

FINAL DRAFT
State of Oregon
State Data Center Finance Subcommittee
Charter

1. Background

The State Data Center (SDC) Finance Subcommittee advises the SDC Advisory Board and Department of Administrative Services (DAS) on financial activities that assist the Advisory Board and DAS to achieve their financial goals for the SDC. This Charter is in accordance with the overall SDC governance model and SDC Advisory Board Charter.

2. Purpose

The SDC Finance Subcommittee assists the SDC Advisory Board in its effort to eliminate duplication of effort and expense in computing and networking services by providing information, financial advice, and assistance. The SDC Finance Subcommittee helps the SDC achieve its purpose to provide agencies equal or improved service while reducing cost.

3. Authority

The SDC is a key vehicle by which DAS meets the requirements of ORS 184.305 and ORS 184.477. Under the sponsorship of the DAS Director, and acting in accordance with its charter, the SDC Finance Subcommittee is chartered by the Advisory Board under the authority of the DAS Director.

4. Roles and Responsibilities

DAS has the primary responsibility to develop budgets, rates and other financial work products for the SDC. The SDC Finance Subcommittee adds value that could not be added otherwise through activities that include, but are not limited to:

1. Collaborate with DAS staff assigned to the SDC Finance Subcommittee to monitor, report and analyze SDC financial data.
2. Collaborate with DAS on cost recovery plans, rate development, rate-related policy, and the adequacy of rates to support service agreements.
3. Review methodology of capital purchases¹ and make recommendations.
4. Assist DAS with conformance to financial regulations.

¹ Capital Purchases include replacement and new acquisitions of systems and equipment that require debt financing, COP financing, or Capital Lease financing.

5. Collaborate with DAS on methodologies for reporting achievement of financial goals and objectives.
6. Act as the eyes and ears for the SDC Advisory Board on matters involving the SDC finances, rates and budget.
7. Provide consistent and well reasoned recommendations to the SDC Advisory Board and the Director of DAS on financial matters referred to or developed by the Finance Subcommittee.
8. Provide consistent financial communication between agencies and the Finance Subcommittee that leads to a uniform understanding.
9. Involve SDC member-agency subject matter experts in the review of rates and financial matters facing the SDC.
10. Project the impact of SDC charges to agency budgets.

5. Scope

The scope of the SDC Finance Subcommittee activities is advisory in nature and adds value by partnering with DAS on rate development, financial analysis and financial reporting. It monitors, reports and analyzes financial, budget and rate matters of the SDC for the SDC Advisory Board. The SDC Finance Subcommittee performs financial advisory activities that assist DAS, the SDC and the SDC Advisory Board in achieving financial goals for the operation of the SDC.

6. Principles

In addition to the principles in the SDC Advisory Board charter, the SDC Finance Subcommittee adopts the following principles to guide it in its work:

1. The SDC strives to provide competitively priced services to member-agencies and validates its competitiveness through objective benchmarking with comparable organizations.
2. The SDC rates and charges will be necessary, reasonable, equitably allocated, and in accordance with OMB circular A-87.
3. Rates and charges should allocate agency-specific costs to the agency incurring the cost whenever feasible.

4. Financial methods, rates and charges used by the SDC achieve an appropriate balance between pursuit of shared-service benefits and individual agencies' business requirements to the extent feasible.
5. Rates and charges should be set to encourage wise use of shared service SDC resources, be easy for customers to understand, and based on usage and cost whenever feasible.

7. Responsibilities of Members

Members of the SDC Finance Subcommittee are responsible to:

1. Participate fully in meetings.
2. Fairly and objectively exercise their best judgment in the application of the Principles of this Charter.
3. Review and make recommendations on SDC budget, budget requests, policy option packages, Emergency Board submissions, and financial goals and objectives.
4. Review and make recommendations on SDC cost recovery plan, charges and rates.
5. Provide recommendations on changes that affect financial and accounting models.

8. Relationship with other State Data Center Advisory Board Committees

The SDC Finance Subcommittee routinely interacts with other SDC Advisory Board Committees. The SDC Finance Subcommittee may convene other technical or business work groups to provide it advice or develop recommendations.

Routine interactions with other SDC Advisory Board Committees include:

1. SDC Advisory Board: The SDC Finance Subcommittee is chartered by the SDC Advisory Board and provides it information, reports, analysis and advice. It may complete assignments and actions assigned to it by the SDC Advisory Board.
2. SDC CIO Advisory Board: The SDC CIO Advisory Board ensures concepts are vetted before information and decisions are forwarded to the SDC Advisory Board. It has a representative that is a member of the SDC Finance Committee that provides the SDC CIO Advisory Board with a report on activities of the SDC Finance Subcommittee.

3. Other SDC committees: The SDC Finance Subcommittee may consult and coordinate with other SDC governance committees at the direction of the SDC Advisory Board or as the SDC Finance Subcommittee Chair believes is necessary for the SDC Finance Subcommittee to carry out its roles and responsibilities.

9. Membership

The DAS Director recommends members for appointment to the SDC Finance Subcommittee and the full Advisory Board confirms appointments.

The SDC Finance Subcommittee membership includes representation from:

- SDC Advisory Board (recommended by the DAS Director)
- SDC CIO Advisory Board (recommended by the DAS Director)
- Financial Managers of agencies that receive services from the SDC (recommended by the DAS Director)
- Other subject matter experts whose contributions are appropriate to the work of the SDC Finance Subcommittee (recommended by the DAS Director)
- DAS Operations Administrator
- SDC Administrator
- State Chief Information Officer

The SDC Finance Committee meetings are open to SDC member-agency staff. It welcomes and encourages SDC member-agencies to attend its meetings.

10. Recommendations

The SDC Finance Subcommittee makes recommendations to the SDC Advisory Board and DAS on matters within the scope of this Charter. A recommendation will reflect a consensus of the members or will occur by a vote of the members.

11. Chair

The DAS Director appoints the Chair of the SDC Finance Subcommittee from the membership of the SDC Advisory Board. The Chair reports to the SDC Advisory Board on activities of the SDC Finance Subcommittee.

12. Meetings

Meetings will be at the call of the Chair. Notice of meetings, when at all possible, will be sent out one week in advance of the meeting. Notices will be sent to all members of the SDC Finance Subcommittee and a courtesy notice will be sent to the SDC CIO Advisory Board and SDC Agency Liaisons.

13. Meeting support

The DAS Operations Administrator, at the direction of the SDC Finance Subcommittee Chair, will prepare and distribute a meeting agenda at least one week in advance of every meeting. The DAS Operations Administrator will arrange for meeting notes to be taken at each meeting. Members will review and approve the meeting notes of the previous meeting.

14. Changes to the Charter

Changes to the Charter may occur upon recommendation by the SDC Finance Subcommittee and approval of the SDC Advisory Board. Conflicts between this Charter and the SDC Advisory Board charter will be resolved in favor of the SDC Advisory Board charter.