

A-Engrossed
Senate Bill 1101

Ordered by the Senate August 5
Including Senate Amendments dated August 5

Sponsored by JOINT COMMITTEE ON WAYS AND MEANS

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.

Transfers moneys from specified funds and accounts to General Fund and to other funds and accounts.

Clarifies application of certain budgeting and allotment statutes.

Authorizes collection of costs of disciplinary actions by Board of Accountancy.

Prohibits Department of Transportation from charging fee for certain permits.

Directs Department of Human Services to transfer interest earned by Oregon JOBS Individual Education Account to General Fund.

Modifies duties of Oregon Progress Board.

Requires Oregon Department of Administrative Services to submit annual report to Legislative Fiscal Officer on progress agencies make on meeting performance measures.

Requires Joint Legislative Audit Committee to review performance measures.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to state financial administration; creating new provisions; amending ORS 171.585, 285A.150,
3 285A.153, 291.002, 291.110, 291.201, 366.507, 374.310, 411.894 and 673.170; repealing ORS 285A.171
4 and section 3, chapter 766, Oregon Laws 2001; and declaring an emergency.

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

6 **SECTION 1. Notwithstanding any other provision of law, the amount of \$2 million is**
7 **transferred from the Oregon JOBS Plus Unemployment Wage Fund, established by ORS**
8 **657.925, to the General Fund to be available for general governmental expenses.**

9 **SECTION 2. Notwithstanding any other provision of law, the Secretary of State shall**
10 **transfer the balance of the Portland Metropolitan Area Local Government Boundary Com-**
11 **mission Fund, established by section 1 (1), chapter 793, Oregon Laws 1981, to the General**
12 **Fund to be available for general governmental expenses.**

13 **SECTION 3. Notwithstanding any other provision of law, the Department of Human Ser-**
14 **vices shall use \$7,518,057 from the moneys in the Tobacco Use Reduction Account, estab-**
15 **lished by ORS 431.832, for the state medical assistance program for the biennium beginning**
16 **July 1, 2005.**

17 **SECTION 4. (1) Notwithstanding ORS 414.815, the amount of \$836,557 is transferred from**
18 **the Law Enforcement Medical Liability Account to the Department of Human Services Ac-**
19 **count established in ORS 409.060.**

20 **(2) Notwithstanding ORS 411.894 (4), of the moneys in the Oregon JOBS Individual Edu-**
21 **cation Account that are available for appropriation and transfer under ORS 411.894 (4), the**
22 **amount of \$2,587,670 is transferred from the Oregon JOBS Individual Education Account to**

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 the Department of Human Services Account established in ORS 409.060.

2 **SECTION 5.** Notwithstanding any other provision of law, the amount of \$2,500,000 is
3 transferred from the Problem Gambling Treatment Fund, established by ORS 409.435, to the
4 Administrative Services Economic Development Fund, established by ORS 461.540, to be
5 available for the biennium beginning July 1, 2005, for the purposes for which moneys in the
6 Administrative Services Economic Development Fund may be used.

7 **SECTION 6.** Notwithstanding ORS 759.445 and section 34, chapter 1093, Oregon Laws 1999,
8 the amount of \$150,000 is transferred from the School Technology Account to the Depart-
9 ment of Education, for the biennium beginning July 1, 2005, for the Frontier Learning Net-
10 work. Moneys transferred under this section are appropriated to the department for the
11 purpose of paying expenses of the Frontier Learning Network.

12 **SECTION 7.** (1) In lieu of the transfer required by ORS 461.547, for the biennium begin-
13 ning July 1, 2005, the Oregon State Lottery Commission shall transfer from the State Lottery
14 Fund an amount equal to 2.5 percent of the net receipts from video lottery games as follows:

15 (a) To the office of the Governor for expenses of the Economic Revitalization Team es-
16 tablished by ORS 284.555, an amount equal to 50 percent of the amount allocated by law from
17 the Administrative Services Economic Development Fund established in ORS 461.540 to the
18 office of the Governor for expenses of the Economic Revitalization Team; and

19 (b) The balance of the 2.5 percent to the counties for economic development activities.

20 (2) Moneys transferred to counties under this section shall be distributed as provided in
21 ORS 461.547.

22 **SECTION 8.** ORS 291.002 is amended to read:

23 291.002. **Except as otherwise provided in ORS 291.201 and section 11 of this 2005 Act,** as
24 used in ORS 291.001 to 291.034, 291.201 to 291.222, 291.232 to 291.260, 291.261, 291.307 and 291.990,
25 unless the context requires otherwise:

26 (1) "Classification of expenditures" means the major groups or categories of expenditures for the
27 purpose of budget-making and accounting that are established as provided in ORS 291.206.

28 (2) "Department" means the Oregon Department of Administrative Services.

29 (3) "Director" means the Director of the Oregon Department of Administrative Services.

30 (4) "Dedicated fund" means a fund in the State Treasury, or a separate account or fund in the
31 General Fund in the State Treasury, that by law is dedicated, appropriated or set aside for a limited
32 object or purpose; but "dedicated fund" does not include a revolving fund or a trust fund.

33 (5) "Legislatively adopted budget" means the budget enacted by the Legislative Assembly during
34 a regular session.

35 (6) "Legislatively approved budget" means the legislatively adopted budget as modified by the
36 Emergency Board or by the Legislative Assembly meeting in special session.

37 (7) "Revolving fund" means a fund in the State Treasury, established by law, from which is paid
38 the cost of goods or services furnished to or by a state agency, and which is replenished through
39 charges made for such goods or services or through transfers from other accounts or funds; and
40 specifically includes funds derived from receipts by the State Board of Higher Education of tuition,
41 fees, dormitory earnings, student activity receipts and sales of products and services incident to
42 education functions.

43 (8) "Trust fund" means a fund in the State Treasury in which designated persons or classes of
44 persons have a vested beneficial interest or equitable ownership, or which was created or estab-
45 lished by a gift, grant, contribution, devise or bequest that limits the use of the fund to designated

1 objects or purposes.

2 (9) "State agency" or "agency" means every state officer, board, commission, department, insti-
3 tution, branch or agency of the state government, whose costs are paid wholly or in part from funds
4 held in the State Treasury, except:

5 (a) The Legislative Assembly, the courts and their officers and committees;

6 (b) The Public Defense Services Commission; and

7 (c) The Secretary of State and the State Treasurer in the performance of the duties of their
8 constitutional offices.

9 (10) "State officer" means any elected or appointed state officer, including members of boards
10 and commissions, except the members and officers of the Legislative Assembly, the courts, the Sec-
11 retary of State and the State Treasurer in the performance of the duties of their constitutional of-
12 fices and the members of the Public Defense Services Commission.

13 **SECTION 9.** ORS 291.201 is amended to read:

14 291.201. **Notwithstanding ORS 291.002 (9) and (10), as used in ORS 291.201 to 291.222[.]:**

15 (1) "State agency" or "agency" means every state officer, board, commission, depart-
16 ment, institution, branch or agency of the state government, whose costs are paid wholly
17 or in part from funds held in the State Treasury, except:

18 (a) The Legislative Assembly, the courts and their officers and committees; and

19 (b) The Public Defense Services Commission.

20 (2) "State officer" means any elected or appointed state officer, including members of
21 boards and commissions, except the members and officers of the Legislative Assembly, the
22 courts and the members of the Public Defense Services Commission.

23 (3) "Tax expenditure" means any law of the federal government or this state that exempts, in
24 whole or in part, certain persons, income, goods, services or property from the impact of established
25 taxes, including but not limited to tax deductions, tax exclusions, tax subtractions, tax exemptions,
26 tax deferrals, preferential tax rates and tax credits.

27 **SECTION 10.** Section 11 of this 2005 Act is added to and made a part of ORS 291.232 to
28 291.260.

29 **SECTION 11.** Notwithstanding ORS 291.002 (9) and (10), as used in ORS 291.232 to 291.260
30 and 291.261:

31 (1) "State agency" or "agency" means every state officer, board, commission, depart-
32 ment, institution, branch or agency of the state government, whose costs are paid wholly
33 or in part from funds held in the State Treasury, except:

34 (a) The Legislative Assembly, the courts and their officers and committees; and

35 (b) The Public Defense Services Commission.

36 (2) "State officer" means any elected or appointed state officer, including members of
37 boards and commissions, except the members and officers of the Legislative Assembly, the
38 courts and the members of the Public Defense Services Commission.

39 **SECTION 12.** ORS 673.170 is amended to read:

40 673.170. (1) The Oregon Board of Accountancy may take any of the following disciplinary
41 actions:

42 (a) Revoke, suspend or refuse to issue any certificate issued under ORS 673.040 to 673.075.

43 (b) Revoke, suspend or refuse to issue any public accountant's license issued under ORS 673.100.

44 (c) Revoke, suspend, refuse to renew or refuse to issue any permit described in ORS 673.150.

45 (d) Revoke, suspend, refuse to renew or refuse to issue authorization to practice public

1 accountancy in this state under ORS 673.153.

2 (e) Censure the holder of any permit described in ORS 673.150 or authorization described in ORS
3 673.153.

4 (f) Revoke, suspend, refuse to renew or refuse to issue any registration issued under ORS
5 673.160.

6 (g) Censure the holder of any registration issued under ORS 673.160.

7 (2) The board may take any of the actions described in subsection (1) of this section for any one
8 or any combination of the following causes:

9 (a) Fraud or deceit in obtaining or applying for:

10 (A) A certificate under ORS 673.040 to 673.075;

11 (B) A public accountant's license under ORS 673.100;

12 (C) A registration under ORS 58.345 or 673.160;

13 (D) A permit under ORS 673.150;

14 (E) Authorization to practice public accountancy in this state under the provisions of ORS
15 673.153; or

16 (F) Admission to the roster of authorized accountants referred to in ORS 297.670.

17 (b) Dishonesty, fraud or gross negligence in the practice of public accountancy.

18 (c) Incompetence in the practice of public accountancy. A holder of a license issued under ORS
19 673.100, certificate, permit or registration is incompetent in the practice of public accountancy if the
20 holder:

21 (A) Engages or has engaged in conduct that evidences a lack of ability or fitness to discharge
22 the duty owed to a client or the general public; or

23 (B) Engages or has engaged in conduct that evidences a lack of knowledge or ability to apply
24 principles or skills of the practice of public accountancy, as adopted by the board.

25 (d) Violation of any of the provisions of ORS 673.010 to 673.457.

26 (e) Violation of any of the provisions of ORS 297.405 to 297.555.

27 (f) Violation of any provision of the Code of Professional Conduct adopted by the board under
28 the authority granted by ORS 673.010 to 673.457, or rules adopted by the board under ORS 670.310.

29 (g) Conduct resulting in a conviction of a felony under the laws of any state, of any foreign ju-
30 risdiction or of the United States. However, such conduct may be considered only to the extent
31 permissible under the provisions of ORS 670.280.

32 (h) Conviction of any crime, an essential element of which is dishonesty, fraud or misrepresen-
33 tation, under the laws of any state, of any foreign jurisdiction or of the United States.

34 (i) Conviction of willful failure to pay any tax, file any tax return, keep records or supply in-
35 formation required under the tax laws of any state, of any foreign jurisdiction or of the United
36 States, or conviction of the willful making, rendering, delivery, disclosure, signing or verifying of
37 any false or fraudulent list, return, account, statement or other document, or of supplying any false
38 or fraudulent information, required under the tax laws of any state, of any foreign jurisdiction or
39 of the United States.

40 (j) Cancellation, revocation, suspension or refusal to renew, authority to practice as a certified
41 public accountant or a public accountant in any state or foreign jurisdiction.

42 (k) Cancellation, suspension, revocation or refusal to renew by any state, any foreign jurisdic-
43 tion or any federal agency of the right to practice law, to practice as an enrolled agent before the
44 Internal Revenue Service pursuant to 31 C.F.R. part 10, or to practice under other regulatory law
45 if the cancellation, suspension, revocation or refusal to renew was related to the practice of public

1 accountancy or if dishonesty, fraud or deception was involved.

2 (L) Failure to comply with the continuing education requirements under ORS 673.165 unless
3 such requirements have been waived by the board.

4 (m) Failure to pay a civil penalty imposed by the board after the period for requesting a hearing
5 on the civil penalty terminates if the person or business organization against whom the penalty is
6 imposed has not requested a hearing, or after the period for seeking judicial review of the order
7 assessing the civil penalty has passed.

8 (n) Failure to comply with the terms of a consent agreement described in subsection (3) of this
9 section.

10 (o) Failure to comply with any reporting or other requirement established by the board by rule.

11 (3) In lieu of disciplinary actions under subsection (1) of this section, the board may enter into
12 a consent agreement with the holder of any certificate described in ORS 673.040 to 673.075, the
13 holder of any public accountant's license, the holder of any registration described in ORS 673.160,
14 the holder of any permit described in ORS 673.150 or the holder of any authorization described in
15 ORS 673.153, under which the holder agrees to comply with conditions prescribed by the board.

16 (4) In addition to the causes in subsection (2) of this section, the board may take any of the
17 actions described in subsection (1) of this section for dishonesty, fraud or misrepresentation not in
18 the practice of public accountancy.

19 (5) In lieu of or in addition to any action described in subsection (1) of this section, the board
20 may take any of the following actions:

21 (a) Require a holder of a permit under ORS 673.150 that provides compilation services or a
22 business organization registered under ORS 673.160 to undergo a peer review conducted as the
23 board may specify; or

24 (b) Require a holder of a permit under ORS 673.150 to complete any continuing professional
25 education programs the board may specify.

26 (6) In the case of a registered business organization, the board may take any of the actions de-
27 scribed in subsection (1) of this section for any of the following additional causes:

28 (a) The cancellation, revocation or suspension of, or refusal to renew, the authority to provide
29 professional services, in this state or any other jurisdiction, of any partner, officer, shareholder,
30 member, manager or owner of the business organization; or

31 (b) The cancellation, revocation or suspension of, or refusal to renew, the authority of the
32 business organization to practice public accountancy or provide other professional services in any
33 other state or foreign jurisdiction.

34 (7) Notwithstanding any protective order issued under ORCP 36 C, upon motion of the board,
35 the court shall order disclosure of materials or information subject to a protective order under
36 ORCP 36 C. The board may use the material or information to take disciplinary action under this
37 section.

38 **(8) If the board takes disciplinary action under this section, the board may assess against**
39 **the person disciplined costs associated with the disciplinary action. An assessment under this**
40 **subsection is in addition to, and not in lieu of, any other action taken by the board. Moneys**
41 **collected under this subsection shall be deposited in the Oregon Board of Accountancy Ac-**
42 **count established in the General Fund pursuant to ORS 670.335.**

43 **SECTION 13.** ORS 366.507, as amended by section 2, chapter 766, Oregon Laws 2001, and sec-
44 tion 15, chapter 618, Oregon Laws 2003, is amended to read:

45 366.507. The Department of Transportation shall use an amount equal to the **amount of** moneys

1 in the State Highway Fund that [become] **becomes** available for its use from the increase in tax
2 rates created by the amendments to ORS 319.020, 319.530, 825.476 and 825.480 by sections 1, 2 and
3 10 to 15, chapter 209, Oregon Laws 1985, and an amount equal to one-third of the **amount of** moneys
4 in the State Highway Fund that [become] **becomes** available for its use from any increase in tax
5 rates created by the amendments to ORS 319.020, 319.530, 825.476 and 825.480 by sections 5, 6 and
6 8 to 15, chapter 899, Oregon Laws 1987, and from any increase in tax rates that results from the
7 provisions of sections 16 and 17, chapter 899, Oregon Laws 1987, [exclusively] to establish **and op-**
8 **erate** a state modernization program for highways. The program established under this section and
9 the use of moneys in the program are subject to the following:

10 (1) The moneys may be used by the department to retire bonds that the department issues for
11 the modernization program under bonding authority of the department.

12 (2) The intent of the modernization program is to increase highway safety, to accelerate im-
13 provements from the backlog of needs on the state highways and to fund modernization of highways
14 and local roads to support economic development in Oregon. Projects both on and off the state
15 highway system are eligible.

16 (3) Projects to be implemented by the modernization program shall be selected by the Oregon
17 Transportation Commission. The criteria for selection of projects will be established after public
18 hearings that allow citizens an opportunity to review the criteria. The commission may use up to
19 one-half of moneys available under this section for modernization projects selected by the commis-
20 sion from a list of projects of statewide significance.

21 (4) In developing criteria for selection of projects, the commission shall consider the following:

22 (a) Projects must be of significance to the state highway system.

23 (b) Except for projects that are of statewide significance, projects must be equitably distributed
24 throughout Oregon.

25 (c) Projects may be on county or city arterial roads connecting to or supporting a state highway.

26 (d) Priority may be given to projects that make a meaningful contribution to increased highway
27 safety.

28 (e) Priority may also be given to projects that encourage economic development where:

29 (A) There is commitment by private industry to construct a facility.

30 (B) There is support from other state agencies.

31 (f) Priority may be given where there is local government or private sector financial partic-
32 ipation, or both, in the improvement in addition to improvements adjacent to the project.

33 (g) Priority may be given where there is strong local support.

34 (5) **Except as otherwise provided in this subsection, federal moneys or moneys from the**
35 **State Highway Fund other than those described in this section may be used for the mod-**
36 **ernization program as long as the total amount used is equal to the amount described in this**
37 **section. Federal moneys that are appropriated by Congress for specific projects and federal**
38 **moneys that are allocated by the United States Department of Transportation for specific**
39 **projects may not be used for the modernization program under this section.**

40 **SECTION 14. Section 3, chapter 766, Oregon Laws 2001, is repealed.**

41 **SECTION 15.** ORS 374.310 is amended to read:

42 374.310. (1) The Department of Transportation with respect to state highways and the county
43 court or board of county commissioners with respect to county roads shall adopt reasonable rules
44 and regulations and may issue permits, not inconsistent with law, for the use of the rights of way
45 of such highways and roads for the purposes described in ORS 374.305. However, the department

1 [shall issue no] **may not issue** a permit for the construction of any approach road at a location
2 where no rights of access exist between the highway and abutting real property.

3 (2) Such rules and regulations and such permits shall include such provisions, terms and condi-
4 tions as in the judgment of the granting authority may be in the best interest of the public for the
5 protection of the highway or road and the traveling public and may include, but need not be limited
6 to:

7 (a) Provisions for construction of culverts under approaches, requirements as to depth of fills
8 over culverts and requirements for drainage facilities, curbs, islands and other facilities for traffic
9 channelization as may be deemed necessary.

10 (b) With respect to private road crossings, additional provisions for the angle of intersection,
11 crossing at grade or other than grade, sight distances, safety measures including flaggers, crossing
12 signs and signals, reinforcement for protection of the highway, maintenance of the crossing and for
13 payment by the applicant of the costs of any of the foregoing.

14 (c) With respect to private road crossings, the granting authority may also require the applicant
15 to furnish public liability and property damage insurance in a sum fixed by the granting authority,
16 which insurance shall also indemnify the members, officers, employees and agents of such authority
17 from any claim that might arise on account of the granting of the permit and the crossing of the
18 highway or road by vehicles operating under the permit; and the granting authority may also require
19 the applicant to furnish indemnity insurance, an indemnity bond or an irrevocable letter of credit
20 issued by an insured institution as defined in ORS 706.008 in a sum fixed by the granting authority,
21 indemnifying such authority for any damage to the highways or roads that may be caused by the
22 use of the crossing.

23 (3) The powers granted by this section and ORS 374.315 may not be exercised so as to deny any
24 property adjoining the road or highway reasonable access. In determining what is reasonable, the
25 department or county court or board of county commissioners shall apply the following criteria:

26 (a) The access must be sufficient to allow the authorized uses for the property identified in the
27 acknowledged local comprehensive plan.

28 (b) The type, number, size and location of approaches must be adequate to serve the volume and
29 type of traffic reasonably anticipated to enter and exit the property, based on the planned uses for
30 the property.

31 **(4) The department may not charge any fee for issuance of a permit under this section**
32 **for construction of an approach road.**

33 **SECTION 16.** ORS 411.894 is amended to read:

34 411.894. (1) The Oregon JOBS Individual Education Account is established [*in order*] to improve
35 the position of JOBS Plus participants in the workforce by increasing their access to continuing
36 education. Employer contributions to the account under this section shall be used to pay for edu-
37 cation expenses for the individual as provided in subsection (2) of this section.

38 (2)(a) After the participant has participated in the JOBS Plus Program for 30 days, the employer
39 shall pay, in addition to the participant wage, one dollar for each participant hour worked into the
40 participant's individual education account. Contributions to such an account shall be tax deferred
41 or tax-exempt to the extent permitted by federal and state law.

42 (b) Any participant for whom an Oregon JOBS Individual Education Account contribution is
43 made shall be eligible for access to education benefits from that participant's individual education
44 account for up to five years after the participant has left the JOBS Plus Program and has held a
45 full-time, unsubsidized job for at least 30 days.

1 (c) When any participant has qualified for use of that participant's individual education account,
2 an amount equal to that participant's individual education account balance shall be transferred to
3 the Oregon Student Assistance Commission for that participant's use. Only one individual education
4 account shall be created for any participant. Each account shall be administered by the Oregon
5 Student Assistance Commission and shall be used for continuing education and training for the
6 participant and the participant's immediate family.

7 (3)(a) The Oregon Student Assistance Commission may use any interest earned by *[the]* **an in-**
8 **dividual education** account **transferred to the commission under this section** for payment of
9 expenses incurred by the commission in carrying out its duties under this section.

10 **(b) The Department of Human Services shall transfer any interest earned by the Oregon**
11 **JOBS Individual Education Account to the General Fund for general governmental purposes.**
12 **The department shall transfer the interest no later than the close of each fiscal year in**
13 **which the interest is earned.**

14 (4) Any unexpended or unobligated moneys remaining in an individual education account five
15 years after the participant has left the JOBS Plus Program are appropriated and transferred to the
16 Oregon Opportunity Grant Fund on that date.

17 **SECTION 17.** ORS 285A.150 is amended to read:

18 285A.150. The Legislative Assembly finds that:

19 (1) The Oregon of the future can provide unparalleled economic opportunities while maintaining
20 Oregon's traditional values if this state pursues its future with clarity of purpose and perseverance.

21 (2) Oregon is in the midst of massive economic, social and environmental transitions created by
22 technological changes, global competition and changing population demographics. In order to expand
23 economic opportunities while maintaining Oregon's unique quality of life in the face of change,
24 Oregonians must have a vision for their preferred future that spans economic, social and environ-
25 mental concerns.

26 (3) An independent Oregon Progress Board is needed to:

27 (a) Encourage the discussion and understanding among all Oregonians of critical global and
28 national economic, social and environmental trends that will affect Oregon in the coming decades;

29 (b) Formulate and submit to Oregonians a strategy that describes and explains a vision for
30 Oregon's economic, social and environmental progress for 20 years into the future; **and**

31 (c) Submit to the Legislative Assembly, for its adoption, goals for Oregon's progress, including
32 measurable indicators of the achievement of those goals. [*in the manner prescribed in ORS*
33 *285A.171; and*]

34 *[(d) Assist state agencies and their partners in developing performance measures that provide*
35 *linkages to the measurable indicators of achievement in the manner prescribed in ORS 291.110.]*

36 **SECTION 18.** ORS 291.110 is amended to read:

37 291.110. (1) The Oregon Department of Administrative Services shall [*be responsible for*
38 *ensuring*] **ensure** that state agency activities and programs are directed toward achieving the
39 Oregon benchmarks. The department shall:

40 (a) Monitor progress, identify barriers and generate alternative approaches for attaining the
41 benchmarks.

42 (b) Ensure the development of a statewide system of performance measures designed to increase
43 the efficiency and effectiveness of state programs and services.

44 (c) [*Using the guidelines developed by the Oregon Progress Board as described in ORS*
45 *285A.171,*] Provide agencies with direction on the appropriate format for reporting performance

1 measures to ensure consistency across agencies.

2 (d) *[Using the guidelines developed by the Oregon Progress Board as described in ORS*
3 *285A.171,]* Consult with *[the Secretary of State and]* the Legislative Assembly to assist in devising a
4 system of performance measures.

5 (e) Facilitate the development of performance measures in those instances where benchmarks
6 involve more than one state agency.

7 (f) Prior to budget development, consult with the legislative review agency, as defined in ORS
8 291.371, or other appropriate legislative committee, as determined by the President of the Senate and
9 the Speaker of the House of Representatives, prior to the formal adoption of a performance meas-
10 urement system.

11 **(g) No later than October 1 of each year, submit a report to the Legislative Fiscal Officer**
12 **on the progress state agencies have made in meeting performance measures.**

13 (2) State agencies shall *[be responsible for developing]* **develop** measurable performance measures
14 consistent with and aimed at achieving Oregon benchmarks. To that end, each state agency shall:

15 (a) Identify the mission, goals and objectives of the agency and any applicable benchmarks to
16 which the goals are directed.

17 (b) Develop written defined performance measures that quantify desired organization intermedi-
18 ate outcomes, outputs, responsibilities, results, products and services, and, where possible, develop
19 unit cost measures for evaluating the program efficiency.

20 (c) Involve agency managers, supervisors and employees in the development of statements of
21 mission, goals, objectives and performance measures as provided in paragraphs (a) and (b) of this
22 subsection and establish teams composed of agency managers, supervisors and employees to imple-
23 ment agency goals, objectives and performance measures. Where bargaining unit employees are af-
24 fected, they shall have the right to select those employees of the agency, through their labor
25 organization, to serve on any joint committees established to develop performance measures.

26 (d) Use performance measures to work toward achievement of identified missions, goals, objec-
27 tives and any applicable benchmarks.

28 (e) *[In consultation with the Oregon Progress Board,]* Review agency performance measures with
29 the appropriate legislative committee, as determined by the President of the Senate and the Speaker
30 of the House of Representatives, during the regular legislative session.

31 **SECTION 19.** ORS 171.585 is amended to read:

32 171.585. The Joint Legislative Audit Committee shall:

33 (1) Review all audits and make recommendations for change or remediation by the agency or
34 other organization under review to the Emergency Board, the Joint Ways and Means Committee and
35 other persons receiving the audit report under ORS 192.245.

36 (2) Accept requests for performance and program audits from individual legislators, legislative
37 committees, the Division of Audits, the Budget and Management Division and the Legislative Fiscal
38 Office.

39 (3) In conjunction with the Director of the Division of Audits, set priorities on the basis of risk
40 assessment for performance and program audits and program evaluations.

41 (4) With the advice and assistance of the Legislative Fiscal Officer, the Administrator of the
42 Budget and Management Division and the Director of the Division of Audits, determine the type of
43 audit, evaluation or review utilizing criteria to include but not be limited to the nature and scope
44 of the task, the time frame involved, necessary professional guidelines, economy, efficiency, cost and
45 cost responsibility.

1 (5) Not later than 12 months after the issuance of an audit report, review the actions of an
2 agency or other government organization for compliance with the recommendations of the audit re-
3 port.

4 (6) Assign tasks to the Legislative Fiscal Office, the Budget and Management Division, the Di-
5 vision of Audits or a special task force.

6 **(7) Review state agency performance measures and make recommendations for change.**

7 **SECTION 20.** ORS 285A.153 is amended to read:

8 285A.153. (1) There is established an Oregon Progress Board consisting of the following mem-
9 bers:

10 (a) The Governor;

11 (b) Nine members appointed by the Governor;

12 (c) One Senator appointed by the President of the Senate; and

13 (d) One Representative appointed by the Speaker of the House of Representatives.

14 (2)(a) The term of office of each member appointed by the Governor is four years. Before the
15 expiration of the term of a member, the Governor shall appoint a successor whose term begins on
16 January 31 next following. A member is eligible for reappointment.

17 (b) Each legislative member serves at the pleasure of the appointing authority and may serve
18 as long as the member remains in the chamber of the Legislative Assembly from which the member
19 was appointed.

20 (3)(a) A member of the Oregon Progress Board appointed by the Governor shall be entitled to
21 compensation and expenses as provided in ORS 292.495.

22 (b) Members of the Legislative Assembly appointed to the Oregon Progress Board shall be en-
23 titled to an allowance as authorized in ORS 171.072 from funds appropriated to the Legislative As-
24 sembly.

25 (4) Of the members appointed by the Governor to the board, five shall be selected who are res-
26 idents of different congressional districts in this state.

27 (5) Members appointed by the Governor to the Oregon Progress Board shall be appointed so as
28 to be representative of the ethnic, cultural, social and economic diversity of the people of this state.

29 (6) Members appointed by the legislative appointing authority shall serve as the official liaisons
30 to their respective chambers for the purposes described in ORS 285A.168[, 285A.171] and 285A.174.

31 **SECTION 21. ORS 285A.171 is repealed.**

32 **SECTION 22. This 2005 Act being necessary for the immediate preservation of the public**
33 **peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect**
34 **on its passage.**

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