



January 12, 2018

The Honorable Senator Richard Devlin, Co-Chair
The Honorable Representative Nancy Nathanson, Co-Chair
Interim Joint Committee on Ways and Means
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

Nature of the Emergency/Request

In December 2016, Oregon Business Development Department (OBDD) launched an effort to better define its strategic direction and align organizational resources to achieve that plan. Specifically, the department's goals were to:

- enhance service delivery to better meet the needs of our customers and stakeholders;
- break down internal division silos, particularly between existing business development and infrastructure teams, and establish a cohesive agency framework; and,
- increase operational flexibility related to managing within budget constraints and maximizing economic development opportunities.

To achieve these goals, the department worked with the Governor, Legislative representatives, the Legislative Fiscal Office, the DAS Chief Human Resources Office, the DAS Chief Finance Office, and the Oregon Business Development Commission to align programs and services to a new organizational structure that included four divisions: (1) Economic Development, (2) Operations & Finance, (3) Equity, Strategies & Communications, and (4) Arts & Culture.

A foundational element of the reorganization included developing a self-funded Permanent Finance Plan, and implementing several position reclassifications. Today, we request approval of the Permanent Finance Plan as a last step in finalizing the new strategic direction for the agency.

Agency Action

To better serve all of Oregon's regions (including urban, rural, and frontier communities), focus economic development priorities and resources where they will have the greatest impact, and target infrastructure and business investments to serve previously underrepresented communities and populations, the agency leadership determined that an overall agency re-alignment was necessary. This organizational change resulted in merging the "Business, Innovation, and Trade" and "Infrastructure Finance Authority" divisions' two separate field structures into one, establishing twelve (12) Regional Development Officers to serve each region in the state, and creating six (6) Regional Project Manager positions to coordinate program services and facilitate community requests.

The Department of Administrative Services' Chief Human Resource Office has reviewed and approved the proposed reclassification requests, based upon the position descriptions that the department provided.

Action Requested

The proposed Permanent Finance Plan includes:

- Downward reclassification of nine (9) positions (0010203, 0010204, 0010205, 0010314, 0020107, 0020113, 0040105, 0060301, 0060428) – from Principal Executive Manager F to Operations and Policy Analyst 4 related to the Regional Development Officers.
- Upward reclassification of five (5) positions (0020201, 3001002, 3001007, 0060429, 3010002) – from Program Analyst 3 to Operations and Policy Analyst 4 for Regional Development Officers.
- Upward reclassification of six (6) positions (0040104, 0060406, 0060408, 0060412, 0060422, 3013029) – from Program Analyst 3 to Operations and Policy Analyst 3 for Regional Project Managers.
- Downward reclassification of one (1) position (0010315) – from Program Analyst 3 to Operations and Policy Analyst 2 for the Economic Development Division Program Coordinator position.
- Upward reclassification of one (1) position (3006012) – from Fiscal Analyst 1 to Fiscal Analyst 3 for the Senior Budget Analyst position.
- Increasing two (2) Other Fund positions (3012001 and 3011006) from Permanent Part-Time (12 months) to Permanent Full-Time (24 months). These two positions are fully funded through fees at the full-time level. This request is for position authority of full time positions only.

Total number of positions in this request for reclassification is 22 positions, 22.00 FTE. Total number of positions in this request for consideration of increased months to full time position authority is 2 positions, 1.00 FTE.

Total request to fund this PFP is \$230,058 Other Funds, (\$16,674) Federal Funds, and \$55,632 Lottery Funds.

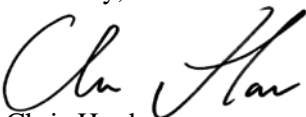
Total financing resulting from this PFP is \$232,226 Other Funds, \$0 Federal Funds, and \$64,240 Lottery Funds.

In summary, the balance going forward for future PFP actions is \$2,168 Other Funds, \$16,674 Federal Funds, and \$8,608 Lottery Funds based upon the offset result of upward and downward classifications. This PFP is funded within current department resources. The only request is an increase in Other Funds expenditure limitation for the two current positions that are currently part-time requested as full-time positions. The department has funding for these positions and current .50 FTE position authority for each position, only seeking the full position authority of 1.00 FTE for each position and Other Funds expenditure limitation for them.

Legislation Affected

Increase the Other Funds expenditure limitation established by chapter 580, Section 2(1), Oregon Laws 2017 for the Oregon Business Development Department for Business, innovation and trade by \$153,240 and increasing positions by 0 positions and 1.00 FTE.

Sincerely,



Chris Harder
Director