

## HOUSE AMENDMENTS TO HOUSE BILL 3803

By COMMITTEE ON RULES

May 14

On page 1 of the printed bill, delete lines 5 through 17 and delete pages 2 through 7 and insert:

### **“AGENCY AND WORKFORCE STRATEGIC PLANNING**

**“(Oregon Department of Administrative Services  
Enterprise Planning Authority)**

**“SECTION 1. (1) As used in this section:**

**“(a) ‘Agency’:**

**“(A) Means a board, commission, department, agency or other entity, without regard to the designation given to the entity, that is within the executive department and that:**

**“(i) Has at least \_\_\_\_\_ full-time equivalent employees; or**

**“(ii) Has authority to make decisions that are more than recommendations.**

**“(B) Does not include the offices of the Governor, the Secretary of State or the State Treasurer.**

**“(b) ‘Executive department’ has the meaning given that term in ORS 174.112.**

**“(2) The Oregon Department of Administrative Services has authority to develop enterprise strategic workforce plans, standards and policies to facilitate and enhance the development of an agency workforce that is more flexible, dynamic, efficient and effective at responding to current and potential future needs.**

**“(3)(a) The department shall develop an enterprise strategic workforce plan and then revise and update the plan during each second year of a four-year gubernatorial term to permit the department to take input and direction from the Governor into account in plan revisions.**

**“(b) Each labor union that represents state employees shall be given a reasonable opportunity to be consulted in the creation of the plan and in any revision and update of the plan.**

**“(4) The enterprise strategic workforce plan shall inform agencies about:**

**“(a) Agency head performance reviews, quarterly check-ins, employee engagement and feedback surveys, succession planning and new manager and employee development training;**

**“(b) Enterprise values and competencies, including the alignment of staffing to meet operational needs and the development of coordinated staffing models that focus on data collection and analysis;**

**“(c) Standardizing best practices for agency-level review and planning;**

**“(d) Developing an oversight process to monitor agency workforce strategic planning**

1 progress;

2 “(e) Developing workforce planning processes and methodologies to integrate workforce  
3 planning with statewide budget and equity processes; and

4 “(f) Other subjects that the department determines are appropriate for inclusion in an  
5 enterprise strategic workforce plan.

6 “(5)(a) The department has authority to direct agencies to develop and submit for review  
7 agency-specific strategic workforce plans that contain specifics and details regarding the  
8 items described in subsection (4) of this section that are applicable to the agency submitting  
9 the agency-specific strategic workforce plan. An agency-specific strategic workforce plan  
10 may also address implementation efforts that pertain to the items described in subsection  
11 (4) of this section, or the department may require implementation efforts to be addressed in  
12 an agency-specific strategic workforce plan.

13 “(b) The department shall adopt a schedule establishing when agency-specific strategic  
14 workforce plans must be submitted to the department for review.

15 “(6)(a) When an agency submits an agency-specific strategic workforce plan to the de-  
16 partment for review, the submitting agency shall identify and explain any plan specifics that  
17 deviate from the most recent iteration of the enterprise strategic workforce plan developed  
18 by the department under subsection (4) of this section.

19 “(b) The department shall review each agency-specific strategic workforce plan submitted  
20 by an agency and may require modification of a submitted plan.

21 “(c) Following submission, each agency shall comply with the terms of the agency-  
22 specific strategic workforce plan the agency submitted, or as further modified by the de-  
23 partment.

24 “(7) The Director of the Oregon Department of Administrative Services, in the discretion  
25 of the director, may exempt any agency from participation in the strategic workforce plan-  
26 ning program, or may modify or withdraw the exemption, at any time.

27 “SECTION 2. The Oregon Department of Administrative Services shall prepare the first  
28 enterprise strategic workforce plan described in section 1 of this 2025 Act on or before Jan-  
29 uary 1, 2026.

30  
31 “(Enterprise-wide Definitions and Standards)

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33 “SECTION 3. (1) The Oregon Department of Administrative Services shall undertake the  
34 development of enterprise-wide definitions and standards under this section.

35 “(2) The purpose of developing enterprise-wide definitions and standards is to improve  
36 budgeting decisions and value-based analysis by reducing administrative variations in similar  
37 agency functions.

38 “(3)(a) The department shall create enterprise-wide definitions and standards for pro-  
39 grams, studies, processes, task forces, work groups, boards, commissions and any other de-  
40 finitions and standards that the department determines are common agency definitions,  
41 standards and functions.

42 “(b) The department shall research and identify guidelines, time frames and other indicia  
43 that suggest that a common agency definition, function or standard is obsolete.

44 “(c) In creating enterprise-wide definitions or standards, or adopting guidelines, time  
45 frames or indicia of obsolescence, the department shall consult with:

1       “(A) Two large agencies that have full-time equivalent staff of more than 3,000 positions;  
2       “(B) Two medium-sized agencies that have full-time equivalent staff of between 201 and  
3       3,000 positions;

4       “(C) Two small-sized agencies that have full-time equivalent staff that do not exceed 200  
5       positions;

6       “(D) Two advocacy commissions established under ORS 185.110 to 185.230, 185.310 to  
7       185.330, 185.410 to 185.430 or 185.510 to 185.550;

8       “(E) Two governance boards within the executive department, as that term is defined in  
9       ORS 174.112;

10       “(F) The Legislative Policy and Research Director;

11       “(G) The Legislative Counsel; and

12       “(H) \_\_\_\_\_ labor unions that represent state public employees.

13       “(4) When the department determines to create an enterprise-wide definition or standard  
14       under subsection (3)(a) of this section and after the consultation described in subsection  
15       (3)(c) of this section has occurred, the department shall adopt a rule identifying the defi-  
16       nition or standard. In order to permit the public and affected agencies to provide input on  
17       the proposed definitions or standards, the department may not use ORS 183.335 (5) in  
18       adopting the rule.

19       “(5) When the department determines to create a set of guidelines, time frames and  
20       indicia indicating the obsolescence of definitions, standards and functions, and after the  
21       consultation described in subsection (3)(c) of this section has occurred, the department shall  
22       adopt a rule setting forth those obsolescence factors. In order to permit the public and af-  
23       fected agencies to provide input on the proposed obsolescence of the definition, standard or  
24       function, the department may not use ORS 183.335 (5) in adopting the rule.

25       “(6) An affected agency shall implement the enterprise-wide changes the department  
26       identifies in rules adopted under subsection (4) or (5) of this section by making conforming  
27       changes to the agency’s rules through the rulemaking process, except that rule changes need  
28       only be made prospectively to future programs and functions.

29       “(7) If implementation of an official action requires legislative change, the department  
30       shall recommend proposed legislation to the Legislative Assembly to implement the official  
31       action.

32       “(8)(a) Notwithstanding subsections (4) and (5) of this section, enterprise-wide definitions  
33       and standards or determinations of obsolescence may not limit agency functions in subject  
34       matter, scope or duration. Agency functions that exist on January 1, 2027, need not align  
35       with rules adopted by the department under subsections (4) and (5) of this section.

36       “(b) Any agency rulemaking that occurs after January 1, 2027, must align with official  
37       determinations made in rules adopted under subsection (4) or (5) of this section, except that  
38       an agency may deviate from rules adopted under subsection (4) or (5) of this section when  
39       authorized by the Director of the Oregon Department of Administrative Services.

40       “SECTION 4. (1) The Oregon Department of Administrative Services shall adopt rules  
41       establishing enterprise-wide definitions or standards under section 3 (4) of this 2025 Act or  
42       rules setting forth obsolescence factors under section 3 (5) of this 2025 Act on or before  
43       January 1, 2027.

44       “(2) The department shall make any recommendations for legislative change to the in-  
45       terim or session committees on rules for consideration during the 2027 regular session of the

1 Legislative Assembly.

2 “SECTION 5. Sections 3 and 4 of this 2025 Act are repealed on January 2, 2030.

3  
4 “REPORTING REQUIREMENTS FOR PUBLIC FUNDS  
5 DISTRIBUTED TO PRIVATE, NONPROFIT OR  
6 NONGOVERNMENTAL ENTITIES  
7

8 “SECTION 6. (1) The Legislative Assembly finds that in each biennium a significant  
9 amount of public funds are ultimately distributed to private, nonprofit or nongovernmental  
10 entities through distributions by state agencies that are authorized by law.

11 “(2) The Legislative Assembly declares that:

12 “(a) Improving accountability and transparency in how public funds are spent by private,  
13 nonprofit and nongovernmental entities will result in significant improvements in govern-  
14 ment efficiencies; and

15 “(b) Utilizing the requirements, procedures and processes in sections 6 to 10 of this 2025  
16 Act will achieve those improvements in government efficiencies.

17 “SECTION 7. (1) A distribution of public funds is subject to sections 6 to 10 of this 2025  
18 Act if:

19 “(a) A state agency is directed by statute to distribute public funds to a private, nonprofit  
20 or nongovernmental entity by name, without the agency being granted any discretion over  
21 the distribution or the choice of entity; or

22 “(b) A state agency is directed by statute to distribute public funds to an unnamed pri-  
23 vate, nonprofit or nongovernmental entity that is described with such specificity that the  
24 agency must distribute the funds to a particular entity, without the agency being granted  
25 any discretion over the distribution or the choice of entity.

26 “(2) The Oregon Department of Administrative Services shall develop reporting forms for  
27 private, nonprofit and nongovernmental entities that receive public funds in a distribution  
28 subject to sections 6 to 10 of this 2025 Act to use to report the information described in  
29 subsection (3) of this section.

30 “(3) Each reporting form must request information on:

31 “(a) The use of public funds received and spent by category of expenditure, including but  
32 not limited to salaries, administration, infrastructure costs, debt service and other catego-  
33 ries listed by the department; and

34 “(b) Any other category of information that the department has by rule identified as  
35 needed to be reported.

36 “(4) The department shall include on the reporting form opportunity for additional com-  
37 mentary and explanation by the recipient of the funds.

38 “(5) The department shall study the types of existing reports and information gathering  
39 that entities described in subsection (2) of this section are already providing to the State of  
40 Oregon and that satisfy the requirements of sections 6 to 10 of this 2025 Act. The department  
41 shall by rule exempt from the reporting requirements of section 9 of this 2025 Act entities  
42 that file the reports or other information that the department has determined are adequate  
43 to satisfy the requirements of sections 6 to 10 of this 2025 Act.

44 “SECTION 8. (1) The Oregon Department of Administrative Services shall by rule provide  
45 a process by which private, nonprofit or nongovernmental entities that receive public funds

1 in a distribution subject to sections 6 to 10 of this 2025 Act receive notice of reporting re-  
2 quirements under sections 6 to 10 of this 2025 Act and any other information that reporting  
3 entities need in order to comply with sections 6 to 10 of this 2025 Act.

4 “(2) The department shall develop and maintain internal profiles on entities that are  
5 subject to reporting under sections 6 to 10 of this 2025 Act, including reporting history. The  
6 department may include internal notes and summaries that pertain to information described  
7 in this subsection. The department may share information described in this subsection with  
8 the Secretary of State or the Legislative Fiscal Officer.

9 “SECTION 9. (1) A private, nonprofit or nongovernmental entity that receives public  
10 funds in a distribution subject to sections 6 to 10 of this 2025 Act shall file a report described  
11 in section 7 of this 2025 Act at the time and in the manner prescribed by the Oregon De-  
12 partment of Administrative Services that is at least once per a biennium in which the pri-  
13 vate, nonprofit or nongovernmental entity receives public funds in a distribution subject to  
14 sections 6 to 10 of this 2025 Act.

15 “(2) An entity that already provides a report or information that the department has  
16 identified under section 7 (5) of this 2025 Act as sufficient to satisfy the requirements of  
17 sections 6 to 10 of this 2025 Act need not comply with subsection (1) of this section.

18 “(3) A report required to be made under this section must be submitted to the depart-  
19 ment in the time and manner prescribed by the department by rule.

20 “(4) The department shall publish aggregated information from reports filed under this  
21 section on the Oregon transparency website, except that information for which an exemption  
22 from required disclosure may be claimed under ORS 192.311 to 192.478 shall be redacted or  
23 otherwise anonymized.

24 “SECTION 10. The Oregon Department of Administrative Services may adopt rules to  
25 implement the provisions of sections 6 to 10 of this 2025 Act.

26 “SECTION 11. Section 9 of this 2025 Act becomes operative on July 1, 2026.

27 “SECTION 12. Section 9 of this 2025 Act applies to distributions of public funds described  
28 in section 7 (1) of this 2025 Act that occur on or after July 1, 2026.

## 29 30 “IMPROVING THE LEGISLATIVE KEY PERFORMANCE MEASURE SYSTEM

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32 “SECTION 13. (1) There is established the Key Performance Measure Council.

33 “(2) The council consists of the following, or their designees:

34 “(a) The President of the Senate.

35 “(b) The Speaker of the House of Representatives.

36 “(c) The Governor.

37 “(d) The Director of the Oregon Department of Administrative Services.

38 “(e) The Secretary of State.

39 “(f) The Legislative Fiscal Officer.

40 “(g) The Legislative Policy and Research Director.

41 “(h) The Legislative Counsel.

42 “(3) Representatives of the agencies of the executive department, as defined in ORS  
43 174.112, may attend council meetings.

44 “(4) The council shall meet every four years to review, analyze and make adjustments  
45 to the key performance measure system, including recommended adjustments to key per-

1 formance measures for each state agency, so as to achieve maximum clarity on  
2 performance-based outcomes for legislation.

3 “(5) The council may also make recommendations for improvements and best practices  
4 to:

5 “(a) Align legislative key performance measures with existing agency best practices;

6 “(b) Create a process for legislative service agencies to set forth anticipated outcomes  
7 and accountability measures for each legislative measure to enhance the transparency and  
8 anticipated effects of the legislative measure;

9 “(c) Align and more closely tie key performance measures to specific legislation and  
10 specific agency budgets; and

11 “(d) Provide sources of record for desired performance outcomes and future account-  
12 ability.

13 “(6) The council may create template documents for legislative service agencies to use  
14 to achieve the documentation described in subsection (5) of this section.

15 “(7) The council may make recommendations to:

16 “(a) The Senate and the House of Representatives for modifications to Senate Rules and  
17 House Rules to achieve the objectives of this section; and

18 “(b) The Legislative Assembly for statutory changes to achieve the objectives of this  
19 section.

20 “(8) ORS 173.240 does not apply to recommendations made under subsection (7) of this  
21 section.

## 22 “REINFORCEMENT OF STATE AUDIT FUNCTIONS

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25 “**SECTION 14.** ORS 297.020 is amended to read:

26 “297.020. (1) The Division of Audits shall have the function and duty of carrying out the pro-  
27 visions of ORS 297.070, 297.210, 297.230, 297.405 to 297.555, 297.990 and this section **and section 15**  
28 **of this 2025 Act.**

29 “(2) All moneys received under authority of the sections listed in subsection (1) of this section  
30 and moneys appropriated for use by the Secretary of State in carrying out the provisions of those  
31 sections hereby are made available for use by the Division of Audits.

32 “**SECTION 15.** (1) The Division of Audits shall maintain a specialist team of auditors,  
33 consisting of at least three full-time equivalent auditors.

34 “(2) The specialist team shall for each fiscal year establish a schedule of audits of public  
35 entities that:

36 “(a) Have fewer than 75 full-time equivalent employees; or

37 “(b) Have not been audited by the division for at least 10 years, without regard to the  
38 number of employees.

39 “(3) The schedule adopted under this section shall be incorporated into the audit plan  
40 prepared by the Secretary of State under ORS 297.076.

41 “(4) The specialist team shall conduct performance audits in conformance with ORS  
42 297.070 on the public entities listed on the schedule adopted for the year.

43 “**SECTION 16.** The Secretary of State may, in the secretary’s discretion, dedicate more  
44 resources than prescribed in section 15 of this 2025 Act to the specialist team of auditors to  
45 further the purposes and objectives of the team.

**“SECTION 17. The Secretary of State may, in the secretary’s discretion, defer the staffing of the specialist team of auditors described in section 15 of this 2025 Act until a date that is sufficiently in advance of the 2027-2028 fiscal year to ensure that the specialist team audit schedule will be incorporated into the audit plan prepared under ORS 297.076 for the 2027-2028 fiscal year.**

## “CAPTIONS

**“SECTION 18. The unit captions used in this 2025 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2025 Act.**

**“EFFECTIVE DATE**

**“SECTION 19. This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.”.**