

# Senate Bill 1090

Sponsored by Senator WOODS

## 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: Tells a state agency to start a program to give grants and loans to other state agencies so that they can replace their old computers and software, and for other purposes. Says that the agencies must pay back the moneys from cost savings. (Flesch Readability Score: 66.9).

Requires the Oregon Department of Administrative Services to create a program to award grants and provide loans to state agencies for replacing outdated information technology and for certain other purposes. Creates an advisory board that the department must consult in awarding grants and providing loans. Establishes the Technology Modernization Fund and appropriates moneys in the fund to the department for the purpose of the department's program.

Declares an emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to information technology; and declaring an emergency.

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

4 **SECTION 1. (1) The Oregon Department of Administrative Services shall create a pro-**  
5 **gram to make loans and grants to state agencies for the following purposes:**

6 (a) **To improve, retire or replace existing information technology systems for the purpose**  
7 **of:**

8 (A) **Providing and enhancing adequate, risk-based and cost-effective cybersecurity sol-**  
9 **utions to respond to evolving threats to information security;**

10 (B) **Transitioning legacy information technology systems to cloud computing and other**  
11 **innovative commercial platforms and technologies; and**

12 (C) **Improving the efficiency and effectiveness of information technology that state**  
13 **agencies use to conduct public business;**

14 (b) **To improve service delivery to residents of this state; and**

15 (c) **To fund projects that develop or implement artificial intelligence or that develop**  
16 **otherwise innovative approaches to fulfilling the purposes identified in paragraph (a) of this**  
17 **subsection.**

18 (2)(a) **In implementing the program described in subsection (1) of this section, the de-**  
19 **partment shall consult with and obtain the approval of an advisory board with respect to**  
20 **decisions to award a grant or loan. The advisory board must have nine members who must**  
21 **be appointed as follows:**

22 (A) **The Governor shall appoint seven members who are:**

23 (i) **The State Chief Procurement Officer or an individual whom the State Chief Procure-**  
24 **ment Officer designates as a representative;**

25 (ii) **The State Chief Information Officer or an individual whom the State Chief Informa-**  
26 **tion Officer designates as a representative;**

27 (iii) **The Director of the Oregon Department of Emergency Management, or an individual**

**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.

1 whom the director designates as a representative; and

2 (iv) Four high-level employees of state agencies with extensive knowledge and experience  
3 in information technology development, financial management, cybersecurity and privacy  
4 protection and technology acquisition.

5 (B) The Legislative Fiscal Officer shall appoint an employee of the office who ordinarily  
6 serves as staff support for the Joint Committee on Information Management and Technol-  
7 ogy.

8 (C) The State Court Administrator shall appoint a member that represents the judicial  
9 department.

10 (b) A member of the advisory board described in paragraph (a) of this subsection is not  
11 entitled to additional pay, allowances or benefits as compensation for the member's service  
12 on the board.

13 (c) In identifying and appointing the members described in paragraph (a)(A)(iv) of this  
14 subsection, the Governor shall consult with labor organizations that represent employees  
15 with information technology backgrounds or expertise.

16 (3)(a) The Oregon Department of Administrative Services, in consultation with, and with  
17 the approval of, the advisory board described in subsection (2) of this section, shall develop  
18 a process for receiving applications for grants or loans that the department makes from the  
19 Technology Modernization Fund established under section 2 of this 2025 Act, criteria for  
20 evaluating the applications and a process for awarding grants or providing loans, as appro-  
21 priate, to approved recipients. The department and board shall prioritize for grants or loans  
22 projects that will, or are likely to, result in significant estimated cost savings for the recip-  
23 ient of the grant or loan.

24 (b) A recipient of a grant or loan under paragraph (a) of this subsection must conduct  
25 any procurement with moneys from the grant or loan in an open competitive process in ac-  
26 cordance with the Public Contracting Code and other applicable law.

27 (4)(a) To the extent that a project that the department funds as provided in subsection  
28 (3) of this section results in cost savings to the grant or loan recipient that are attributable  
29 to information technology improvements, upgrades, modernizations or replacements, the  
30 recipient shall transfer to the department an amount that is equivalent to the savings the  
31 recipient realized. The department shall deposit any amounts the department receives under  
32 this subsection to the State Treasury and to the credit of the Technology Modernization  
33 Fund.

34 (b) The department and the advisory board, in consultation with each recipient of a grant  
35 or loan, shall collectively determine how to measure and account for the cost savings de-  
36 scribed in paragraph (a) of this subsection. The department, board and recipient shall adopt  
37 a method of measurement and accounting that prioritizes maintaining the solvency of the  
38 Technology Management Fund.

39 (c) A state agency may make a transfer described in paragraph (a) of this subsection  
40 from funds appropriated to the state agency for information technology activities, oper-  
41 ations, maintenance or acquisitions.

42 (5) A grant or loan that a state agency receives under this section does not supplant  
43 funds that the state agency receives from appropriations for the purpose of operating or  
44 maintaining the state agency's information technology.

45 (6) Not later than July 1 and December 31 of each year, the Oregon Department of Ad-

1 administrative Services shall submit a report as provided in ORS 192.245 to the Joint Commit-  
2 tee on Information Management and Technology. The report must:

3 (a) Assess the ongoing costs associated with establishing the Technology Modernization  
4 Fund and with overseeing and administering the program described in subsection (1) of this  
5 section and compare the costs with any savings realized from funding state agency projects  
6 with moneys from the fund;

7 (b) Evaluate the reliability of the cost savings the department determines under sub-  
8 section (3)(a) of this section in comparison with the cost savings the department determines  
9 under subsection (4)(a) of this section;

10 (c) Determine whether recipients of loans and grants under subsection (3) of this section  
11 used an open competitive process to procure goods or services using moneys from the grant  
12 or loan; and

13 (d) List the numbers of projects for which the department awarded a grant or provided  
14 a loan, the amount and recipient of each grant or loan and the purpose and goals of each  
15 grant or loan.

16 **SECTION 2.** (1) There is created in the State Treasury the Technology Modernization  
17 Fund, separate and distinct from the General Fund. The Oregon Department of Administra-  
18 tive Services shall pay into the State Treasury, to the credit of the Technology Modernization  
19 Fund, all moneys the department collects or receives as appropriations to the department,  
20 as grants or transfers from federal agencies or other sources of federal funds, as repayments  
21 and reimbursements from state agencies that receive loans from the fund and from all other  
22 sources that designate the Technology Modernization Fund as a recipient of donations,  
23 grants or contributions. Moneys in the fund may be invested in the same manner as other  
24 state moneys and any interest earned must be credited to the Technology Modernization  
25 Fund.

26 (2) The department shall keep a record of all moneys deposited into the Technology  
27 Modernization Fund, indicating in the record by separate account the source of the moneys,  
28 the interest earned and the activity against which the department charges any withdrawal.

29 (3) If moneys credited to the Technology Modernization Fund are withdrawn, transferred  
30 or used for purposes other than the purposes for which the fund was established, interest  
31 accrues on the amount withdrawn from the date of withdrawal until the date on which the  
32 moneys are restored to the fund.

33 (4) Moneys in the Technology Modernization Fund are continuously appropriated to the  
34 department for the department's administrative expenses and the department's duties under  
35 section 1 of this 2025 Act.

36 **SECTION 3.** There is appropriated to the Oregon Department of Administrative Services,  
37 for the biennium beginning July 1, 2025, out of the General Fund, the amount of \$10,000,000  
38 for the purpose of carrying out the department's duties under section 1 of this 2025 Act.

39 **SECTION 4.** This 2025 Act being necessary for the immediate preservation of the public  
40 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect  
41 on its passage.  
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