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(Productivity Improvement Programs)

**182.365 Legislative findings; definitions for ORS 182.365 to 182.400.** (1) The Legislative Assembly finds that it is in the public interest to encourage and reward government efficiency and that the present state budgeting system has developed inadequate mechanisms to reward efficiency in government agencies and programs. The Legislative Assembly further finds that it is in the public interest to establish a program to reward efficiency and effectiveness in government agencies and programs.

(2) As used in ORS 182.365 to 182.400:

(a) “Agency or unit” means any department, division, agency or section or unit of any department, division or agency or unit, that has an identifiable budget which may be separated from other budgets and for which credit can be given.

(b) “Department” means the Oregon Department of Administrative Services.

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

[1989 c.815 §1; 1993 c.724 §29]

**182.370** [1989 c.815 §4; repealed by 1993 c.724 §36]

**182.375 State Productivity Improvement Revolving Fund; creation; sources; uses.** (1) There is created in the State Treasury, separate and distinct from the General Fund, an Oregon State Productivity Improvement Revolving Fund. All moneys in the fund are appropriated continuously to the Oregon Department of Administrative Services for making loans, grants, matching funds or cash awards available to state agencies or units for implementation of productivity improvement projects, including training and workforce development, upon authorization of the department, subject to ORS 243.650 to 243.809 when applicable. Interest on earnings of the fund shall be credited to the fund.

(2) The Oregon State Productivity Improvement Revolving Fund shall consist of:

(a) Moneys transferred from the Oregon Department of Administrative Services Operating Fund, as provided in ORS 240.170, in a sum not to exceed \$500,000 to establish the fund.

(b) Savings realized from implementation of productivity improvement projects that may include existing and future projects authorized by the department.

(3) Fifty percent of the agency or unit budget savings resulting from improved efficiency shall be credited to the Oregon State Productivity Improvement Revolving Fund to be used for program improvement by the agency or unit. If not used in the biennium in which the savings occur, the amount of credit to an agency or unit may be treated as if it were continuously appropriated to the agency or unit and may be expended in the following biennium without resulting in any budget justification for the agency or unit. Expenditures from the fund are not subject to allotment or other budgetary procedures.

(4) None of the expenditures in a biennium by the agency or unit under this section shall be considered to be within any appropriation or expenditure limitation in the agency’s base budget for the biennium.

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(5) A productivity improvement project may include training and employee development authorized by the department and intended to lead to improved productivity.

(6) The department may require a different repayment schedule for training and employee development than for other productivity improvement projects.

(7) Agencies and units shall report to the department quarterly on project implementation, savings realized to date, or projected, and repayment of moneys to the fund. [1989 c.815 §5; 1991 c.385 §89; 1993 c.724 §30; 1995 c.79 §59; 2003 c.55 §3; 2003 c.794 §203]

**182.380 Credit of certain savings to General Fund.** Fifty percent of the agency or unit budget savings resulting from improved efficiency and effectiveness shall be credited to the General Fund or, if the origin of the agency or unit's funds is a dedicated fund or federal money, to the fund or account of the agency or unit, to be used for the purposes of the fund or account. [1989 c.815 §6; 1993 c.724 §31]

**182.385 Identification of reduced expenses resulting from improved efficiency.** In preparing its budget for the biennium following one in which the state agency or unit credits any amount to the Oregon State Productivity Improvement Revolving Fund, the agency or unit shall identify any reduction in agency or unit expenses resulting from improved efficiency. [1989 c.815 §7; 1993 c.724 §32]

**182.390 Plan for increased efficiency.** (1) In order to qualify for credits under ORS 182.375 and 182.380, the agency or unit must present to the Oregon Department of Administrative Services a plan for increased efficiency resulting in budget savings and comply with the review requirements developed by the department. The plan must be approved by the Director of the Oregon Department of Administrative Services. Loans, grants or matching funds authorized under ORS 182.375 shall not require any increased funding or increases in an expenditure limitation and shall not require legislative review.

(2) The plan required in subsection (1) of this section shall include long-range objectives of each program, indicating in each case where the agency or unit shall increase efficiency and cost savings without a reduction in public services. The plan shall include reasons for leaving current positions vacant, actual reductions in services and supplies, travel and capital outlay and shall include a system to evaluate the resulting accomplishments of each agency or unit. [1989 c.815 §8; 1993 c.724 §33]

**182.395 Ineligibility of new programs for credits.** Any new programs mandated by law, assigned to the agency or unit by the Oregon Department of Administrative Services, or budgeted as additions to the base budget or reduced level budget of the agency or unit shall not be eligible for credit savings under ORS 182.365 to 182.400. [1989 c.815 §9; 1993 c.724 §34; 1995 c.79 §60]

**182.400 Report on productivity improvement program.** Prior to January 1 of each odd-numbered year, the Oregon Department of Administrative Services shall report to the Legislative Assembly on activities of the productivity improvement program in the manner prescribed in ORS 192.245. [1989 c.815 §10; 1993 c.724 §35]