

## ANALYSIS

### Item 81: Department of Administrative Services New Positions to Address Organizational Changes

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**Analyst:** Kim To

**Request:** Increase Other Funds expenditure limitation by \$2,056,084 and authorize the establishment of two limited duration positions (1.26 FTE) and seven permanent positions (5.64 FTE) for the Department of Administrative Services to support increasing statewide requests for services and address organizational changes.

**Analysis:** The Department of Administrative Services (DAS) is requesting nine new positions to meet increasing demand for its services, as well as to reorganize and restructure the agency in response to new technology and changes to state and federal regulatory requirements and expectations. The number of positions and rationale for each request are explained below according to the impacted agency division.

**Procurement Services** – \$296,560 for two limited duration positions (1.26 FTE) to manage the transition of the OregonBuys Enterprise eProcurement system from implementation to operations and ongoing support for the entire enterprise. The OregonBuys program will utilize these positions to begin providing training, user support, and organizational administration support to 800 units of local government and 20 DAS client agencies who use the system. Once operationalized, DAS will assume the responsibility for ongoing user training that is currently being handled by the OregonBuys vendor.

**Shared Financial Services (SFS)** – \$408,130 for three permanent positions (1.89 FTE) for additional budget and accounting work to support DAS customers. Since 2017, the number of client agencies served by SFS Accounting and Budget increased by four. By 2025, SFS anticipates at least three additional new client agencies. In addition, the program has experienced an increase in the complexity of its workload with respect to existing client agencies, such as with additional funding streams, staffing, federal grants, tracking, and new systems.

**Chief Human Resources Office (CHRO)** – \$437,155 for one permanent position (1.00 FTE) to oversee DAS and enterprise-wide human resources investigation practices in alignment with the Governor's accountability initiatives and expectations. This new CHRO investigator program is designed to both increase the number of available investigators and save costs for agencies by hiring temporary employees rather than contracting with Special Assistant Attorneys General to perform comparable work.

**Enterprise Information Services** – \$571,543 to reestablish two permanent positions (2.00 FTE) that were erroneously phased out in the 2023-25 budget. One position currently assists with project management associated with development for GeoHub to help plan for the creation and aggregation of new enterprise-wide geospatial datasets, such as tax lots and addresses. This provides critical and foundational geospatial data that agencies and public bodies rely upon. The second position supports the ORAlert system and the Statewide Interoperability Program. The ORAlert system provides lifesaving alerts and instructions during emergencies. This position onboards entities to ensure the broadest availability of these emergency alerts.

**Chief Financial Office (CFO)** – \$342,696 and one permanent State Controller position (0.75 FTE) to lead the new Office of the State Controller. This office will combine the Statewide Accounting and Reporting Section (SARS) and Financial Business Systems (FBS) programs under CFO to centralize oversight. SARS is responsible for statewide year-end closing coordination, preparation of the Oregon Annual Comprehensive Financial Report, and setting statewide accounting policies. FBS is responsible for the Statewide Financial Management Application, the Financial Datamart, payroll accounting, and accurate reporting to the Public Employees Retirement System on behalf of Oregon state government. The new State Controller position and office will allow for the oversight of all statewide accounting, payroll, and related functions under a single office. The importance of having singular direction and leadership for statewide accounting functions is further highlighted by the need to comply with new Federal and Governmental Accounting Standards Board reporting guidelines and plan for the future replacement of the legacy statewide accounting system.

**Recommendation:** The Legislative Fiscal Office recommends that the Joint Interim Committee on Ways and Means recommend including an increase of \$2,056,084 in the Other Funds expenditure limitation and authorizing the establishment of two limited duration positions (1.26 FTE) and seven permanent positions (5.64 FTE) in a budget reconciliation bill during the 2024 legislative session for the Department of Administrative Services to address organizational changes.

**Request:** Increase Other Funds expenditure limitation by \$2,056,084 and establish seven permanent full-time positions (5.64 FTE) and two limited duration full-time positions (1.26 FTE) to address position needs due to organizational changes.

**Recommendation:** Approve the request during the 2024 Legislative Session.

**Discussion:** The Department of Administrative Services (DAS) has recently made several executive leadership changes. Through these changes a review of the organizational structure against the mission, vision, and values of DAS was performed and several gaps in staffing were identified. To provide the best support, DAS has requested the establishment of several positions across the agency, including:

- Chief Financial Office – establishment of a permanent State Controller position, allowing DAS to provide better oversight and guidance regarding financial policy, statewide reporting, and financial systems.
- Chief Human Resources Office – establishment of a permanent position to oversee enterprise-wide human resources investigation practices, allowing DAS to provide better and more cost-effective investigative assistance to agencies.
- Enterprise Information Services – establishment of two permanent positions, which were erroneously left out of the 2023-25 budget. These positions provide support to existing enterprise-wide systems.
- Shared Financial Services (SFS) – establishment of three permanent positions to address the growing number of client agencies utilizing SFS Accounting and Budgeting services.
- Procurement Services – establishment of two limited duration positions to support ongoing program operations for OregonBuys.

The addition of these positions will allow DAS to better meet customer needs, provide better training, guidance, and oversight, and continue ongoing operations at the appropriate level.

**Legal Reference:** Increase the Other Funds expenditure limitation established by chapter 375, section 2(2), Oregon Laws 2023, for the Department of Administrative Services, Chief Financial Office, by \$342,696 for the 2023-25 biennium.

Increase the Other Funds expenditure limitation established by chapter 375, section 2(4), Oregon Laws 2023, for the Department of Administrative Services, Chief Human Resources Office, by \$437,155 for the 2023-25 biennium.

Increase the Other Funds expenditure limitation established by chapter 375, section 2(3)(a), Oregon Laws 2023, for the Department of Administrative Services, Office of the State Chief Information Officer: Policy, by \$571,543 for the 2023-25 biennium.

Increase the Other Funds expenditure limitation established by chapter 375, section 2(7), Oregon Laws 2023, for the Department of Administrative Services, Enterprise Goods and Services, by \$704,690 for the 2023-25 biennium.



# Oregon

Tina Kotek, Governor

## Department of Administrative Services

Office of the Chief Operating Officer

155 Cottage Street NE

Salem, OR 97301

PHONE: 503-378-3104

December 4, 2023

Senator Elizabeth Steiner, Co-Chair  
Representative Tawna Sanchez, Co-Chair  
Interim Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Re: Increase of Expenditure Limitation Request

Dear Co-Chairs:

### **Nature of the Request**

During the last year, the Department of Administrative Services (DAS) has made several executive level leadership changes. This has resulted in an evaluation and adjustment of the organization and structure of the agency. To support the DAS mission, vision, and values, it has been determined that adjusting positions and increasing staffing levels will support the agency toward providing excellent customer support and keeping up with the increasing request for services. An increase of \$2,056,084 Other Funds expenditure limitation for 7 permanent positions (5.64 FTE) and 2 limited duration positions (1.26 FTE) is being requested to support these efforts.

### **Agency Action**

#### ***Chief Financial Office***

The Chief Financial Office (CFO) is requesting authorization to establish one permanent state controller position to lead the new Office of the State Controller. This office, within the Chief Financial Office, will combine the Statewide Accounting and Reporting Section (SARS) and the Financial Business Systems (FBS) programs under CFO to centralize oversight. SARS is responsible for statewide year-end closing coordination, preparation of the Oregon Annual Comprehensive Financial Report, and setting statewide accounting policies. The FBS team is responsible for the Statewide Financial Management Application (SFMA), the Financial Datamart, payroll accounting, and accurate reporting to PERS on behalf of Oregon state government.

The new State Controller position and office will allow for the oversight of all statewide accounting, payroll, and related functions under a single office providing focused leadership on accounting operations since SARS and FBS currently are in two different divisions within DAS. This will create efficiencies between existing operations and the

State Controller will help provide guidance across the enterprise. The accelerating pace of changes nationally, have radically impacted statewide accounting operations, requiring changes in systems, processes, financial oversight, federal reporting, and policies.

Finally, we have learned from the National Association of State Auditors, Comptrollers, and Treasurers, that Oregon is an outlier compared to other states by not having a State Controller or equivalent position. By establishing this position, we would be following a model that most other states have employed to successfully meet their accounting, payroll, and related needs.

#### ***Chief Human Resources Office***

Chief Human Resources Office (CHRO) is requesting authorization to establish one permanent position. This position oversees DAS and enterprise-wide human resources investigation practices in alignment with the Governor's accountability initiatives and expectations. This position oversees a new CHRO investigators program that is designed to both increase the number of available investigators and save agencies costs by hiring temporary employees rather than contract with Special Assistant Attornies General (SAAG) to perform comparable work.

#### ***Enterprise Information Services***

Enterprise Information Services (EIS) is requesting two permanent positions. The positions were part of the 2021-23 biennium that should have been permanent positions but were erroneously not included in the 2023-25 budget. One position currently assists with project management associated with development for GeoHub to help plan for creation and aggregation of new enterprise-wide geospatial datasets, such as tax lots and addresses. This provides critical and foundational geospatial data that agencies and public bodies rely upon. The second position supports the ORAlert system and the Statewide Interoperability Program. The ORAlert system provides lifesaving alerts and instructions during emergencies. This position onboards entities to ensure the broadest availability of these emergency alerts.

#### ***Shared Financial Services***

Shared Financial Services (SFS) is requesting three permanent positions. Since 2017, the number of client agencies that SFS Accounting & Budget serves increased by four, without additional staffing. SFS anticipates adding three new client agencies by 2025. There has been an increase in complexity of workload with existing client agencies such as additional fund streams, staffing, federal grants, tracking, and new systems. SFS needs two permanent positions to support the additional budget and accounting work to support our customers.

In September 2023, the Oregon Depart of Agriculture became a payroll client agency and has one permanent position on rotation at DAS SFS. SFS needs additional budget limitation and position authority to make this position permanent within DAS to support the new client and associated workload.

#### ***Procurement Services***

Procurement Services is requesting the establishment of two limited duration positions. The OregonBuys project ended in October 2023 along with the program manager, project business analyst and liaison positions. Additional staff resources are needed to manage the transition of OregonBuys from implementation to operations and ongoing support for the entire enterprise.

Additionally, the OregonBuys program will utilize these positions to begin providing training, user support, and organizational administration support to 800 units of local government and 20 DAS client agencies who use the system. DAS will soon assume the responsibility for ongoing user training that is currently being handled by the OregonBuys vendor.

### **Action Requested**

DAS respectfully requests an increase of \$2,056,084 Other Funds expenditure limitation for 7 permanent positions (5.64 FTE) and 2 limited duration positions (1.26 FTE).

### **Legislation Affected**

Increase the Other Funds expenditure limitation established by chapter 375, section 2(2), Oregon Laws 2023, for the Department of Administrative Services, Chief Financial Office, by \$342,696 for the 2023-25 biennium.

Increase the Other Funds expenditure limitation established by chapter 375, section 2(4), Oregon Laws 2023, for the Department of Administrative Services, Chief Human Resources Office, by \$437,155 for the 2023-25 biennium.

Increase the Other Funds expenditure limitation established by chapter 375, section 2(3), Oregon Laws 2023, for the Department of Administrative Services, Office of the State Chief Information Officer: Policy, by \$571,543 for the 2023-25 biennium.

Increase the Other Funds expenditure limitation established by chapter 375, section 2(7), Oregon Laws 2023, for the Department of Administrative Services, Enterprise Goods and Services, by \$704,690 for the 2023-25 biennium.

Thank you for your consideration of this request for an increase in expenditure limitation.

Sincerely,



Berri Leslie  
DAS Director and State Chief Operating Officer