

House Bill 3803

Sponsored by Representatives GRAYBER, BOWMAN, Senator JAMA; Senator REYNOLDS

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act directs DAS to write workforce plans and work with agencies to carry out those plans. The Act creates a task force to identify uniform terms and functions and directs agencies to change rules to conform rules to the terms and functions the task force has identified. The Act creates a task force to look at and seek changes in KPMs. The Act adds to the SOS audit section teams to focus on small public entities and audits to enhance ROI. (Flesch Readability Score: 72.2).

Directs the Oregon Department of Administrative Services to develop enterprise strategic workforce plans and to work with executive department agencies on implementation. Grants the department the authority to require agency-specific plan implementation and grants the department director the authority to exempt specific agencies from planning programs.

Establishes the Enterprise Definitions and Standards Task Force and authorizes the task force to adopt definitions and standards that are common among agency functions and to identify dormant or obsolete definitions and standards. Requires state agencies to make prospective conforming changes to agency rules. Authorizes the task force to recommend proposed statutory changes to the Legislative Assembly. Sunsets the task force on January 2, 2030.

Establishes reporting requirements for public funds that are distributed by state agencies to private, nonprofit and nongovernmental entities. Provides direction on the use of these reports, and alternative information, to enhance transparency concerning the use of these funds.

Establishes the Key Performance Measure Task Force to make recommendations to enhance the effectiveness of key performance measures in measuring performance-based outcomes and to achieve other outcomes.

Creates the small agency team and the economic impact team within the Secretary of State's Division of Audits and directs that each team be staffed by at least three auditors. Directs that the small agency team focus on conducting audits of small public entities and that the economic impact team focus on conducting audits to maximize economic returns on investment.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to government efficiency; creating new provisions; amending ORS 297.020; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

AGENCY AND WORKFORCE STRATEGIC PLANNING

(Oregon Department of Administrative Services Enterprise Planning Authority)

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

(a) "Agency" 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:

(A) Has at least _____ full-time equivalent employees; or

(B) Has authority to make decisions that are more than recommendations.

(b) "Executive department" has the meaning given that term in ORS 174.112.

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

SECTION 3. (1) The Enterprise Definitions and Standards Task Force is established.

(2) The purpose of the task force is to improve budgeting decisions and value-based analysis by reducing administrative variations in similar agency functions.

(3) The task force consists of:

(a) The Director of the Oregon Department of Administrative Services, or the director's designee, who shall serve as the chair of the task force; and

(b) The following, to be appointed by the Governor:

(A) Two representatives from large agencies that have full-time equivalent staff of more than 3,000 positions;

(B) Two representatives from medium-sized agencies that have full-time equivalent staff of between 201 and 3,000 positions;

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

(D) Two representatives from advocacy commissions established under ORS 185.110 to 185.230, 185.310 to 185.330, 185.410 to 185.430 or 185.510 to 185.550; and

(E) Two representatives from governance boards within the executive department, as that term is defined in ORS 174.112.

(4)(a) The task force shall create enterprise-wide definitions and standards for programs, studies, processes, task forces, work groups, boards, commissions and any other definitions and standards that the task force determines are common agency definitions, standards and functions.

(b) The task force shall research and identify definitions, standards and functions that are dormant, obsolete and no longer used.

(5) A majority of the members of the task force constitutes a quorum for the transaction of business.

(6) Official action by the task force requires the approval of a majority of the members of the task force. Official action includes but is not limited to adopting enterprise-wide definitions and standards under subsection (4)(a) of this section and identifying dormant, obsolete or no longer used definitions, standards and functions under subsection (4)(b) of this section.

(7) When the task force takes an official action under subsection (6) of this section that makes a determination described in subsection (4) of this section:

(a) An affected agency shall implement the task force determination by making conforming changes to the agency's rules through the rulemaking process, except that rule changes need only be made prospectively to future programs and functions; and

(b) If implementation of an official action requires legislative change, the task force shall recommend proposed legislation to the Legislative Assembly to implement the official action.

(8)(a) Notwithstanding subsections (4), (6) and (7) of this section, official actions determined by the task force may not limit agency functions in subject matter, scope or duration, and agency functions that exist on January 1, 2027, need not align with task force recommendations or official actions.

(b) Any agency rulemaking that occurs after January 1, 2027, must align with official actions undertaken by the task force under subsection (6) of this section, except that an agency may deviate from the official actions of the task force when authorized by the Director of the Oregon Department of Administrative Services.

1 (9) If there is a vacancy for any cause among the membership of the task force, the ap-
2 pointing authority shall make an appointment to become immediately effective.

3 (10) The task force shall meet at times and places specified by the call of the chairperson
4 or of a majority of the members of the task force.

5 (11) The task force may adopt rules necessary for the operation of the task force.

6 (12) The Oregon Department of Administrative Services shall provide staff support to the
7 task force.

8 **SECTION 4.** (1) The Enterprise Definitions and Standards Task Force shall undertake
9 official actions described in section 3 of this 2025 Act on or before January 1, 2027.

10 (2) The task force shall make any recommendations for legislative change to the interim
11 or session committees on rules for consideration during the 2027 regular session of the
12 Legislative Assembly.

13 (3) The task force shall cease operations on or before June 30, 2027.

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

15
16 **REPORTING REQUIREMENTS FOR PUBLIC FUNDS**
17 **DISTRIBUTED TO PRIVATE, NONPROFIT OR**
18 **NONGOVERNMENTAL ENTITIES**
19

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

23 (2) The Legislative Assembly declares that:

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

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

29 **SECTION 7.** (1) The Oregon Department of Administrative Services shall develop re-
30 porting forms for private, nonprofit and nongovernmental entities that receive public funds
31 in a distribution subject to sections 6 to 10 of this 2025 Act to use to report the information
32 described in subsection (2) of this section.

33 (2) Each reporting form must request information on:

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

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

39 (3) The department shall include on the reporting form opportunity for additional com-
40 mentary and explanation by the recipient of the funds.

41 (4) The department shall study the types of existing reports and information gathering
42 that entities described in subsection (1) of this section are already providing to the State of
43 Oregon and that satisfy the requirements of sections 6 to 10 of this 2025 Act. The department
44 shall by rule exempt from the reporting requirements of section 9 of this 2025 Act entities
45 that file the reports or other information that the department has determined are adequate

1 to satisfy the requirements of sections 6 to 10 of this 2025 Act.

2 **SECTION 8.** (1) The Oregon Department of Administrative Services shall by rule provide
3 a process by which private, nonprofit or nongovernmental entities who receive public funds
4 in a distribution subject to sections 6 to 10 of this 2025 Act receive notice of reporting re-
5 quirements under sections 6 to 10 of this 2025 Act and any other information that reporting
6 entities need in order to comply with sections 6 to 10 of this 2025 Act.

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

12 **SECTION 9.** (1) A private, nonprofit or nongovernmental entity that receives public funds
13 from an agency or other entity of the executive department, as defined in ORS 174.112, shall
14 file a report described in section 7 of this 2025 Act at the time and in the manner prescribed
15 by the Oregon Department of Administrative Services that is at least once per a biennium
16 in which the private, nonprofit or nongovernmental entity receives public funds in a distrib-
17 ution subject to sections 6 to 10 of this 2025 Act.

18 (2) An entity that already provides a report or information that the department has
19 identified under section 7 (4) of this 2025 Act as sufficient to satisfy the requirements of
20 sections 6 to 10 of this 2025 Act need not comply with subsection (1) of this section.

21 (3) A report required to be made under this section must be submitted to the department
22 in the time and manner prescribed by the department by rule.

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

27 **SECTION 10.** The Oregon Department of Administrative Services:

28 (1) Shall by rule identify the types of grants and other distributions of public funds that
29 sections 6 to 10 of this 2025 Act apply to; and

30 (2) May adopt any other rules to implement the provisions of sections 6 to 10 of this 2025
31 Act.

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

33 **SECTION 12.** Section 9 of this 2025 Act applies to grants or other distributions of public
34 funds that the Oregon Department of Administrative Services has identified by rule as sub-
35 ject to sections 6 to 10 of this 2025 Act and that occur on or after July 1, 2026.

36
37 **IMPROVING THE LEGISLATIVE KEY PERFORMANCE MEASURE SYSTEM**

38
39 **SECTION 13.** (1) There is established the Key Performance Measure Task Force.

40 (2) The task force consists of the following, or their designees:

41 (a) The President of the Senate.

42 (b) The Speaker of the House of Representatives.

43 (c) The Governor.

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

45 (e) The Secretary of State.

1 (f) The Legislative Fiscal Officer.

2 (g) The Legislative Policy and Research Director.

3 (h) The Legislative Counsel.

4 (3) Representatives of the agencies of the executive department, as defined in ORS
5 174.112, may attend task force meetings.

6 (4) The task force shall meet every two years to review, analyze and make adjustments
7 to the key performance measure system, including recommended adjustments to key per-
8 formance measures for each state agency, so as to achieve maximum clarity on
9 performance-based outcomes for legislation.

10 (5) The task force may also make recommendations for improvements and best practices
11 to:

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

13 (b) Create a process for legislative service agencies to set forth anticipated outcomes and
14 accountability measures for each legislative measure to enhance the transparency and an-
15 ticipated effects of the legislative measure;

16 (c) Align and more closely tie key performance measures to specific legislation and spe-
17 cific agency budgets; and

18 (d) Provide sources of record for desired performance outcomes and future accountabil-
19 ity.

20 (6) The task force may create template documents for legislative service agencies to use
21 to achieve the documentation described in subsection (5) of this section.

22 (7) The task force may make recommendations to:

23 (a) The Senate and the House of Representatives for modifications to Senate Rules and
24 House Rules to achieve the objectives of this section; and

25 (b) The Legislative Assembly for statutory changes to achieve the objectives of this sec-
26 tion.

27 (8) ORS 173.240 does not apply to recommendations made under subsection (7) of this
28 section.

29
30 **REINFORCEMENT OF STATE AUDIT FUNCTIONS**

31
32 **SECTION 14.** ORS 297.020 is amended to read:

33 297.020. (1) The Division of Audits shall have the function and duty of carrying out the pro-
34 visions of ORS 297.070, 297.210, 297.230, 297.405 to 297.555, 297.990 and this section **and sections**
35 **15 and 16 of this 2025 Act.**

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

39 **SECTION 15.** (1) **The Division of Audits shall maintain a small agency team of auditors,**
40 **consisting of at least three full-time equivalent auditors.**

41 (2) **The small agency team shall for each fiscal year establish a schedule of audits of**
42 **public entities that have fewer than 75 full-time equivalent employees. The team shall prior-**
43 **itize the scheduling of audits of public entities described in this subsection that have not**
44 **received an audit from the division in at least 10 years. The schedule adopted under this**
45 **section shall be incorporated into the audit plan prepared by the Secretary of State under**

1 **ORS 297.076.**

2 (3) The small agency team shall conduct performance audits in conformance with ORS
3 297.070 on the public entities listed on the schedule adopted for the year.

4 **SECTION 16.** (1) The Division of Audits shall maintain an economic impact team of au-
5 ditors, consisting of at least three full-time equivalent auditors.

6 (2) The economic impact team shall for each fiscal year establish a schedule of audits of
7 public entities that the team determines will likely result in the highest potential economic
8 return on investment. The schedule adopted under this section shall be incorporated into the
9 audit plan prepared by the Secretary of State under ORS 297.076.

10 (3) The economic impact team shall conduct performance audits in conformance with
11 ORS 297.070 on the public entities listed on the schedule adopted for the year.

12 **SECTION 17.** The Secretary of State may, in the secretary's discretion, dedicate more
13 resources than prescribed in section 15 or 16 of this 2025 Act to the small agency team or
14 the economic impact team to further either team's purposes and objectives.

15
16 **CAPTIONS**

17
18 **SECTION 18.** The unit captions used in this 2025 Act are provided only for the conven-
19 ience of the reader and do not become part of the statutory law of this state or express any
20 legislative intent in the enactment of this 2025 Act.

21
22 **EFFECTIVE DATE**

23
24 **SECTION 19.** This 2025 Act takes effect on the 91st day after the date on which the 2025
25 regular session of the Eighty-third Legislative Assembly adjourns sine die.