

HOUSE COMMITTEE ON AUDITS

April 21, 2005 Hearing Room D

8:30 A.M. Tapes 64 - 65

MEMBERS PRESENT: Rep. Jerry Krummel, Chair

Rep. Diane Rosenbaum, Vice-Chair

Rep. Alan Brown

Rep. Jackie Dingfelder

MEMBER EXCUSED: Rep. Tom Butler, Vice-Chair

STAFF PRESENT: Jim Keller, Committee Administrator

Kellie Whiting, Committee Assistant

MEASURES/ISSUES HEARD:

DAS Smart Buy Program, Strategic Plan and

Customer Service – Informational Meeting

Charge Off Audit – Informational Meeting

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
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TAPE 64, A

002 Chair Krummel Calls the meeting to order at 8:40 a.m. and opens the informational meeting on the Department of Administrative Services' (DAS) Smart Buy Program, Strategic Plan and Customer Service. Explains the DAS survey and the responses (**EXHIBIT A**).

DAS Smart Buy Program, Strategic Plan and Customer service – informational meeting

040 Laurie Warner Acting Director, Department of Administrative Services. Responds to the questions in regards to enterprise savings. Explains that the Computing Network Infrastructure Center is the next project on the agenda.

094 Chair Krummel Inquires if the intention is that the agencies will be rolled into the center.

103 Warner Concurs. Explains the opportunities for the data center in the 05-07 bienniums. Comments on the information research groups in regards to the Health Services Commission. Comments about the structure of cost for the Public Employees Benefit Board (PEBB). Responds DAS conducts annual surveys in which contain eleven questions and the feedback shows the divisions of DAS fall in the 80-90% category for positive responses. Notes the Information Research Management Division is at the 50% level. Asserts that DAS is aware of input and is following through with what agencies need. Explains the advisory committees in which provide input and feedback to DAS.

225 Warner Explains the different communication in regards to input and feedback. Comments about the Progress Board and its uses. Notes the agencies would like to see more consistency from the Progress Board. Notes the small staff contributes to the area of concern.

268 Chair Krummel Comments on the performance measures and how they relate to the divisions.

275 Warner Comments about the uncertainty.

280 Chair Krummel Inquires about the conflict with the performance measures as they are presented.

292 Warner

Responds she does not think there is a conflict with statutory measures. Comments on the performance measures changing with time. States DAS sent out 6000 surveys and received 1000 responses. Comments the responses are important tools. Responds about the strategic initiatives. Comments DAS does not have a strategic plan at this time, but will have a formally adopted plan in the interim.

- 338 Chair Krummel Responds the strategic initiatives fall within the strategic plan.
- 350 Warner Concurr. Comments on the changes in management.
- 378 Chair Krummel Inquires if all agencies rely on the DAS payroll systems.
- 385 Warner Responds it is a central payroll systems and agencies pay for the systems through assessments.
- 398 Rep. Dingfelder Inquires if there is a survey in regards to the net benefits for agencies.
- 419 Warner Responds the agencies are assessed based on the usage of the system.

TAPE 65, A

- 008 Warner Responds the budgets are reduced to capture the savings.
- 018 Rep. Dingfelder Inquires about the transfer of knowledge.
- 028 Warner Responds about the contracts and projected savings.
- 042 Rep. Dingfelder Inquires about the products Oregon receives that other states do not.
- 050 Warner Responds about requests for proposals and defers the question to Mr. Petty.
- 067 Chair Krummel Conveys Mr. Petty's former testimony. Comments on statements made to the press in regards to savings for the state through the Smart Buy Program. Asks if the expectations were high.
- 109 Warner Responds she is not in the position to comment.

155	Chair Krummel	Inquires about the inconsistencies within the survey in terms of agencies understanding which services are mandatory and how they are charged.
172	Warner	Responds she feels agencies might not understand what services are mandatory and which they can go to the open market for. Comments they will address the issues internally.
202	Chair Krummel	Inquires if they see the same inconsistencies in the DAS annual survey.
208	Warner	Responds there are inconsistencies and explains DAS' approach.
224	Chair Krummel	Inquires about the Information Resource Management Division and service levels adjusting locally. Comments on the difficulties within the division and the approach taken.
275	Warner	Responds the department is going through a transition and concurs with the difficulties.
289	Chair Krummel	Comments that if an agency is not participating in the centralized data center, they are not being assessed.
301	Warner	Concurs.
309	Chair Krummel	Inquires if there is a better way to look at a funding model for DAS.
328	Warner	Responds about the general funds and the cost for services. Explains the struggles in respect to assessments, costs for services and funds for the Smart Buy Program.
396	Chair Krummel	Inquires about performance measures for agencies. Asks if the department sees performance measures as a valuable tool when setting priorities.
424	Warner	Explains the focus and ongoing discussion with respect to performance measures.

TAPE 64, B

019 Chair Krummel Closes the informational meeting on the DAS Smart Buy Program, Strategic Plan and Customer Service and opens the informational meeting on the Charge Off Audits.

CHARGE OFF AUDITS – INFORMATIONAL MEETING

053 John Dufrene Manager, Department of Administrative Services (DAS). Submits written testimony (**EXHIBIT B**). Submits and explains the liquidated and delinquent debt PowerPoint presentation (**EXHIBIT C**). Presents pages one and two and describes the account inventory and the distribution of accounts.

099 Rep. Dingfelder Inquires about the percentage of the collective debt.

102 Dufrene Responds that on a year-to-year basis the average collected for state agencies is 19-20%, 7-8 % is collected by other agency account units and approximately 2% is collected by a private collection firms.

115 Rep. Brown Inquires about the definition of bad debt.

122 Dufrene Responds about the liquidation process and the definition of delinquent. Presents page three and explains how debt is reported to credit bureaus.

168 Chair Krummel Inquires why the Department of Justice would not want disclosure.

170 Dufrene Responds about debtor information and violations of federal law.

180 Chair Krummel Notes the accounts are still aged.

181 Dufrene Concurs. Refers to page four and explains the reporting systems.

205 Chair Krummel Inquires about the aging of accounts and the potential chance of not being paid.

226 Dufrene Responds about the due process clause and the instruments used to secure the debt. Refers to the five and explains the legislative bill and concepts.

304 Rep. Dingfelder

Inquires about how Oregon rates against other states in respect to collection.

312 Dufrene Responds about the communication between states and the differences in comparisons. Continues to presents page five.

421 Matt Markee Oregon Collectors Association. Submits and refers to written testimony (**EXHIBIT D**). Comments about cost recovery.

TAPE 65, B

012 Markee Comments on the aging accounts and the ways to track accounts.

022 Ronelle Shankle Attorney General's Office. Comments on the negotiation and ongoing communication.

032 Chair Krummel Comments on the importance on lowering the amount of debt. Asks the panel to return with an update. Closes the informational meeting on the Charge off Audits and adjourns the meeting at 10:30 a.m.

EXHIBIT SUMMARY

- A. Department of Administrative Services, DAS survey and responses, staff, 30pp**
- B. Department of Administrative Services, written testimony, John Dufrene, 3 pp**
- C. Department of Administrative Services, PowerPoint presentation, John Dufrene, 6 pp**
- D. Department of Administrative Services, written testimony, Matt Markee, 2 pp**