Can Be Achieved by Modernizing Oregon’s Procurement Systems and Practices

Division: State Chief Procurement Office
State Chief Information Office

Audit Number: 2018-45

Issue Date: December 2018

<ul style="list-style-type: none">• Identify options, and seek funding, for the acquisition and implementation of an enterprise eProcurement system that would provide purchase data of sufficient detail to allow for a robust spending analysis and identification of opportunities for strategic sourcing and cost savings. Additionally, develop processes to ensure the results of this analysis are available to agencies, legislatures, and the public.	<p><u>Management Response December 2018:</u> Management Agrees. The Department of Administrative Services has submitted a Policy Option Package for consideration by the 2019 Legislative Assembly. If approved, the package would provide resources and funding to transform the current OregonBuys system to an enterprise solution. The implementation project would take 24 months to complete. Once implemented the data captured by the OregonBuys system will provide state procurement staff enhanced spend analysis and tools for the identification of opportunities for strategic sourcing and cost savings. DAS Procurement Services will develop and provide training to systems users on how to maximize these new resources in order to drive savings and best value in public contracting.</p>
<ul style="list-style-type: none">• Fully develop and implement stage gate processes to ensure they are effective and repeatable. Specific processes that should be developed include:<ul style="list-style-type: none">a) Specifying how projects of different sizes and complexity will be evaluated to ensure each project receives the appropriate amount of oversight.b) Establishing more robust criteria and guidance regarding elements for stage gate deliverables, including templates and examples, and a training program for oversight staff to promote	<p><u>Management Response December 2018:</u> Management Agrees. We agree that EITG can further clarify what project management artifacts are required for oversight. Revised requirements have already been drafted and the matrix is currently in review with agency stakeholders, LFO and OSCIO leadership. Oversight models in other states will be evaluated to determine the benefits of utilizing different requirements based on project size and complexity. The entire suite of oversight templates is currently under review. PMBOK templates and templates from other states and consulting services will be considered as part of the revision. Once the updated documentation requirements and template package is complete, communication and training will be developed for agency staff.</p> <p>EITG work flow processes are currently being documented. This documentation will not only serve as reference for agency and OSCIO staff but will be incorporated into new employee onboarding and training.</p>

<p>consistent application of the project oversight framework.</p>	
<ul style="list-style-type: none"> Establish minimum knowledge (i.e. education or training) and experience requirements for project managers who manage major IT investment projects. Knowledge and experience requirements should be scaled to be commensurate with project risk determined by the OSCIO. 	<p><u>Management Response December 2018:</u> Management Agrees in Part. While OSCIO agrees that oversight processes are the responsibility of EITG, agencies are ultimately responsible for training, hiring and assigning skilled project managers who understand the value and importance of sound project management practices. This includes assigning project managers that understand how to facilitate project management processes that support delivery of mature project management artifacts.</p> <p>OSCIO will develop project manager experience requirements that will take into account demonstrated hours of project management work, technical training and professional certifications. These requirements will be commensurate with the project complexity, project duration and project budget.</p>
<ul style="list-style-type: none"> Work with stakeholders to define, periodically review, update, and approve key performance indicators for the oversight processes. Once KPI's are defined, the agency should develop processes to collect and periodically review performance data, and report progress compared to performance targets to key stakeholders. 	<p><u>Management Response December 2018:</u> Management Agrees. KPI's are currently under development with the assistance of a professional consultant. This will be an iterative development process. Initial KPIs will be developed with the data currently available and more robust, complex KPIs developed as the maturity of portfolio management increases. Progress will be reported in a periodic dashboard to key stakeholders.</p>
<ul style="list-style-type: none"> Establish a method to track QA report distributions to ensure that reports are sent to all appropriate stakeholders as required by state law. 	<p><u>Management Response December 2018:</u> Management Agrees. The iQA contractors are contractually required (as described in an exhibit of each iQA contract) to send iQA deliverables to a list of required state recipients. The QA program will track to determine that iQA contractors have sent reports to the appropriate stakeholders.</p> <p>At a regular time (quarterly), determination will be made that contractual requirements for deliverable distributions have been completed. The Statewide QA program will work with iQA contract's Authorized Representative and the Basecamp program to confirm contractual compliance, by reviewing records and tracking.</p>



PROPOSED SUPERVISORY SPAN OF CONTROL REPORT

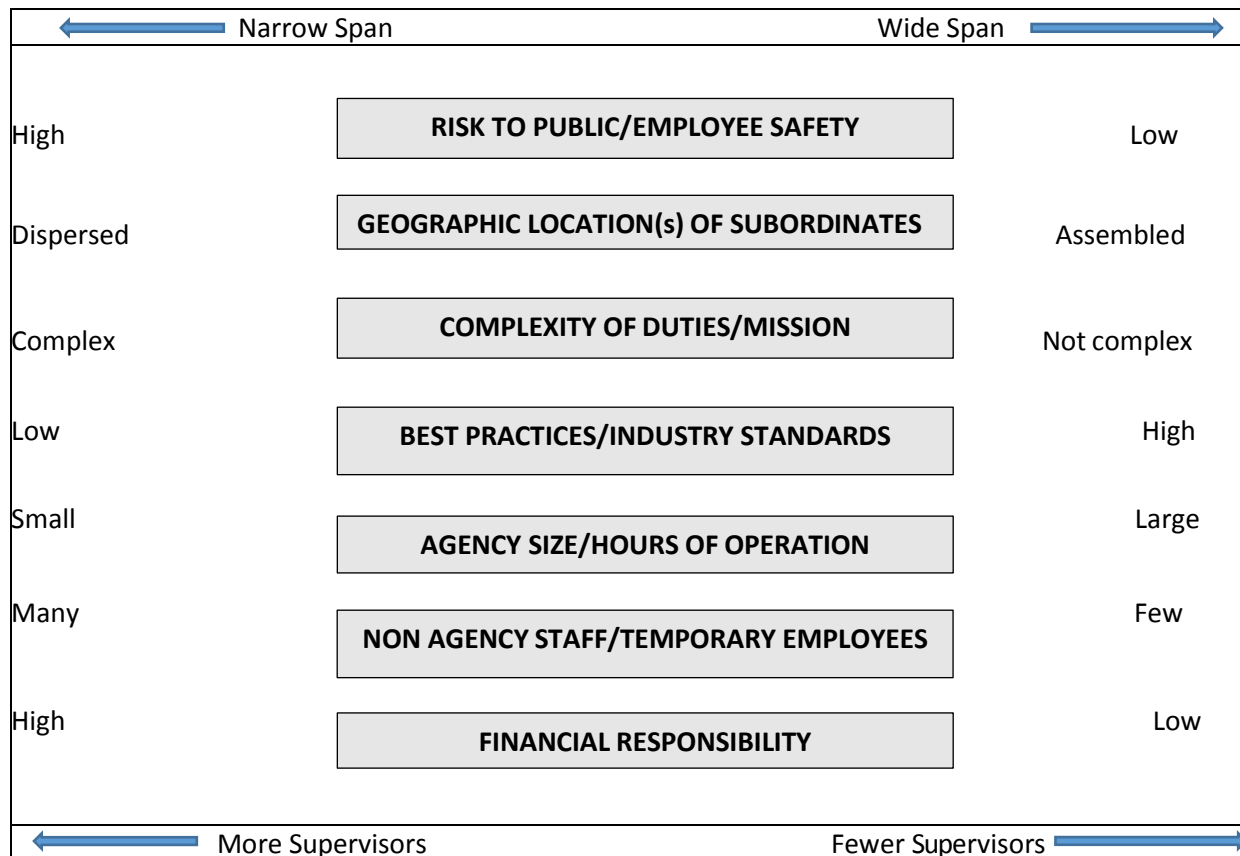
In accordance with the requirements of ORS 291.227, the Department of Administrative Services (DAS), presents this report to the Joint Ways and Means Committee regarding the agency's Proposed Maximum Supervisory Ratio for the 2019-2021 biennium.

Supervisory Ratio for the 2017-2019 biennium

The agency actual supervisory ratio as of July 1, 2018 was 1: 10

Proposed Supervisory Ratio for the 2019-2021 biennium

When determining an agency maximum supervisory ratio all agencies shall begin of a baseline supervisory ratio of 1:11, and based upon some or all of the following factors outlined below may adjust the ratio up or down to fit the needs of the agency.



In evaluating the factors, we have determined two of them impact the necessary and appropriate ratio of supervisory to non-supervisory staff at DAS. These are complexity of the duties/mission and financial responsibility.

DAS has a unique mission and role in state government in serving the enterprise in all administrative services. These services, while all falling under the umbrella of administration, are vastly different and diverse. DAS is the state's enterprise provider of accounting, finance, budgeting, purchasing, human resources, information technology, facilities, fleet, and publishing and distribution services, in addition to providing leadership and policy direction statewide for agencies who provide their own services in these areas.

While DAS leverages and gains efficiencies across the enterprise, it is critical to have dedicated supervisory positions to provide leadership and coordination of teams and initiatives across the enterprise in each key functional area. Some of these functions do not have teams as large as 11, therefore rendering a 1:11 ratio impractical. Nonetheless, these functions provide essential services to the enterprise and require dedicated leadership.

As previously discussed, DAS has enterprise leadership and policy responsibilities. The decisions of the divisions of DAS impact all agencies in critical functions of state government including finance, information technology and human resources, functions with the largest investments of state dollars in the enterprise. This scope of responsibility coupled with the complexity necessitates a narrower span of control to ensure proper controls are in place to carry out the mission.

Based upon the described factors above the agency proposes a Maximum Supervisory Ratio of 1:10.

Unions Requiring Notification: SEIU

Date unions notified: January 4, 2019

Submitted by: Jessica Knieling, Deputy Chief Human Resources Officer

Date: January 9, 2019

DAS 19-21 IT Project Prioritization Matrix

6/25/2018

CRITERIA	WEIGHT	SCORING GUIDE	Workday Payroll / Time & Attendance		Workday HR: Transition to Operations		HR: Learning Management		OregonBuys: Enterprise		DAS Information Security Program	
			Raw	Weighted	Raw	Weighted	Raw	Weighted	Raw	Weighted	Raw	Weighted
TOTAL WEIGHTED PROJECT SCORE			147		123		114		162		153	
Strategic Value			Raw	Weighted	Raw	Weighted	Raw	Weighted	Raw	Weighted	Raw	Weighted
Required Service/Product-Business Alignment (are any of these are true?) <ul style="list-style-type: none"> Mandate (legislative, federal or state) Meets a strategic business need Governor Initiative/Strategy Priority/Compliance for industry 	5	0: none are true 3: one is true 6: two or three are true 9: all are true	6	30	6	30	6	30	6	30	9	45
Value to Customer Number of users and the level of positive impact for using the product/service. Consumers or users of the service, product or data. Customer could be citizens, internal agency users, other state/local agencies or other external stakeholders. Or, projects that are funded through grants, IGAs, etc.	5	0: no value to customer 3: low value to customer 6: medium value to customer 9: high value to customer	9	45	9	45	9	45	9	45	9	45
Leverage Potential Multiplier effect: <ul style="list-style-type: none"> Service/product can be leveraged as a shared or managed service across agencies or policy area Service/product can be leveraged as a utility service Service/product adds value for external partners 	3	0: no potential, isolated service 3: low potential 6: medium potential 9: high potential	9	27	6	18	3	9	9	27	6	18
Risk												
Importance to Risk Mitigation Would the agency, state, or its customer be exposed to a risk or impact if the service or product is not offered? Or, is an existing service at risk? Do other current services/products depend on it? This could be security, safety, legal or any other risk related in loss.	5	0: no risk to state/ customer if not offered 3: low risk to state/customer if not offered 6: medium risk to state/customer if not offered 9: high risk to state/customer if not offered	9	45	6	30	6	30	3	15	9	45
Financial												
Return on Investment (ROI) / Cost Avoidance Project ROI reduces cost in expenditures once a project becomes a program. Must have a way to measure ROI and the amount of cost that will be avoided due to implementation of the project.	5	0: ROI none or unknown 3: ROI gained over two biennia 6: ROI gained within two biennia 9: ROI gained within one biennium	0	0	0	0	0	0	9	45	0	0

OSCIO 19-21 IT Project Prioritization Matrix

**** FINAL ****

CRITERIA	WEIGHT	SCORING GUIDE	IT Security: Risk Mitigation & Federal Compliance Program (Priority #1)		SDC Lifecycle Replacement (Priority #2)		Broadband (Priority #3)		navigatOR - GIS Utility Supporting Oregon Government (Priority #4)	
			Raw	Weighted	Raw	Weighted	Raw	Weighted	Raw	Weighted
TOTAL WEIGHTED PROJECT SCORE			162		147		162		102	
Strategic Value			Raw	Weighted	Raw	Weighted	Raw	Weighted	Raw	Weighted
Required Service/Product-Business Alignment (are any of these are true?) <ul style="list-style-type: none"> Mandate (legislative, federal or state) Meets a strategic business need Governor Initiative/Strategy Priority/Compliance for industry 	5	0: none are true 3: one is true 6: two or three are true 9: all are true	9	45	6	30	6	30	6	30
Value to Customer Number of users and the level of positive impact for using the product/service. Consumers or users of the service, product or data. Customer could be citizens, internal agency users, other state/local agencies or other external stakeholders. Or, projects that are funded through grants, IGAs, etc.	5	0: no value to customer 3: low value to customer 6: medium value to customer 9: high value to customer	9	45	9	45	9	45	6	30
Leverage Potential Multiplier effect: <ul style="list-style-type: none"> Service/product can be leveraged as a shared or managed service across agencies or policy area Service/product can be leveraged as a utility service Service/product adds value for external partners 	3	0: no potential, isolated service 3: low potential 6: medium potential 9: high potential	9	27	9	27	9	27	9	27
Risk										
Importance to Risk Mitigation Would the agency, state, or its customer be exposed to a risk or impact if the service or product is not offered? Or, is an existing service at risk? Do other current services/products depend on it? This could be security, safety, legal or any other risk related in loss.	5	0: no risk to state/ customer if not offered 3: low risk to state/customer if not offered 6: medium risk to state/customer if not offered 9: high risk to state/customer if not offered	9	45	9	45	6	30	3	15
Financial										
Return on Investment (ROI) / Cost Avoidance Project ROI reduces cost in expenditures once a project becomes a program. Must have a way to measure ROI and the amount of cost that will be avoided due to implementation of the project.	5	0: ROI none or unknown 3: ROI gained over two biennia 6: ROI gained within two biennia 9: ROI gained within one biennium	0	0	0	0	6	30	0	0

2019-21 Capital Construction Projects

Project Name	Description	POP#	Amount	Funding Source
Justice Building Exterior Updates	Weathering, dry rot and general aging of structure requires window replacements and power upgrades.	201	\$5 million	General Obligation Bond
Revenue Building Electrical System Upgrades	Modernization of power and HVAC components. Project will reduce energy costs and update technology.	202	\$10 million	General Obligation Bond
Portland State Office Building Upgrades	Phase II of HVAC, Security, Roof and lighting upgrades.	204	\$8.6 million	General Obligation Bond
Misc Projects	Roof, Electrical, HVAC replacement and repairs on various buildings.	090	\$13.75 million	Uniform Rent

Department of Administrative Services
2017-19 Long Term Vacancies as of December 31, 2018

Agency	Authorization No	Position No	RDC	Pos Type	Anticipated Fill Date	Reason Narrative	Reason Category	XREF	GF \$	OF \$	Vac 7-11 mos	Vac 12+ mos
10700	001309890	2018162		PF	3/1/2019	Filled or in process of being filled (recruiting, announcement posted, etc.)	2	030-04-00-00000	0	71,205	1	0
10700	001309830	1900005	528	PF	1/7/2019	Filled or in process of being filled (recruiting, announcement posted, etc.)	2	042-03-02-00000	0	128,232	1	0
10700	001309840	1900006	528	PF	1/7/2019	Filled or in process of being filled (recruiting, announcement posted, etc.)	2	042-03-02-00000	0	128,232	1	0
10700	001262280	0420402	513	PF	2/28/2019	Filled or in process of being filled (recruiting, announcement posted, etc.)	2	042-04-07-00000	0	133,056	1	0
10700	001308560	1970122	500	PF	1/14/2019	Filled or in process of being filled (recruiting, announcement posted, etc.)	2	042-06-01-00000	115,710	0	1	0
10700	000622970	0601043	301	PF	7/1/2017	Position is being filled by an employee on a job rotation from another agency	2	045-08-00-00000	0	125,544	1	0
10700	001274910	1901040	552	PF	12/31/2018	Filled or in process of being filled (recruiting, announcement posted, etc.)	2	052-01-01-00000	0	65,184	1	0
10700	000971790	2548612	562	PF	2/28/2019	Filled or in process of being filled (recruiting, announcement posted, etc.)	2	052-01-01-00000	0	174,144	0	1
10700	001274960	1914886	563	PF	2/1/2019	Filled or in process of being filled (recruiting, announcement posted, etc.)	2	052-03-04-00000	0	152,136	0	1
10700	000979710	2548721	572	PF	2/28/2019	Filled or in process of being filled (recruiting, announcement posted, etc.)	2	052-04-01-00000	0	192,648	1	0
10700	000011100	3059901	461	PF	2/1/2019	Filled or in process of being filled (recruiting, announcement posted, etc.)	2	060-06-00-00000	0	88,056	0	1
10700	001309880	1900010	525	PF	2/15/2019	Recruitment difficulties	5	042-03-02-00000	0	152,136	1	0
10700	000672640	0440902	572	PF	1/22/2019	Recruitment difficulties	5	052-04-01-00000	0	160,320	0	1
10700	001300480	1914855	100	LF	6/30/2019	Position held open to accumulate savings (understanding that the savings will not be spent)	6	030-01-00-00000	0	110,304	0	1
10700	001300470	1987326	100	LF	6/30/2019	Position held open to accumulate savings (understanding that the savings will not be spent)	6	030-01-00-00000	0	132,048	0	1
10700	000002080	0231006	403	PF	2/1/2019	Position held open to accumulate savings (understanding that the savings will not be spent)	6	030-05-02-00000	0	174,144	1	0
10700	000815480	0414866	403	PF	2/1/2019	Position held open to accumulate savings (understanding that the savings will not be spent)	6	030-05-02-00000	0	175,752	0	1
10700	001274490	1914860	403	PF	2/1/2019	Position held open to accumulate savings (understanding that the savings will not be spent)	6	030-05-02-00000	0	118,752	0	1
10700	001274920	1914883	563	PF	6/30/2019	Position used to finance unbudgeted costs	7	052-03-04-00000	0	152,136	0	1
10700	000639690	1301191	416	PF	1/31/2019	Position used to finance unbudgeted costs	7	065-05-00-00000	0	92,328	1	0
10700	001027840	0111072	207	PF	6/30/2019	Position used to finance another position (including double-fills, temporary employees, etc.)	8	035-04-00-00000	0	76,920	0	1
10700	001302670	3000861	100	LF	6/30/2019	Position moved to DAS for transition purposes only. Savings will be used to help fund consultant for purposes of reviewing the CASA program. Will not fill this biennium.	11	030-01-00-00000	114,360	0	0	1
10700	001309910	2018164	103	LF	5/1/2018	Position is being filled by an employee on a job rotation from another agency	11	030-04-00-00000	74,802	0	1	0
10700	001303080	1908701	510	LF	6/30/2019	No plans to fill	11	042-04-02-00000	0	0	1	0
10700	001303050	1970121	510	LF	4/16/2018	Position is being filled by an employee on a job rotation from another program area	11	042-04-02-00000	0	0	1	0
10700	000003230	0520071	304	PF	7/1/2017	Position is being filled by an employee on a job rotation from another agency	11	045-02-00-00000	0	138,480	1	0
10700	001302930	1008739	305	LF	7/1/2017	Position is being filled by an employee on a job rotation from another agency	11	045-07-00-00000	0	168,000	0	1
10700	001274660	1908540	305	LF	7/1/2017	Position is being filled by an employee on a job rotation from another agency	11	045-07-00-00000	0	100,176	0	1
10700	001274740	1908700	305	LF	7/1/2017	Position is being filled by an employee on a job rotation from another agency	11	045-07-00-00000	0	115,272	0	1
10700	001274570	1908735	305	LP	7/1/2017	Position is being filled by an employee on a job rotation from another agency	11	045-07-00-00000	0	84,000	0	1
10700	001274850	1912430	305	LF	7/1/2017	Position is being filled by an employee on a job rotation from another agency	11	045-07-00-00000	0	115,272	0	1
10700	001274770	1913260	305	LF	7/1/2017	Position is being filled by an employee on a job rotation from another agency	11	045-07-00-00000	0	152,448	0	1
10700	001274790	1913262	305	LF	7/1/2017	Position is being filled by an employee on a job rotation from another program area	11	045-07-00-00000	0	160,152	0	1
10700	001274800	1913263	305	LF	7/1/2017	Position is being filled by an employee on a job rotation from another agency	11	045-07-00-00000	0	176,448	0	1
10700	001302910	1913391	305	LF	7/1/2017	Position is being filled by an employee on a job rotation from another agency	11	045-07-00-00000	0	120,816	0	1
10700	001274820	1914861	305	LF	7/1/2017	Position is being filled by an employee on a job rotation from another agency	11	045-07-00-00000	0	136,392	0	1
10700	001274710	1987210	305	LF	7/1/2017	Position is being filled by an employee on a job rotation from another agency	11	045-07-00-00000	0	152,448	0	1
10700	001274720	1987211	305	LF	7/1/2017	Position is being filled by an employee on a job rotation from another agency	11	045-07-00-00000	0	176,448	0	1
10700	001274730	1987222	305	LF	7/1/2017	Position is being filled by an employee on a job rotation from another program area	11	045-07-00-00000	0	176,448	0	1
10700	001274690	1987300	305	LF	7/1/2017	Position is being filled by an employee on a job rotation from another program area	11	045-07-00-00000	0	168,000	0	1
10700	000817500	0401181	552	PF	10/23/2017	Position is being filled by an employee on a job rotation from another program area	11	052-01-01-00000	0	65,184	1	0
10700	000971520	2548818	561	PF	6/30/2019	No plans to use vacant position at this time as this position is listed on the ten percent reduction options exercise for 19-21	11	052-03-01-00000	0	182,904	1	0
10700	001275130	1904380	423	LF	7/1/2017	Position is being filled by an employee on a job rotation from another program area	11	065-03-00-00000	0	122,280	0	1
10700	001275100	1908736	423	LF	7/1/2017	Position is being filled by an employee on a job rotation from another program area	11	065-03-00-00000	0	145,344	0	1
10700	001275110	1908737	423	LF	7/1/2017	Position is being filled by an employee on a job rotation from another program area	11	065-03-00-00000	0	145,344	0	1
10700	001253820	6508712	411	PF	8/1/2018	Position is being filled by an employee on a job rotation from another program area	11	065-06-00-00000	0	122,280	1	0
10700	000979900	2548740	211	PF	6/30/2019	No plans to use vacant position at this time as this position is listed on the ten percent reduction options exercise for 19-21	11	075-01-00-00000	0	108,552	0	1

Department of Administrative Services
2017-19 Long Term Vacancies as of December 31, 2018

Position No	Detail X-reference	Pos Type	Class Comp	Class Title	Salary Range	Step	19-21 Budgeted		19-21 Total				Pos	FTE	Vacant Date	Report Date	Months Vacant	Listed on 10% reduction	Taken as 19-21 GB Reduction
							Rate	Months	OF Salary	OF OPE	Transit	Personal Services							
2018162	030-04-00-00000	PF	MMN X1162 AP	Economist 2	33	2	5,127	24	123,048	65,597	738	189,383	1	1.00	7/1/17	12/31/18	18	yes	no
COO Total									123,048	65,597	738	189,383	1	1.00					
0231006	030-05-02-00000	PF	OAS C1486 IP	Info Systems Spec 6	29	2	5,351	24	128,424	66,920	771	196,115	1	1.00	4/15/18	12/31/18	9	yes	no
0414866	030-05-02-00000	PF	OAS C1487 IP	Info Systems Spec 7	31	2	5,927	24	142,248	70,324	853	213,425	1	1.00	12/25/17	12/31/18	12	no	no
1914860	030-05-02-00000	PF	OAS C1486 IP	Info Systems Spec 6	29	2	5,351	24	128,424	66,920	771	196,115	1	1.00	7/1/17	12/31/18	18	no	no
DAS IT Total									399,096	204,164	2,395	605,655	3	3.00					
0111072	035-04-00-00000	PF	OAS C0107 AP	Admin Spec 1	17	2	2,994	24	71,856	52,994	431	125,281	1	1.00	10/2/17	12/31/18	15	yes	yes
CFO Total									71,856	52,994	431	125,281	1	1.00					
0420402	042-04-07-00000	PF	UA C0872 AP	Ops/Policy Analyst 3	30	2	5,437	24	130,488	67,429	783	198,700	1	1.00	4/6/18	12/31/18	9	no	no
1900005	042-03-02-00000	PF	OAS C0872 AP	Ops/Policy Analyst 3	30	2	5,442	24	130,608	67,458	784	198,850	1	1.00	7/1/17	12/31/18	18	no	no
1900006	042-03-02-00000	PF	OAS C0872 AP	Ops/Policy Analyst 3	30	2	5,442	24	130,608	67,458	784	198,850	1	1.00	7/1/17	12/31/18	18	no	no
1900010	042-03-02-00000	PF	OAS C1488 IP	Info Systems Spec 8	33	2	6,456	24	154,944	73,450	930	229,324	1	1.00	7/1/17	12/31/18	18	no	no
1970122	042-06-01-00000	PF	MMS X7010 IP	PEM F	35X	2	8,332	24	199,968	84,536	1,200	285,704	1	1.00	7/1/17	12/31/18	18	no	no
OSCIO Total									746,616	360,331	4,481	1,111,428	5	5.00					
0520071	045-02-00-00000	PF	MMN X0871 AP	Ops/Policy Analyst 2	27	8	6,862	24	164,688	75,850	988	241,526	1	1.00	6/29/18	12/31/18	6	no	no
0601043	045-08-00-00000	PF	MMN X1320 AP	HR Analyst 1	23	2	4,219	24	101,256	60,232	608	162,096	1	1.00	2/28/18	12/31/18	10	yes	no
CHRO Total									265,944	136,082	1,596	403,622	2	2.00					
0401181	052-01-01-00000	PF	OAS C0104 AP	Office Spec 2	15	4	2,994	24	71,856	52,994	431	125,281	1	1.00	5/11/18	12/31/18	8	no	no
0440902	052-04-01-00000	PF	OAS C1487 IP	Info Systems Spec 7	31	2	5,927	24	142,248	70,324	853	213,425	1	1.00	12/30/16	12/31/18	24	no	no
1901040	052-01-01-00000	PF	OAS C0104 AP	Office Spec 2	15	2	2,766	24	66,384	51,646	398	118,428	1	1.00	filled 12/31/18	12/31/18	n/a	no	no
1914883	052-03-04-00000	PF	OAS C1488 IP	Info Systems Spec 8	33	2	6,456	24	154,944	73,450	930	229,324	1	1.00	7/1/17	12/31/18	18	no	no
1914886	052-03-04-00000	PF	OAS C1488 IP	Info Systems Spec 8	33	2	6,456	24	154,944	73,450	930	229,324	1	1.00	7/1/17	12/31/18	18	no	no
2548612	052-01-01-00000	PF	OAS C1486 IP	Info Systems Spec 6	29	2	5,351	24	128,424	66,920	771	196,115	1	1.00	11/20/16	12/31/18	26	no	no
2548721	052-04-01-00000	PF	OAS C1487 IP	Info Systems Spec 7	31	2	5,927	24	142,248	70,324	853	213,425	1	1.00	3/9/18	12/31/18	10	no	no
2548818	052-03-01-00000	PF	OAS C1488 IP	Info Systems Spec 8	33	8	8,515	24	204,360	85,617	1,226	291,203	1	1.00	6/29/18	12/31/18	6	yes	no
SDC Total									1,065,408	544,725	6,392	1,616,525	8	8.00					
3059901	060-06-00-00000	PF	OAS C0324 AP	Public Service Rep 4	19	2	3,264	24	78,336	54,590	470	133,396	1	1.00	12/19/17	12/31/18	13	no	no
EAM Total									78,336	54,590	470	133,396	1	1.00					
1301191	065-05-00-00000	PF	OAS C0108 AP	Admin Spec 2	20	7	4,295	24	103,080	60,682	618	164,380	1	1.00	6/26/18	12/31/18	6	yes	no
6508712	065-06-00-00000	PF	OAS C0872 AP	Ops/Policy Analyst 3	30	4	5,993	24	143,832	70,714	863	215,409	1	1.00	4/22/18	12/31/18	8	yes	no
EGS Total									246,912	131,396	1,481	379,789	2	2.00					
2548740	075-01-00-00000	PF	MMN X0806 AP	Office Mgr 2	22	2	4,026	24	96,624	59,092	580	156,296	1	1.00	7/31/17	12/31/18	17	yes	yes
DBS Total									96,624	59,092	580	156,296	1	1.00					
DAS Total									3,093,840	1,608,971	18,564	4,721,375	24	24.00					