

Testimony in Support of HB 3803

Representative Dacia Grayber

Good morning Chair Bowman, Vice-Chairs Drazan and Pham, and members of the committee.

My name is Dacia Grayber, I serve as State Representative of House District 28, and I'm here to introduce House Bill 3803, a Good Governance policy package that my team and I developed collaboratively to improve accountability, transparency, and strategic decision-making in state government.

A quick background. Over the interim - my team and I began discussing some challenges and gaps we've noticed across several sessions. Topics ranged from agencies feeling like high cost centers while simultaneously being understaffed, the big swings in legislative reporting quality, a lack of downstream visibility into direct appropriation spending, and more. These felt to us like systemic and process-related problems that rise above partisan politics or branches of government.

We then spent several months meeting with members of DAS, the former Secretary of State's team, the new Secretary of State's team, various agency staff, and the Governor's team to better understand what issues were real and what was just perceived. Out of those conversations the five concepts in HB 3803 were developed, which I will do my best to summarize.

First - Enterprise Strategic Workforce Planning. In February 2024 - the Secretary of State's office released an audit on the Enterprise Workforce, with several recommendations on how we can make improvements to the efficiency and management of this workforce of roughly 40,000 employees.

DAS can implement all of these recommendations on their own - except one; and our first proposal in HB 3803 is to enact that final recommendation.

This concept would give DAS the authority to create an Enterprise Strategic Workforce Plan every 4 years, defining goals across a variety of topics including competencies, career pathways, succession planning, review processes, and more. Individual agencies then craft their own strategic workforce plan in keeping with the enterprise strategy, informing the agency's management approach over the next 4-year cycle.

In a study by the Harvard Business Review, companies that effectively implemented workforce planning experienced a 10% increase in productivity and a 25% decrease in labor costs over five years. Since Governor Kotek and the DAS team have already started some of these efforts - I don't believe we'll achieve all of those numbers exactly, but it's a good sign of the success of these programs. Additionally, just for the record, the goal is *not* to decrease labor costs by paying anyone less or initiating mass layoffs. Instead, by making more strategic decisions as we continue to grow - the hope is to deploy our workforce in a more streamlined, efficient, flexible way, that saves us from overstaffing or relying so heavily on temporary hires.

The second concept is codifying reporting requirements for public funds distributed to private, nonprofit, or nongovernmental entities. As a legislative body - we distribute millions of dollars every year in direct appropriations - which I predominantly believe go to worthy causes and responsible stewards. However, unlike agency dollars distributed via grants or procurement, direct appropriations have no formal reporting requirements in statute.

Our proposal is that DAS shall create a lightweight report form and submission process so an entity that received direct appropriation dollars can tell us how they spent the money. This report must be submitted every 2 years, and DAS will create rules on what existing reports already satisfy these requirements - ensuring we're not asking organizations to duplicate reports they may already be submitting.

What is DAS going to do with this information? Two things. First, they will maintain these reports in a manner that can be easily shared with legislative budget makers for future decision-making, as well as the SOS Audits team as an info-stream for accountability. Second, the bill directs DAS to host privacy-approved, aggregated data about this spending on the Transparency Oregon website. The goal is that anyone can visit this site and interact with a dashboard that tells them how much money the Oregon legislature gave out and broadly how that money is being spent across salaries, services, infrastructure, and more; without necessarily exposing specifics about recipient info that would expose an organization to being doxxed.

Third concept - Legislative Key Performance Measures. Otherwise known as Legislative KPMs, this is the system in Oregon by which the legislature measures the performance of agencies, focused on state legislation that we pass. Here's the problem: unless a member is on a ways and means committee, legislative offices almost never directly interact with these KPMs. The Executive Branch spends significant resources measuring and reporting on metrics that are not being fully utilized, nor do they necessarily align with existing best-practice Agency KPMs.

Fortunately - the system is quite flexible. So our policy concept here is that - once every 4 years - delegates from Legislative and Executive branch

leadership shall convene with non-partisan offices to review Legislative KPMs and make adjustments where necessary. KPMs should provide clear, quantifiable measurement of success criteria for legislation. They should also seek to align with agency KPMs where possible, to streamline measurement and reporting. Finally, this council should make recommendations on how legislative offices might engage with the Legislative KPM system more frequently, including (my favorite part) how we might define success in legislative concepts at the point of drafting an LC.

2nd to last concept - bolstering the Secretary of State Audits team. In 2008, SOS audits yielded an \$8 return in cost savings for every dollar spent. By 2010, the return increased to \$64 in cost savings and efficiencies per dollar invested into the division.

In our discussions with this team, what we learned was that devising an audits schedule each year is a difficult tug-of-war between audits with high economic impact, values-based impact, legislator-driven requests, and more. Often, what falls through the cracks are “small agencies”-- Boards, commissions, or any state entity with less than 75 employees.

What we’re proposing in this concept is a 3-person “small agencies” audit team, dedicated to auditing entities with fewer than 75 employees, or auditing an entity of any size that has not been audited in over 10 years. The goal is to ensure that these public bodies that are regularly falling through the cracks of accountability now have guaranteed resources dedicated to their audits each year.

Finally - the last concept in this proposal is **standardized definitions for common agency functions**. For our employers on the committee - you’ll

know this as “business process standardization.” This one is a little squishier than the rest - because it’s not directly solving a *now* problem so much as it’s setting us up to solve a problem in the future.

One of the outcomes my office was pursuing early on was to start systematically examining Programs and other common agency functions that have become ‘dormant’ in an agency’s portfolio. Dormancy might happen because - for example - an idea was passed many years ago that has run its course but requires maintenance (and funding) until it’s repealed or refreshed.

The reason this is challenging is that there is no shared definition or administrative parameters of “what is a program.” In fact, there are no shared definitions or administrative parameters of *most* common agency functions, including task forces, work groups, commissions, boards, or studies. These are different across agencies, and sometimes different within the same agency. The Executive Branch has taken cracks at standardizing this, LC has, and LPRO has; but there hasn’t been a unified effort to reach a common understanding.

So this final policy proposal is that DAS leads the charge on the definitions and administrative parameters of common agency functions. These will be developed in consultations with agencies and public entities of different sizes, along with LPRO, and LC. These definitions cannot limit any functions in scope, duration, or subject matter, and these standards will only be applied moving forward, not to existing programs retroactively.

The hope is that by adopting these standards, we can get to a place where it is much easier to compare apples to apples in budget making and

comparative analysis, but also that it's easier to programmatically bubble up when something is dormant in an agency portfolio.

One last thing - you'll notice there is a -1 amendment posted that is a clean draft of the bill. The highlights of what's changed are:

- Constitutionally independent offices are being exempted from DAS workforce planning.
- Timing of Workforce Planning is set to align with the 2nd year of a Governor's term, to allow Governor input on strategy.
- Labor unions representing state employees are being given reasonable opportunity to be consulted on strategic workforce planning.
- The proposals that were Task Forces are being changed to either directives or Councils.
- And the removal of the SOS 'economic impact' audit team.

To conclude - I recognize this isn't the splashy type of policy that makes headlines - and this isn't driven by anything other than a desire that we all share to make our state's government as high performing as it can possibly be. I want Oregonians to believe in their government.

In the spirit of that I invite all of your feedback. We're open to suggestions, and I'm hopeful that together we can make this a series of reforms that Oregonians will be proud of. Thank you.