



DEPARTMENT OF ADMINISTRATIVE SERVICES

Joint Committee on Ways and Means
General Government Subcommittee
2017 Legislative Session

Chief Operating Officer's Areas of Emphasis

- Equity
- Transparency and Accountability
- Leadership Development
- Customer Service/Excellence in Government
- Ambassador for Public Service

COO's Areas of Emphasis: Equity

Helping state government become more representative of the population it serves, more inclusive of all perspectives and voices, and more mindful of institutional barriers to success facing traditionally underserved Oregonians.

COO's Areas of Emphasis: Transparency and Accountability

Illuminating the inner-workings of state government, and fostering an environment that promotes stewardship of resources and sharing of information.

COO's Areas of Emphasis: Leadership Development

Developing strategies and practices that grow, retain, and attract skilled leaders to meet the evolving challenges facing state government now and into the future.

COO's Areas of Emphasis: Customer Service/Excellence in Government

Instilling a commitment to proactively identify and solve problems, to value outcomes over outputs, and to always strive for a positive customer experience.

COO's Areas of Emphasis: Ambassador of Public Service

Serving as a champion for state service by identifying, developing, and sharing agency success stories and connecting the everyday work of state employees to the high-level outcomes envisioned by the Governor and the Legislature.

Enterprise Leadership Team (ELT)

“The ELT will increase state government’s ability to deliver high value programs and services to Oregonians in a fiscally sustainable way.”

ELT Members

- Oregon Department of Consumer and Business Services
- Oregon Department of Administrative Services
- Oregon Higher Education Coordinating Commission
- Oregon Department of Forestry
- Oregon Employment Department
- Oregon Department of Transportation
- Oregon State Police
- Oregon Business Development Department
- Oregon Department of Fish and Wildlife
- Oregon Department of Education
- Oregon State Lottery
- Oregon Youth Authority
- Oregon Department of State Lands
- Oregon Department of Corrections
- Oregon Department of Revenue
- Oregon Department of Human Services
- Oregon Department of Housing and Community Services
- Oregon Health Authority
- Oregon Department of Veterans Affairs
- Oregon Parks and Recreation Department
- Oregon Department of Environmental Equality
- Oregon Department of Agriculture
- Oregon Board of Chiropractic Examiners

ELT Member Perspective

- Patrick Allen
 - *Director, Oregon Department of Consumer and Business Services*
 - *Chair, Improving Government ELT Steering Team*
- Fariborz Pakseresht
 - *Director, Oregon Youth Authority*

ELT Priorities

- Leadership and Workforce Development
- Equity
- Systems and Operational Processes
- Role of ELT

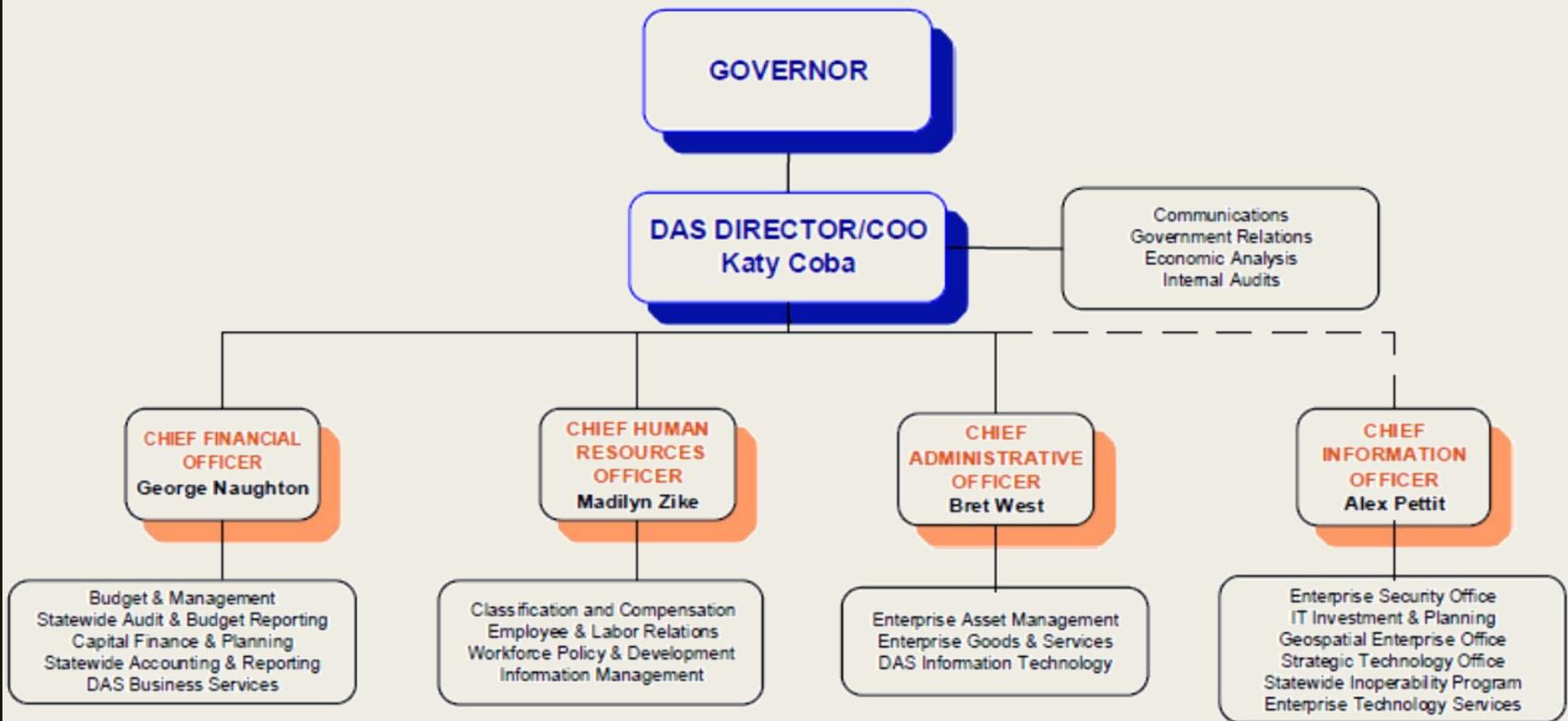
ELT Accomplishments

- Proactive and strategic
 - *Revamping the leasing program to align with industry best-practices*
 - *The Oregon Management Project - developed enterprise values and competencies*
 - *Public records process improvement - Consistent policy, standardized fees across all agencies*

- Responsive to emerging challenges
 - *Developed statewide approach to legal cannabis*
 - *Coordinated cross-agency response to wildfire and drought*

Director, Department of Administrative Services

- Manages operations of the Department of Administrative Services
- DAS provides services to state agencies
 - *Policy Leadership (COO, CFO, CHRO)*
 - *Direct Service/Support (CHRO, CAO)*



The Department of Administrative Services is the central administrative agency of Oregon state government. Our mission is to serve state government to benefit the people of Oregon.

DAS Budget Overview

	2013-15 Actuals	2015-17 Leg Approved Budget	2017-19 Governor's Budget
General Fund	\$11,901,158	\$16,073,778	\$10,690,991
Lottery Funds	12,448,190	16,641,096	21,956,472
Other Funds	900,683,866	914,137,817	900,400,564
Federal Funds	0	0	0
Other Funds (Nonlimited)	151,359,848	272,104,653	129,493,838
Federal Funds (Nonlimited)	0	0	0
Total Funds	\$1,076,393,062	\$1,218,957,344	\$1,062,541,865
Positions	822	841	895
Full-time Equivalent	802.94	826.40	890.75

- DAS is primarily funded through two sources of Other Funds:
 - *Assessments on state agencies; and*
 - *Fees for services charged to state agencies.*
- DAS serves as a pass-through for some statewide revenues (e.g. Tobacco Master Settlement Agreement, 911 taxes, cigarette taxes)
- Roughly \$431M included in DAS' Governor's Recommended Budget is debt service payments.

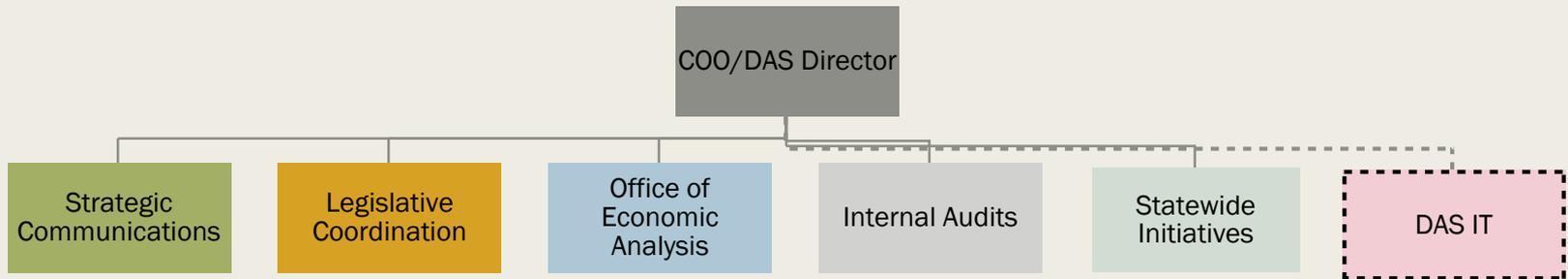
DAS Key Policy Option Packages

- CHRO: Human Resources Information System
 - *30 positions*
 - *\$18.5M*
- CAO: Capital Construction/Resiliency Planning
 - *\$9.3M*
- COO: Public Records Advocates
 - *2 positions (SB 106)*
 - *\$0.4M*

Road Map

- Day 2: DAS “Policy” Divisions
- Day 3: DAS “Operations” Division
- Day 4: Office of the State Chief Information Officer
 - *Stand-alone entity; Direct report to Governor*
 - *HB 3099 (2015)*

Office of the Chief Operating Officer (COO)



The Office of the Chief Operating Officer (COO) leads the Department and provides statewide operations and policy leadership.

Chief Operating Office (COO)

■ Legislative Coordination

- *Provides objective and accurate information to legislators*
- *Coordinates agency legislative engagement*
- *Provides procedural support to state agencies*

■ Office of Economic Analysis

- *Issues Revenue and Economic Forecast (quarterly)*
- *Issues Corrections Population Forecast (biannually)*
- *Issues Juvenile Corrections Population Forecast (biannually)*

Chief Operating Office (COO)

■ Internal Audits

- *Provides objective, internal analysis and consultation of DAS programs and services*
- *Focuses on fiscal accountability and performance*

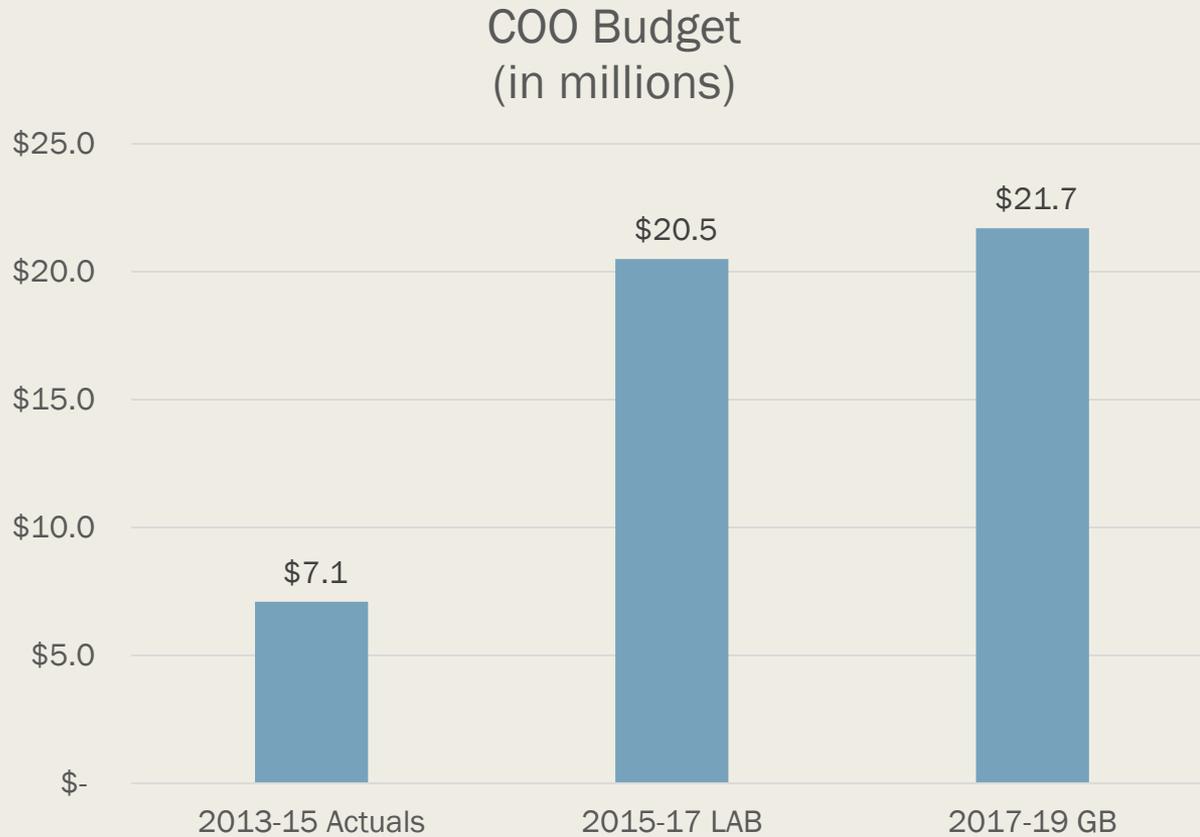
■ Strategic Communications

- *Coordinates public outreach efforts among state agencies*
- *Provides technical and substantive communications support*

■ Statewide Initiatives

- *Statewide Initiative Project Managers provide staffing to support specific, often long-term enterprise projects*
- *Project direction is provided by the Governor, Legislature, DAS Director, and ELT*

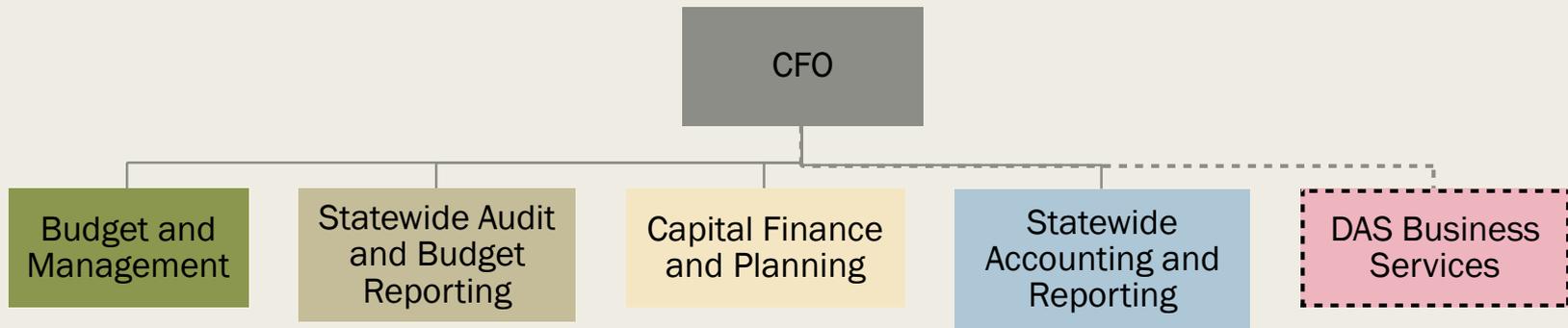
COO Budget Over Time



C00 Reductions in Governor's Budget

- Eliminate 2 of 4 Project Manager positions
 - *2 positions*
 - *\$0.4M*
- Transfer Security position to OSCIO
 - *1 position*
 - *\$0.3M*

Chief Financial Office (CFO)



The Chief Financial Office (CFO) provides objective and accurate information to state leaders and the public for more efficient use of state resources.

CFO Organizational Units: Statewide Budget Functions

■ Budget and Management (BAM)

- *Oregon's central budget office for the Executive Branch of state government*
- *Coordinates with the Governor's Office and state agencies on fiscal policy, program review, organizational transitions, performance management, and the development and monitoring of agency budgets*

■ Statewide Audit and Budget Reporting Section (SABRS)

- *Supports state agencies in the preparation and execution of agency budgets*
- *Administers state budget systems, provides technical assistance, audits budget figures, manages position actions, and controls allotments*

■ Capital Finance and Planning

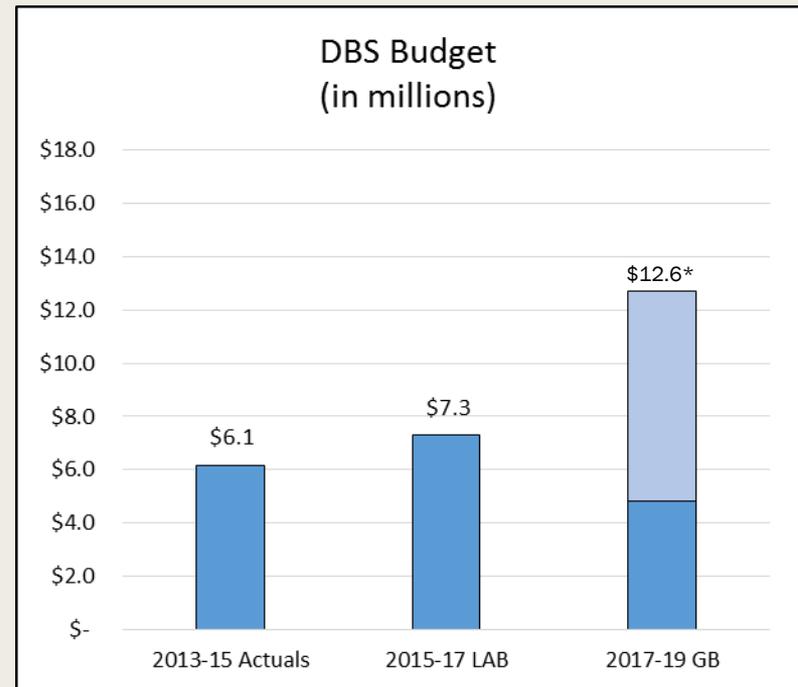
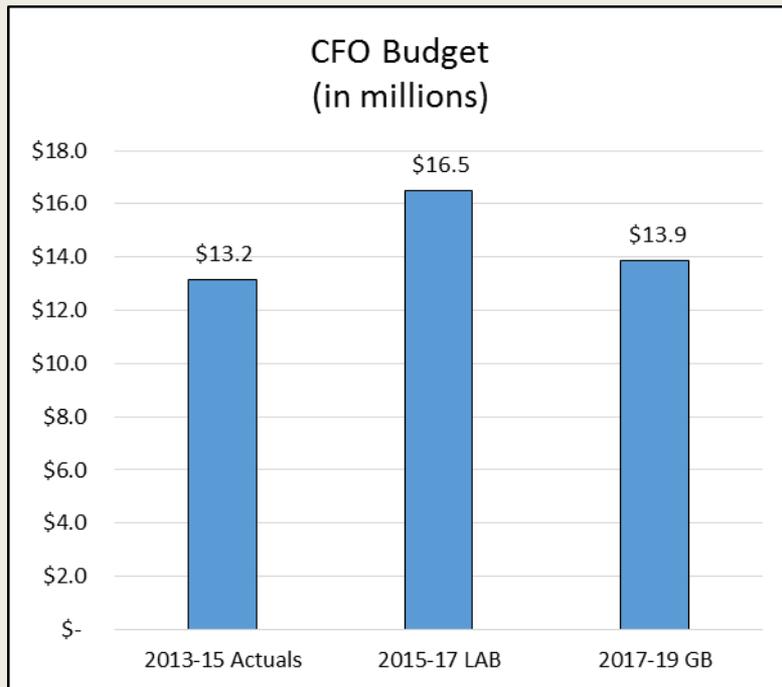
- *Manages state financing programs, coordinating statewide budgeting for bonds and capital construction, and coordinating statewide facilities planning*
- *Approves state Article XI-Q bonds and other financing agreements*

CFO Organizational Units: Financial Reporting & DAS Business Services

- Statewide Accounting and Reporting (SARS)
 - *Sets accounting policy, provides training to agency staff*
 - *Manages and provides consultation on federal reporting, reporting data, and security*
 - *Monitors state agency debt collection functions and assists agencies to improve debt collection*
 - *Compiles and publishes the state's audited Comprehensive Annual Financial Report*

- DAS Business Services (DBS)
 - *Provides business support services*
 - *Sets DAS budget and rate development*
 - *Sets and monitors Key Performance Measures*

CFO & DAS Business Services Budgets Over Time



** State Government Service Charges for all of DAS were centralized in the budget for DBS beginning with the 2017-19 biennium.*

CFO and DBS Budget Drivers

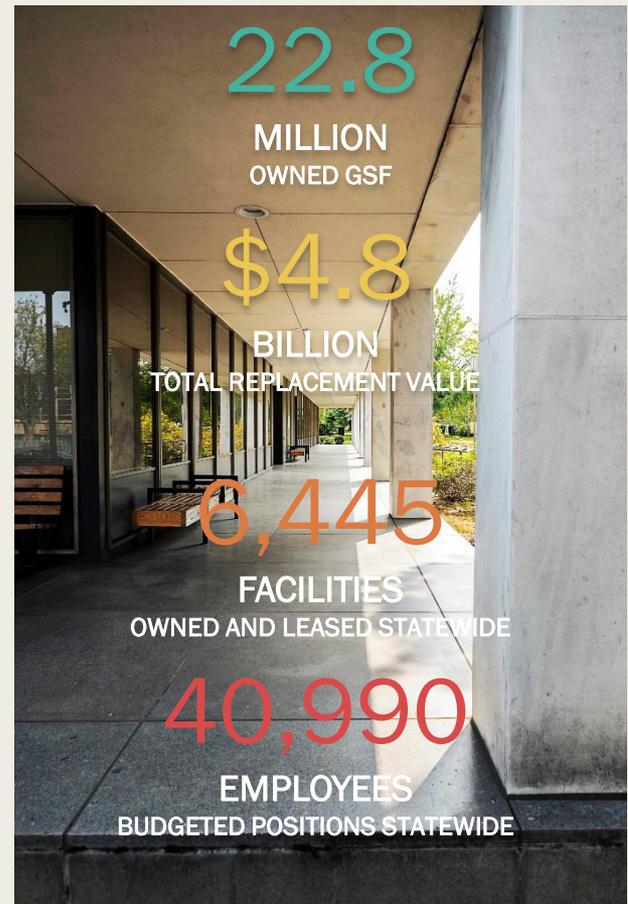
Increasing information needs of the Governor and other decision-makers are the primary drivers of CFO and DBS workload demands:

- With the addition of new bond opportunities for school matching programs and seismic initiatives over the last decade, the demand for bonding assistance from CFO staff has increased
- Over the last four years, the Capital Finance and Planning section has taken a leadership role in developing a capital plan for the state's aging portfolio of physical assets
- With the passage of SB 55 (2015), the Statewide Accounts Receivable Management (SWARM) unit was added to SARS to monitor state agency debt collection and assist state agencies in efforts to improve the collection of delinquent accounts
- With the addition of Customer Utility Boards to oversee DAS service division operations, the demands for performance data and budget support from DBS has increased

CFO Budget Drivers & Future Opportunities

Long Range Facility Plan

- DAS began a Long Range Facility Plan for the state's real estate portfolio
- Conducted facility condition assessments for buildings owned by DAS, OYA, OLCC, DOC, ODFW, ODOT, and ODF (~70%)
- Goal: complete facility assessments on entire state portfolio
- Outcome: better tools to enhance real estate, energy and space management, and a facility maintenance schedule



CFO Reductions in Governor's Budget

- Reduce Services and Supplies across CFO/DBS
 - \$0.1M
- Eliminate SB 55 (2015) Delinquent Debt Oversight Functions
 - \$0.5M
 - 2 positions
- Eliminate Customer Utility Board administrative support and a vacant performance management position
 - \$0.4M
 - 2 positions
- Eliminate centralized customer survey support provided by DBS
 - \$0.2M
 - 1 position

Chief Human Resources Office (CHRO)



The Chief Human Resources Office (CHRO) provides policy guidance and direct services to promote a stable and qualified workforce in Oregon state government.

Chief Human Resources Office (CHRO)

- Policy Development and Consultation
 - *Develops policies, provides guidance and expertise regarding policy interpretation, and conducts investigations when appropriate*
 - *Evaluates and leads activities related to statutory or regulatory changes*
- Labor Relations
 - *Works collaboratively with 10 labor organizations to administer and negotiate 32 collective bargaining agreements for 33 bargaining units in 62 different agencies, boards, commissions*
 - *Administers and negotiates four non-state employee bargaining units, which covers ~23,300 non-state employees*
 - *Manages contract-related grievances and demands to bargain; represents the state in hearings before the Employment Relations Board*
- Enterprise Human Resources/Employee Relations
 - *Human Resource Business Partners provides HR services for small agencies*
 - *Provides internal HR support functions for all DAS divisions*
 - *Responsible for recruitments and identifying best practices in recruitment*

Chief Human Resources Office (CHRO)

- Information Management
 - *Provides services to support systems, analyzes data, and prepares reports*
- Classification and Compensation
 - *Maintains the state's compensation plan for approximately 40,000 employees in classified, unclassified, and management service positions*
 - *Develops and maintains the classification system*
- Workforce Solutions
 - *Focuses on state government's values of accountability, equality, excellence and integrity by partnering with state leadership, managers and employees as internal consultants*
 - *Develops best-practice workforce strategies, solutions and resources to meet current and future workforce needs*
 - *Service areas include management education, leadership development, organizational development consulting, employee engagement and executive/management coaching*

Human Resources Information System (HRIS)

- Lisa Sumption
 - *Director, Oregon Parks and Recreation Department*
 - *Member, Enterprise Leadership Team*
 - *Sponsor, HRIS Project*

Our current Human Resources System

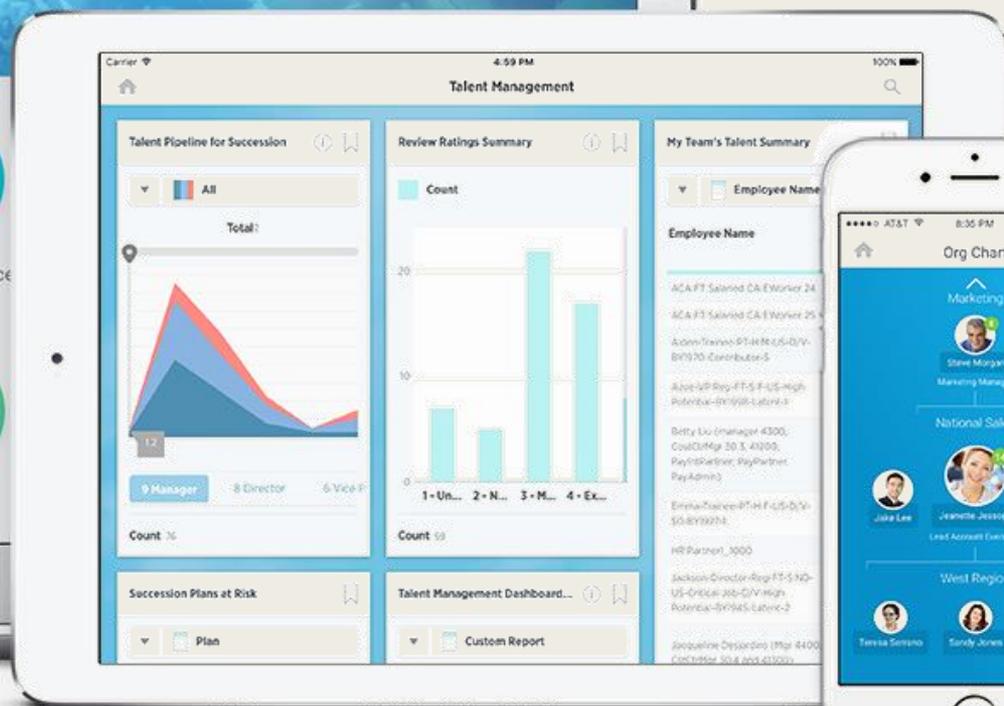
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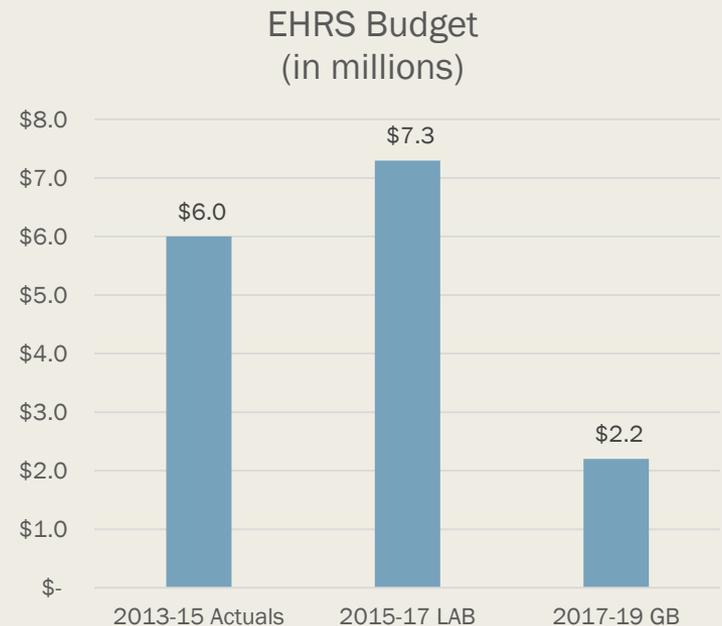
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CHRO Budget Drivers: Human Resources Information System (HRIS)

- The State of Oregon is operating on 25 year old legacy COBOL systems
- The existing Human Resources system is unable to meet business and policy-making needs
 - *Paper-driven and transaction-based*
 - *Reports and data are not readily available*
 - *Information requests manually processed*
 - *Risk of future operational problems*
- Project funding to date
 - *2013-15 LAB approved \$2M, spent \$1.4M*
 - *2015 bridge funding of \$1M to get to 2016 Session*
 - *\$7M received May 2016*
 - *~\$3.3M surplus at end of 2015-17 biennium will be put toward 2017-19 request*
 - *2017-19 funding request is \$18.5M*



CHRO Budget Over Time

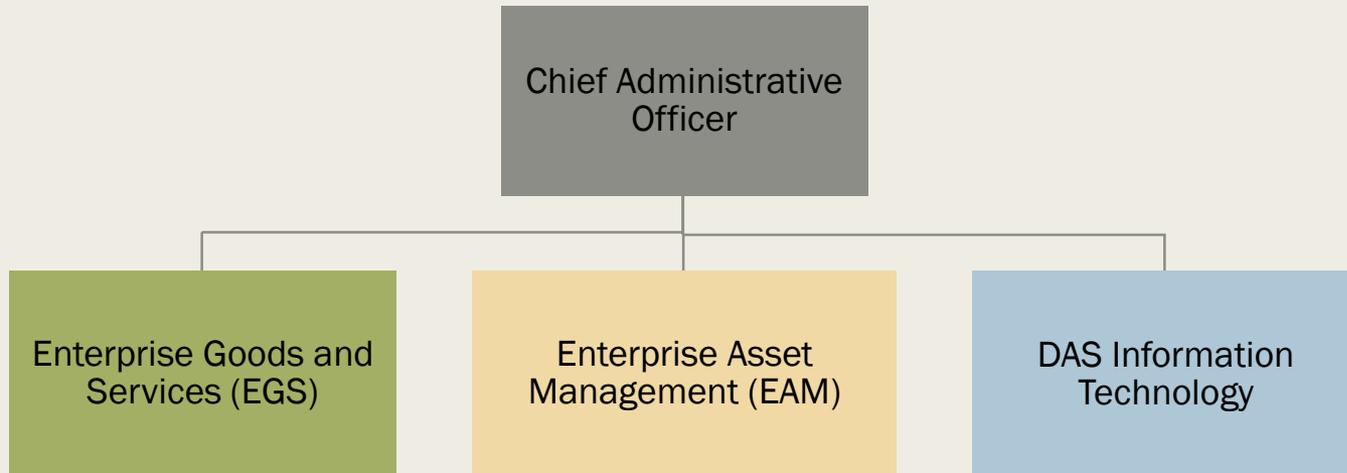


- 2017-2019 GB includes funding for a new Human Resource Information System
- Several positions and services were moved from EHRIS to CHRO for 2017-2019

CHRO & EHRS Reductions in Governor's Budget

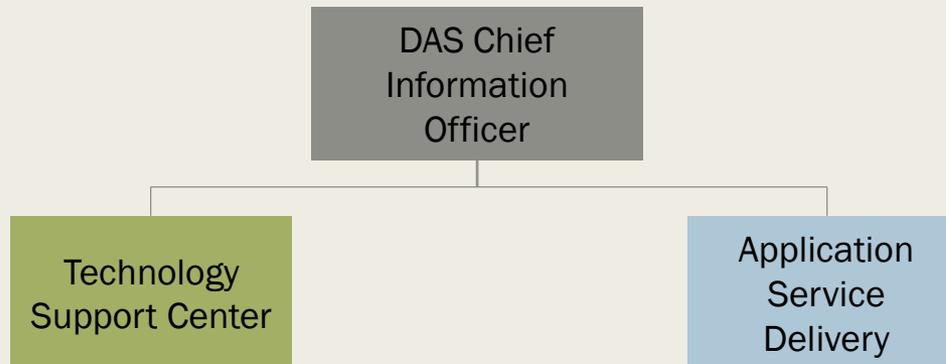
- CHRO: Eliminate Executive Recruiter
 - \$0.3M
 - *1 position*
- CHRO: Eliminate administrative support, training and development specialist, and reduce Department of Justice fees
 - \$0.4M
 - *2 positions*
- EHRS: Eliminate safety specialist
 - \$0.2M
 - *1 position*

Chief Administrative Office (CAO)



The Chief Administrative Office (CAO) provides a diverse suite of services to meet the business and operational needs of state agencies.

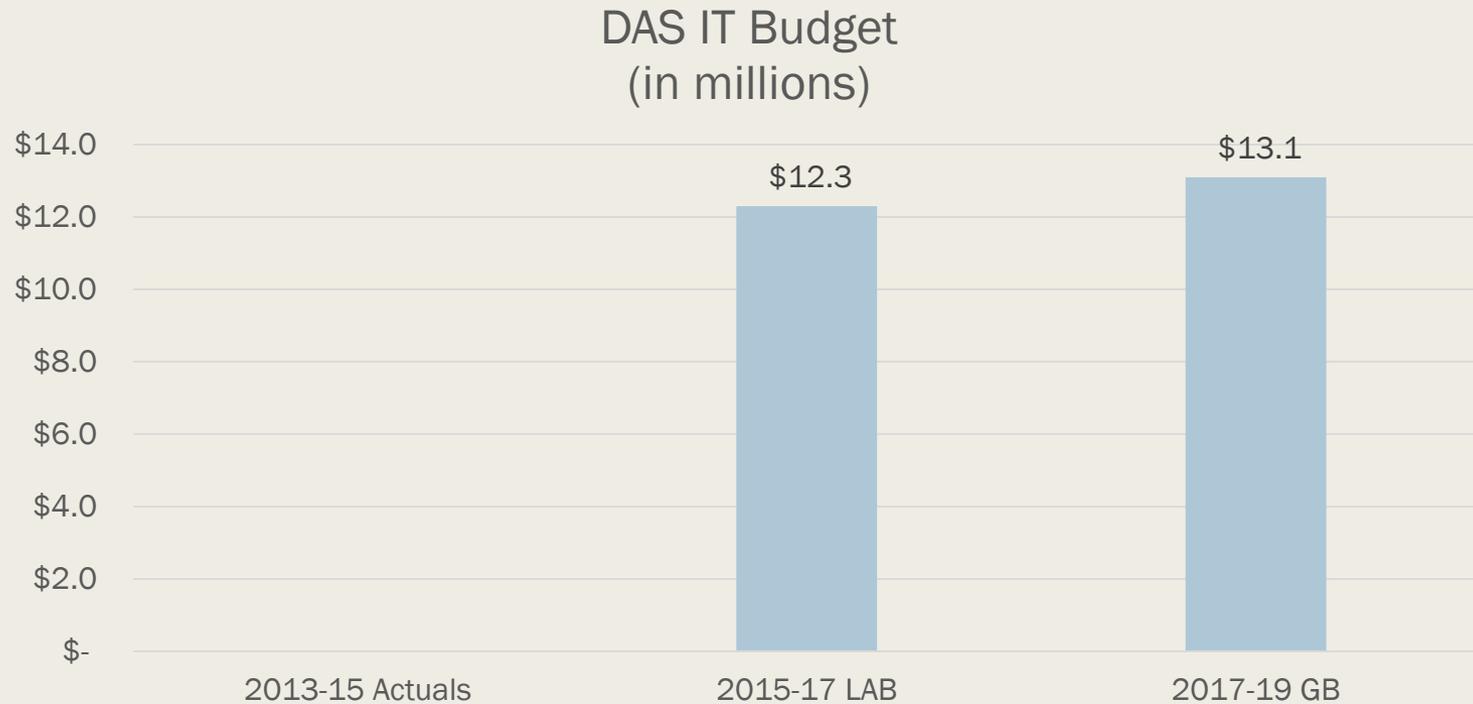
DAS Information Technology (DAS IT)



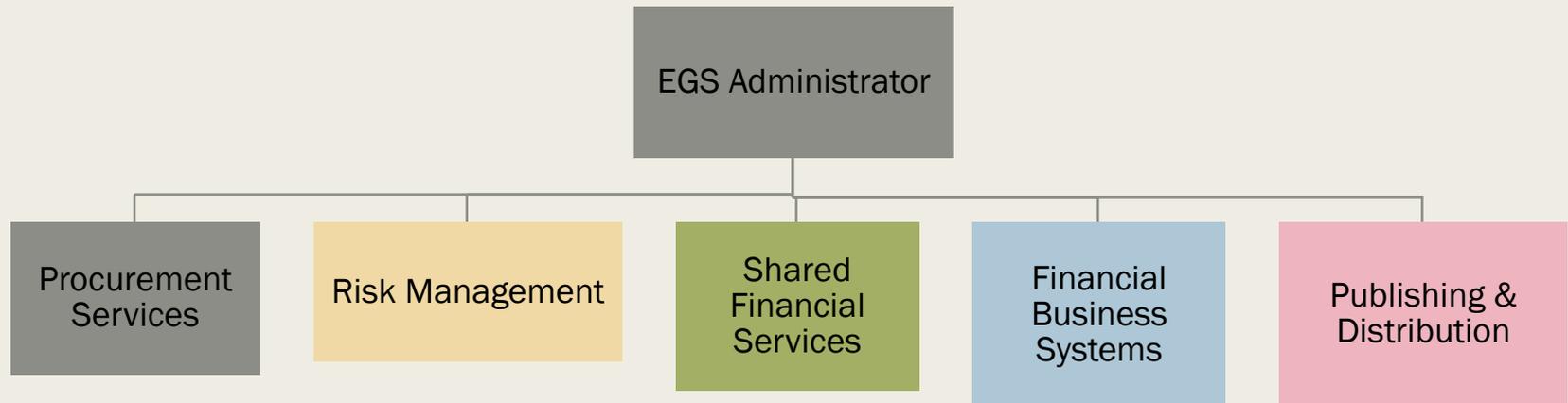
DAS IT

- Technology Support Center
 - *Provides desktop support to DAS employees as well as 13 client agencies*
- Application Services
 - *Provides IT application development and support to DAS and client agencies*
 - *Maintains enterprise-wide systems including payroll, accounting, HR, and datamart*
 - *Maintains DAS-specific applications including parking and budget execution*

DAS IT Budget Over Time



Enterprise Goods and Services (EGS)



Enterprise Goods and Services (EGS)

- Procurement Services
 - *Implements statewide procurement policy and procedures*
 - *Provides statewide price agreements used by state and local governments*
 - *Executes large-scale/high-value public contracts*
 - *Provides guidance and training to Procurement Officers and contract administrators in other agencies*
- Risk Management
 - *Insures state agencies, employees, properties, and activities*
- Publishing and Distribution
 - *Provides coordinated printing and mailing services to state agencies, counties and cities*
 - *Provides secure printing services for the state's sensitive documents*
 - *Provides shuttle mail and secure delivery services to state agencies*

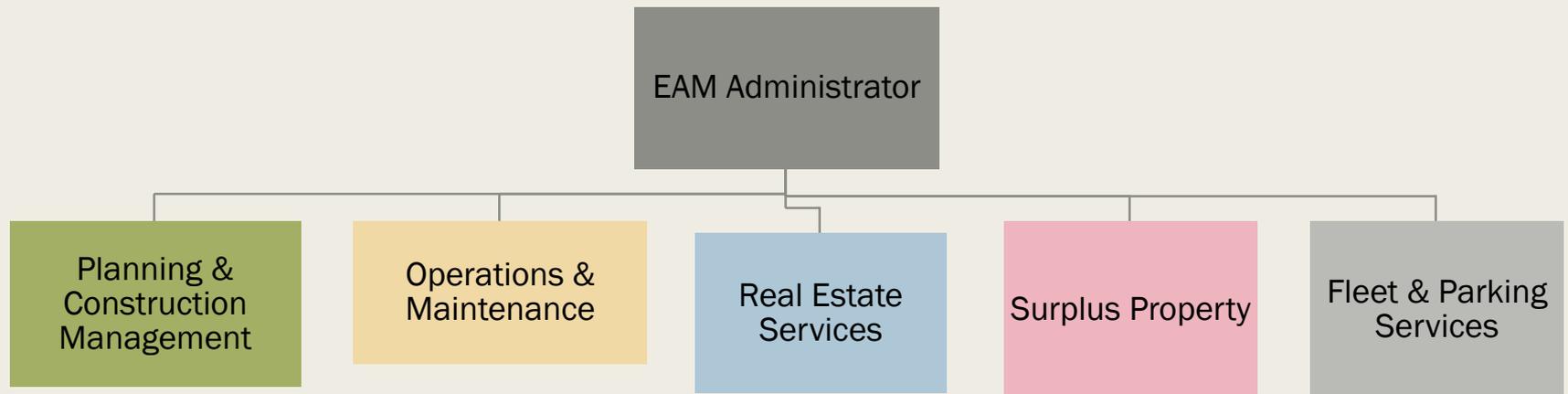
Enterprise Goods and Services (EGS)

- Financial Business Systems
 - *Business owner of state's accounting and payroll systems as well as the DataMart*
 - *Administers Oregon's State P-card of Oregon Transaction System ("SPOTS") program*
 - *Provides internal payroll services to DAS and to 31 client agencies*
 - *Executive Branch liaison to Public Employees' Retirement System*
- Shared Financial Services
 - *Provides internal accounting services to DAS and accounting/budgeting services to 22 client agencies*
 - *Distributes special purpose payments and makes debt service payments*
 - *DAS' internal financial reporting team*

EGS Budget Over Time



Enterprise Asset Management (EAM)



Enterprise Asset Management (EAM)

- Planning and Construction Management
 - *Plans, facilitates, and directs the capital replacement and remodeling of existing buildings and construction of new state facilities*
 - *Provides construction project management services to client agencies and the Judicial branch*

- Operations and Maintenance
 - *Plans and executes maintenance of building exteriors and systems within the DAS-owned portfolio, including mechanical, electrical, plumbing, interiors, landscaping, service and repair, access controls, water management, and custodial*
 - *Manages DAS' resource conservation compliance with Executive Orders and the Oregon Sustainability Board*
 - *Partners with the Energy Trust of Oregon and Oregon Department of Energy around the acquisition of sustainable building systems and fixtures*

Enterprise Asset Management (EAM)

- Real Estate Services
 - *Provides market-based commercial brokerage, space planning, and move coordination services for client agencies*
 - *Manages state real property on behalf of the enterprise*
 - *Provides portfolio strategy, real estate development, and disposition services for client agencies*
 - *Supports statewide long-term facilities policy and planning*
- Fleet and Parking Services
 - *Manages DAS-owned vehicles*
 - *Provides policy oversight for vehicles owned by other agencies*
 - *Manages parking program*
- Surplus Property
 - *Manages state and federal surplus property programs and the Law Enforcement Support Office (LESO) program*

EAM Budget Over Time



CAO Budget Drivers: DAS IT

- Legacy system maintenance
- Internal IT infrastructure
- Customer demand

CAO Budget Drivers: Enterprise Goods and Services (EGS)

- Increased tort cap limits
- Attorney General costs
- Increased centralization of IT procurement
- Demand for services
- Procurement training requirements

CAO Budget Drivers: Enterprise Asset Management (EAM)

- Aging buildings and systems
- Leased space
- Seismic vulnerability
- Fuel and utility costs
- Vehicles

POPs Included in Governor's Budget: DAS IT

- Convert LDs to permanent status
 - \$0.2M
 - *1 Position*
- Establish one DAS IT Developer positions for eTime/Datamart
 - \$0.2M
 - *1 Position*

POPs Included in Governor's Budget: EGS

- IT Procurement & Vendor Management Program
 - \$0.86M OF
 - 4 Positions
- Convert 3 Procurement LDs to permanent status and 1 P&D LD to permanent status
 - \$0
 - 4 Positions
- Growing Demand for Risk Management Services
 - \$0.3M OF
 - 1 Position
- September E-Board: Establish one OSPS position
 - \$0.1M OF
 - 1 Position

POPs Included in Governor's Budget: EAM

- Convert LDs to permanent status
 - \$0
 - *5 positions*

CAO Reductions in Governor's Budget: DAS IT

- Reduce S&S
 - \$40k

CAO Reductions in Governor's Budget: EGS

- Reduce Financial Business Systems S&S, primarily data processing charges
 - *\$1.18M*
- Reduce Procurement S&S, legal fees, and temporary staffing and overtime
 - *\$0.1M*
- Reduce Publishing & Distribution software updates and training
 - *\$0.4M*

CAO Reductions in Governor's Budget: EAM

- Reduce Fuel Limitation for Fleet
 - \$1.38M
- Reduce Utilities Limitation
 - \$1.97M
- Self-support tenants contract directly with custodial vendor
 - \$0.4M
- OSP assume responsibility for maintenance in two crime labs
 - \$0.2M
- Eliminate building maintenance contracts: window washing, power washing, parking lot sweeping, compactor maintenance; reduce frequency of landscaping and carpet cleaning
 - \$0.55M