

# Enrolled Senate Bill 1039

Sponsored by Senators MORSE, SCHRADER, DECKERT, DEVLIN, WESTLUND, NELSON, AVAKIAN, JOHNSON, VERGER, Representatives JENSON, BURLEY, BERGER, BRUUN; Senators ATKINSON, BEYER, BROWN, BURDICK, COURTNEY, FERRIOLI, G GEORGE, L GEORGE, GORDLY, KRUSE, METSGER, MONNES ANDERSON, MONROE, MORRISSETTE, STARR, WALKER, WHITSETT, WINTERS, Representatives D EDWARDS, RICHARDSON, WHISNANT

CHAPTER .....

## AN ACT

Relating to state agency performance excellence.

Whereas the state cannot legislate excellence, but can expect it, support it and acknowledge it when it occurs; and

Whereas excellence is a passion and when it exists the Legislative Assembly should support it fully; and

Whereas the purpose of this legislation is to create a process that will oversee the journey to excellence and will encourage the most vital aspects of Oregon state government to be managed at a world-class level; now, therefore,

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

**SECTION 1. (1) The Committee on Performance Excellence is established. The committee shall consist of 11 members, appointed as follows:**

**(a) The Speaker of the House of Representatives shall appoint two members of the House of Representatives;**

**(b) The President of the Senate shall appoint two members of the Senate;**

**(c) The Governor shall appoint four employees of the executive department, as defined in ORS 174.112, including managers and front line leaders; and**

**(d) The Governor shall appoint three public members who have demonstrated experience in the practice of continuous improvement in business.**

**(2)(a) Except as otherwise provided in paragraph (b) of this subsection, the term of office of each member is four years, but a member serves at the pleasure of the appointing authority. Before the expiration of the term of a member, the appointing authority shall appoint a successor whose term begins on July 1 next following. A member is eligible for reappointment. If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective for the unexpired term.**

**(b) If a legislative member of the committee ceases to be a legislator, the legislator's position on the committee becomes vacant. If an executive department member of the committee ceases to be an employee of the executive department, the member's position on the committee becomes vacant.**

(3) The committee shall select one of its members as chairperson and another as vice chairperson. The committee may determine the duties and powers of the officers, as well as the terms of office of the officers.

(4) A majority of the members of the committee constitutes a quorum for the transaction of business.

(5) The committee shall meet at least once every calendar quarter at a place, day and hour determined by the committee. The committee may also meet at other times and places specified by the call of the chairperson or of a majority of the members of the committee.

(6) When the committee has selected a state agency for a performance excellence initiative, the committee may appoint as ex officio members of the committee the director and any other employees of the agency for the purposes of planning and initial implementation of the initiative.

**SECTION 2.** (1) The mission of the Committee on Performance Excellence is to assist state agencies in reaching performance excellence by engaging in performance excellence initiatives with individual agencies.

(2)(a) The committee shall focus on the following areas that define performance:

(A) Customer and market focus.

(B) Human resources.

(C) Leadership.

(D) Measurement, analysis and knowledge management.

(E) Process management.

(F) Results.

(G) Strategic planning.

(b) The committee may focus on other areas that define performance and may give different weights to different areas described in this subsection, according to the needs of the particular agency that is a partner in a particular initiative.

(c) The committee shall help agencies develop or maintain methods for reaching and measuring performance excellence, including, but not limited to:

(A) Setting long-range plans and short-term priorities;

(B) Developing performance measures that indicate how well an agency's systems are performing;

(C) Working with internal and external customers to identify possible improvements to the agency's systems;

(D) Identifying ways to make core processes operate better, faster and at less cost;

(E) Creating mechanisms to develop the skills of all agency employees; and

(F) Showing measurable results for the investment that taxpayers have made.

(3) The committee shall identify those agencies and services that are most important to Oregonians and shall develop criteria for selecting particular agencies and a schedule for engaging in performance excellence initiatives with those agencies. The committee may determine how many and what initiatives it can engage in at any given time.

(4) As part of any performance excellence initiative, the committee shall support agency efforts to acquire the methods, tools and skills to achieve excellence in each performance area. The support may include, but need not be limited to:

(a) Assisting an agency in acquiring services from consultants, training organizations, universities, business executives and other appropriate entities.

(b) Advising an agency on how to gain support for financing performance excellence.

(c) Helping an agency to identify needs and obtain needed support.

(d) Working with an agency to ensure statewide training and development programs that assist the agency in its pursuit of excellence.

(e) Acting as a sounding board and advocate to help an agency remove administrative barriers that prevent the agency from achieving performance excellence.

**SECTION 3.** When the Committee on Performance Excellence has chosen an agency for participation in a performance excellence initiative:

(1) The committee, with any ex officio members from the agency appointed as provided in section 1 (6) of this 2007 Act, shall develop the framework of expectations for that particular agency, including but not limited to:

(a) Performance areas to be focused on in the initiative;

(b) An indication of what constitutes excellence for the agency in given performance areas; and

(c) An indication of how progress will be measured and of how much progress can reasonably be expected in a three-year period.

(2) Members of the committee shall spend time with agency employees learning about agency operations.

(3) The committee shall meet regularly, on a schedule determined by the committee, to review the agency's progress toward excellence. Meetings shall include, but need not be limited to, presentations by agency employees on overall progress and on progress in specific areas of performance that have been identified.

(4) The committee and the agency may use the review sessions to continuously refine and improve the methods used by the agency to achieve the goals of the performance excellence initiative.

(5) The committee and the agency shall work together to obtain independent, third party assessments of the agency's progress towards meeting the goals of the performance excellence initiative. The purpose of the assessment is to enable the agency and the committee to learn whether the goals and methods of the performance excellence initiative are appropriate or how they might be changed to better help the agency achieve excellence.

(6) The committee shall make periodic public reports on achievement of performance excellence. The reports shall be in a form and manner determined by the committee and may include, but need not be limited to, press releases. The reports shall be delivered to the Governor and to each member of the Legislative Assembly and made available to the general public.

**SECTION 4.** As used in sections 1 to 5 of this 2007 Act, "state agency" or "agency" has the meaning given that term in ORS 291.002.

**SECTION 5.** The Legislative Fiscal Office shall provide administrative support to the Committee on Performance Excellence. The Legislative Fiscal Office may obtain assistance from the Oregon Department of Administrative Services or any other state agency necessary to fully support the activities of the committee.

**SECTION 6.** Notwithstanding the term of office specified by section 1 of this 2007 Act, of the members first appointed to the Committee on Performance Excellence:

(1) One executive department member and one public member shall each serve for a term ending July 1, 2009.

(2) One House member, one Senate member and one executive department member shall each serve for a term ending July 1, 2010.

(3) One executive department member and one public member shall each serve for a term ending July 1, 2011.

(4) One House member, one Senate member, one executive department member and one public member shall each serve for a term ending July 1, 2012.

**Passed by Senate June 22, 2007**

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Secretary of Senate

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President of Senate

**Passed by House June 26, 2007**

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Speaker of House

**Received by Governor:**

.....M,....., 2007

**Approved:**

.....M,....., 2007

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Governor

**Filed in Office of Secretary of State:**

.....M,....., 2007

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Secretary of State