

Administration

DEPARTMENT OF ADMINISTRATIVE SERVICES

	1999-2001 Actuals	2001-03 Legislatively Adopted at Close of Session	2001-03 Legislatively Approved through Fifth Special Session	2003-05 Governor's Balanced
General Fund	\$2,729,599	\$7,891,677	\$6,246,964	\$5,322,856
Lottery Funds	0	534,003	381,342	1,622,874
Other Funds	188,724,406	212,090,561	326,223,246	388,533,825
Federal Funds	473,407	564,653	765,168	0
Other Funds (Nonlimited)	196,621,747	279,510,405	311,693,698	255,814,481
Federal Funds (Nonlimited)	0	0	0	0
Total Funds	\$388,549,159	\$500,591,299	\$645,310,418	\$651,294,036
Positions	889	958	968	927
Full-time Equivalent	836.40	922.89	938.26	919.45

Overview

The Department of Administrative Services (DAS) operates as the central administrative agency for Oregon state government. It delivers those support services to state agencies that can most effectively and efficiently be provided by a central government agency. In addition, DAS provides management oversight and direction on behalf of the Governor.

The agency's operational divisions include:

- The Director's Office (DO) provides leadership and support to DAS divisions and to state agencies generally. The DO also houses the Office of Economic Analysis, which provides the state's economic and revenue forecasts, criminal justice population projections, and demographic forecasts.
- The Budget and Management Division creates and enforces statewide budget standards. It monitors agencies to ensure that funds are spent within legal and budgetary requirements. The Division prepares the Governor's balanced budget. It also helps to coordinate statewide bonded debt programs, including Certificates of Participation, Tax Anticipation Notes, and Lottery revenue bonds.
- The State Controller's Division acts as the state's accountant. It provides state financial and accounting services, policies, and controls.
- The Information Resources Management Division (IRMD) provides statewide information technology resources. IRMD services include the General Government Data Center, voice and data network services, and technology project management and consulting. The Division also provides technical education and training to state employees, oversees the E-Government program, and oversees the state's printing and mail processing services.

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- The Public Employees Benefit Board manages health and benefit plans for state employees. The goal is to provide high-quality plans at an affordable cost.
- The Human Resource Services Division maintains the state's personnel and compensation systems. The Division also negotiates with unions and provides training and recruitment services.
- The Procurement, Fleet, and Surplus Services Division (PFSS) operates the state's purchasing, motor pool, and surplus property services.
- The Facilities Division builds and maintains state structures, including landscaping activities. It also negotiates leases for state agencies. The Division pays utility costs for all the buildings it owns or manages.
- The Risk Management Division is the state's insurance agent. It buys insurance and manages the state's self-insurance. It investigates and resolves claims against the state and its employees. It also helps the state find ways to minimize risk and related costs.
- The Arrest and Return program administers extradition services for all law enforcement agencies in Oregon.
- The Community Development Office supports the work of the Community Solutions Team. The Team advises the Governor on community development issues and looks for new ways to work with communities in solving problems.
- The Office for Oregon Health Policy and Research administers research and policy activities related to various elements of health reform.

Funding for the Oregon Historical Society (OHS), Oregon Public Broadcasting (OPB), and Oregon Health and Sciences University, is distributed through the DAS budget. Funding for OPB and OHS are included in the Economic and Community Development Program Area. Funding for OHSU is included in the Education Program Area.

The DAS budget also houses the Economic Development Fund, the Education Stability Fund, the Parks and Natural Resources Fund, and the Oregon Education Fund. Lottery proceeds flow through these funds to state agencies. In addition, DAS administers the Medicaid Upper Payment Limit account, and manages the collection and distribution of tobacco settlement funds.

DAS distributes funds to mass transit districts. State agencies pay these funds instead of payroll or transit taxes under ORS 291.407. DAS also distributes a variety of funds, including Federal Funds, to Oregon cities and counties. Other distributions to cities and counties include portions of Oregon Liquor Control Commission revenues, cigarette taxes, amusement device taxes, and video poker receipts.

Balanced Budget

The Governor's balanced budget for DAS is \$651.3 million total funds. This is a one percent increase from the 2001-03 Legislatively Approved Budget through Fifth Special Session. The agency's position count is reduced from 968 (938.26 full-time equivalent) to 927 (919.45 full-time equivalent). While several divisions lost positions, the largest reduction was in the Office for Oregon Health Policy and Research (OHPR) where a federally funded health study will not continue into the 2003-05 biennium.

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The 2003-05 budget for the Director's Office adds funding to strengthen Oregon's economic forecasting office. It also shifts responsibility for the Highway Cost Allocation Study to the Department of Transportation.

The budget for the Budget and Management Division continues funding for the Oregon Budget Information Tracking System (ORBITS) development project. The ORBITS group completed the design, coding, and testing phase of the project in February 2002. The new system was used to develop the 2003-05 Governor's balanced budget. The next phase will continue to develop additional functionality throughout the 2003-05 biennium. The project is funded with Certificates of Participation proceeds.

The State Controller's Division, Human Resource Services Division, Facilities, Operations, and Risk Management budgets essentially provide funding to continue existing programs and services in 2003-05.

The budget for the Information Resources Management Division (IRMD) represents a 37.8 percent increase from the 2001-03 biennium. It provides funding to continue existing operations, including resources for the E-Government program. The bulk of the increase is related to the transfer of the Publishing and Distribution program from PFSS to this Division. The budget also reserves expenditure limitation to address statewide technology infrastructure requirements. While a specific distribution of these resources has not yet been identified, the Governor has recognized a need to evaluate the state's information technology infrastructure, including strategies to effectively utilize that infrastructure.

The Public Employees Benefit Board (PEBB) budget represents a 37.1 percent decrease from the prior biennium. This decrease is largely because of Nonlimited Other Funds expended from the Stabilization Fund in 2001-03 that will not be available during the 2003-05 biennium. Funding for PEBB also supports packages to more appropriately staff the Division and continue maintenance and development costs related to the Benefit Management System.

The budget for PFSS is a 44.5 percent decrease from the 2001-03 biennium. Again, this substantial difference is related to the transfer of the Publishing and Distribution program to IRMD.

The budgets for the Community Development Office and OHPR incorporate reductions made by the Legislature in 2002 special sessions. In addition, the OHPR budget reflects the elimination of a federal grant available during 2001-03.

Arrest and Return was also reduced during the 2002 special sessions. The reductions would limit participation in the shuttle system by Oregon counties. Total reductions put the program at approximately 25 percent less than the 2001-03 Close of Session Legislatively Adopted Budget level.

The balanced budget eliminates the Sustainability Board based on legislative action taken during the 2002 Fifth Special Session. However, it includes a package to restore the Oregon Progress Board. The Department will identify internal funding for this purpose.

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The Capital Construction program budget reflects cost estimates for various projects. The most significant of these is the Department of Environmental Quality/Health Division Laboratory. The cost projection for this project is \$32 million.

The Department will distribute \$73.8 million Other Funds from the Medicare Upper Payment Limit to the Department of Education for the State School Fund. The Department will also administer the second issuance of Oregon Opportunity bonds on behalf of the Oregon Health and Science University. Debt service will be paid with Tobacco Settlement revenues.

The budget includes Lottery Funds distributions from the Economic Development Fund, Education Stability Fund, Oregon Education Fund, and Parks and Natural Resources Fund. A more detailed discussion of these resources is provided in the Revenue section of this document. Currently, the bulk of Lottery Funds distributions are made to the Department of Education for the State School Fund and to the Oregon Economic and Community Development Department for various program expenditures. During the 2003-05 biennium, debt service requirements will comprise approximately one-fifth of the allocations from this account.

The balanced budget also continues Lottery debt service on outstanding bonds for Oregon Public Broadcasting and Southern Oregon Public Broadcasting, as well as continued distributions to the Children's Trust Fund.

Revenue

The Department is financed primarily through two sources of Other Funds: proportional assessments on state agencies and fees-for-service charged to state agencies for program usage. Agency assessments rely on a number of variables ranging from full-time equivalent positions, dollar volume, or funding limitation to square footage of office space occupied or utilization of resources. The source of Other Funds received by DAS from assessed agencies is a combination of General Fund, Other Funds, and Federal Funds.

Capital Improvement and Capital Construction projects are financed out of the Capital Projects Fund. The Fund receives the majority of its funding from the "depreciation" component of Uniform Rent and Service Agreements. Certificates of Participation are usually used for larger construction projects.

General Funds supports the Arrest and Return program, the Office of Health Policy Research, and the Community Development Office. It also supports a portion of corrections population forecasting activities in the Office of Economic Analysis and Distributions for the Children's Trust Fund.