

Analysis
Oregon Business Development Department
Position Reclassifications

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Request: Increase the Other Funds expenditure limitation for business, innovation and trade by \$153,240 and increase two positions from half-time to full-time (1.00 FTE), and approve the reclassification of 22 positions, to support a new organizational structure.

Analysis: The Oregon Business Development Department (OBDD) began a strategic review in late-2016, with goals of enhancing service delivery and operational efficiency and flexibility. This review resulted in OBDD revising its organizational structure into four divisions. Two of the principle outcomes of the new organization structure are to combine the previous Business, Innovation and Trade Division, and the Infrastructure Division, into a single Economic Development Division, thereby combining the operation of business development and infrastructure finance programs into a single agency unit; and establishing twelve Regional Development Officer and six Regional Project Manager positions to support program delivery throughout the state. To support this reorganization, the agency would reclassify 22 positions to reflect revised responsibilities and duties. Furthermore, the agency requests support to increase two existing half-time positions to full-time.

The agency developed a permanent finance plan to manage the position reclassifications within its existing budget. An individual state agency may use a process termed “reclassification,” or “reclass,” to change classifications of its positions without legislative review. Any reclass of a position must be approved by DAS. The agency must identify a business reason for the change, such as: 1) new agency priorities based on a new law or other change in direction; 2) an agency reorganization leading to new duties for a position; 3) greater responsibilities being placed on a position; or 4) the need for a new skill set because of a change in technology or business practice. An executive branch agency may reclassify a position if a number of steps are completed, including: 1) the proposed classification has been reviewed by a human resource professional; 2) resources have been identified in the current budget to fund any resulting increase in spending; and 3) a permanent financing plan has been prepared which ensures that the reclass will not increase costs in future budget periods. For example, if an agency determines a position must be reclassified upward, the agency may identify another position to reclass downward to provide the financial resources within the parameters of the agency’s budget.

The Legislature can approve position reclassifications as part of the budget process or through Emergency Board action, without meeting the requirements outlined above. Although the agency met the above requirements, it submitted its position reclassification plan to the Legislature anyway, to allow Legislative review of the request. The agency is additionally asking to increase two positions from half-time to full-time. This is beyond the permanent finance plan, and requires additional Other Funds limitation in the current and future biennia. The Legislative Fiscal Office recommends postponing consideration of this component of the request to the 2019 legislative session.

Legislative Fiscal Office Recommendation: Approve reclassification of 22 positions to support a new organizational structure.