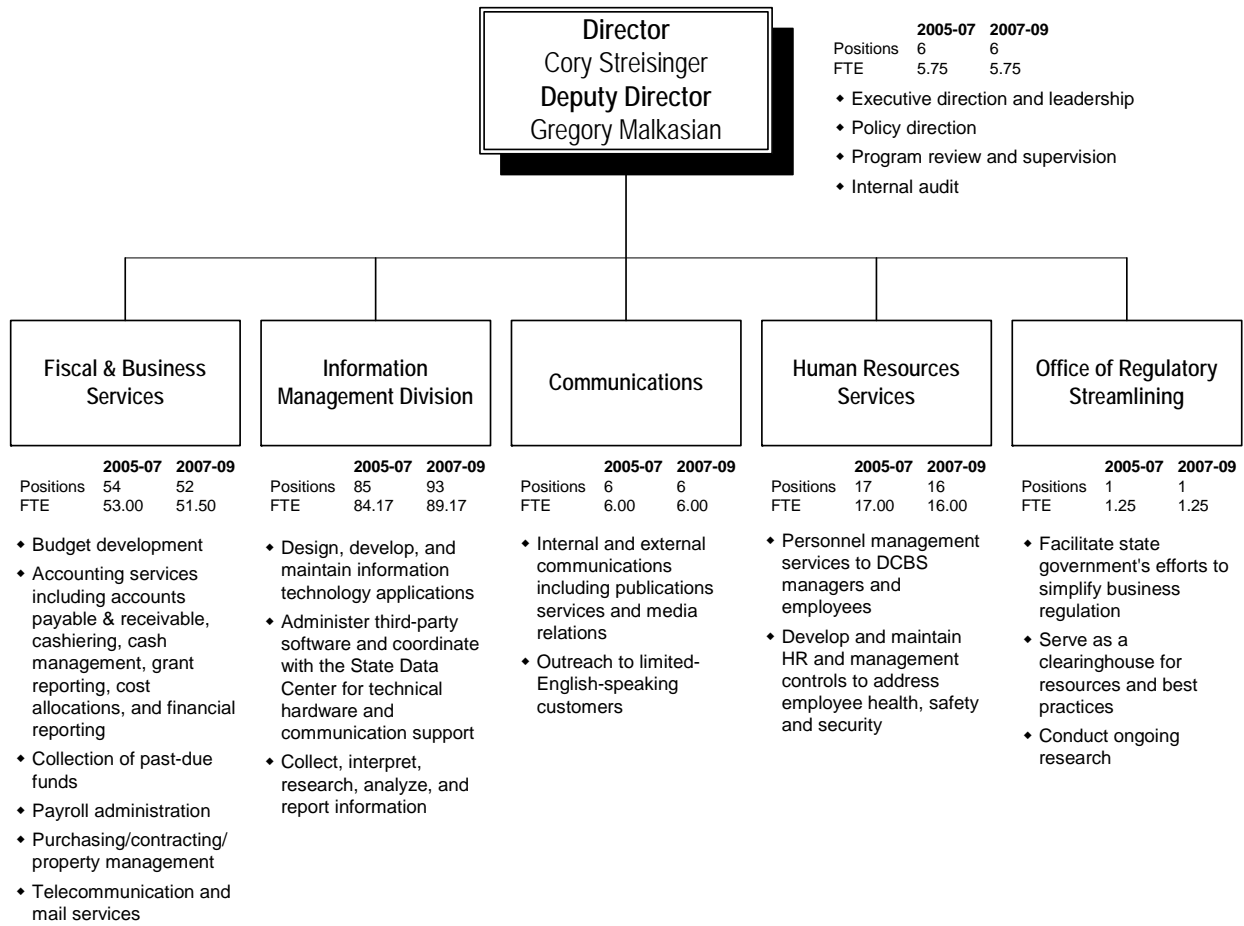


SHARED SERVICES



Shared Services	
2005-07 Approved	2007-09 Requested
169 Positions	174 Positions
166.17 FTE	169.67 FTE
\$31,354,359	\$36,770,131

SHARED SERVICES

What we do

As a large agency with diverse program responsibilities, the Department of Consumer & Business Services seeks to achieve consistency in its policy direction, program strategies, and operational management through the use of Shared Services to perform key functions and ensure accountability. This also reduces duplication of costs and effort, allowing program units to draw on common resources rather than maintain separate capacity. Shared Services at DCBS are performed by:

- Director's Office
 - Public Information and Communications Services
 - Human Resources Services
- Fiscal and Business Services
- Information Management Division

Program delivery

Department leadership is provided by the Director's Office. The director and deputy director provide general supervision over DCBS programs and divisions, as well as policy direction for the department. Included in the Director's Office are public information and communication services, the multicultural communications program, internal audit functions, the Office of Regulatory Streamlining, Human Resources Services, and a senior policy analyst.

The offices of the Ombudsman for Injured Workers and Small Business Ombudsman, while funded from workers' compensation revenue, report to the Director's Office to ensure independence in their roles as advocates for injured workers and small businesses.

Shared Services also include the department support functions of the Information Management Division and Fiscal and Business Services. The functions of these two divisions, along with the other Director's Office programs, are centralized so that resources and specialized expertise can be shared with all programs and divisions.

Accomplishments, 2005-2007

- Expanded the statewide License Directory, the most comprehensive online directory of state licenses and permits in the nation, to allow users to locate local and federal government licenses.
- Collected \$5 million in claim costs and penalties in FY 2006 from employers that failed to provide required workers' compensation coverage — a 90 percent increase over FY 2004. As a result, the department has been able to keep workers' compensation assessments low. Both the workers' compensation premium assessment and the Workers' Benefit Fund assessment rates will decline in 2007.
- During FY 2005, DCBS processed 10,930 e-commerce transactions or approximately 37 percent of its total credit card volume. This reduction in cashiering workload and other efficiencies allowed DCBS to reduce cashiering staff by one full-time employee.

SHARED SERVICES

- Provided more than 11,000 stakeholders and consumers a free e-mail notification service — a record high. Subscribers receive automatic e-mails from the department informing them that the topic they are following is updated on the DCBS Web site.
- Successfully moved the department's technology infrastructure to the State Data Center, which will improve security, service, and provide for enterprise solutions in the future.
- Worked with the department's Recruitment Outreach Advisory Council to increase the percentage of people of color in the agency's workforce, from 7.3 percent in 2004 to 9 percent in 2006, and implemented strategies to continue to recruit employees who reflect, understand, and value the diverse population of Oregon.
- Conducted research studies on major policy issues, such as workers' compensation care providers, the assigned risk pool, and recent changes to permanent partial disability benefits.
- Reduced the department's total workers' compensation claim costs by 27 percent since FY 2005 and 36 percent overall since FY 2002. In addition, the department's disabling claims have been kept to a minimum during the past two years. In FY 2005 there were three disabling claims; in FY 2006 there were two.

Anticipated results, 2007-09

The Shared Services units are helping the department improve service to its customers and supporting the department and division strategic and business initiatives. The following are examples:

- **Develop and maintain a sustainable work environment.**
 - Evaluate products and materials in use by the department for effectiveness, sustainability, and cost efficiency.
 - Complete a study on the benefits and costs of implementing an electronic document management system at DCBS.
- **Protect personal, sensitive, or confidential information.**
 - Improve access control systems and processes to ensure that sensitive information is only accessed by staff members who have a business need to do so.
 - Conduct, through the passage of HB 2252 proposed in the 2007 Legislature, nationwide fingerprint background checks on prospective employees, vendors, and contractors who, in the course of their work, will have significant access to personal identifying information, tax or financial information, and corporate systems.

Key performance measures and related outcomes

- *Percent of customer transactions completed electronically.* DCBS' goal is to streamline its business interactions by providing businesses with Internet options to conduct business with the agency. When data can be submitted electronically, the department is helping businesses to be more productive. With the Governor's emphasis on regulatory streamlining, DCBS set a more aggressive target for this measure. The 2009 target is to

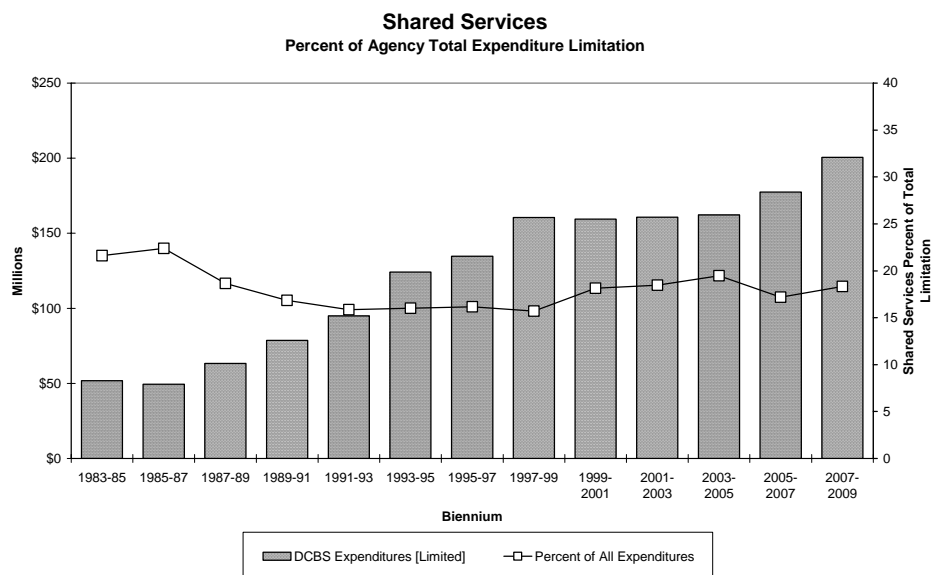
SHARED SERVICES

have 45 percent of transactions completed electronically. DCBS improved from 17 percent in FY 2002 to 39 percent in FY 2006.

- *Costs associated with DCBS workers' compensation time-loss claims.* DCBS' workers' compensation claim costs have declined 27 percent since FY 2005 and 36 percent overall since FY 2002.
- *Number of contacts from Oregonians with limited English proficiency.* Recognizing that the department has a responsibility to serve workers, consumers, and businesses regardless of the level of their English-language skills, the department provides translation, interpretation, and outreach services to communicate effectively with all Oregonians. In CY 2006, more than 8,000 customers with limited English proficiency contacted DCBS for information on a variety of subjects.
- *Number of customers accessing department business functions over the Internet.* Consumers, workers, and businesses rely on the DCBS Web sites for up-to-date program information, rules, publications, online services, etc. The number of customers who are subscribing to online services such as electronic notification continues to increase. DCBS currently has more than 11,000 subscribers.
- *Collection of debts owed to the department.* DCBS' target is to increase collection of total debts owed to the department by 10 percent biennium over biennium.

Administrative costs

DCBS' present configuration is the result of agency mergers, program changes, and workload increases that have led to increased size and complexity over the years. The department has maintained its Shared Services at a constant level relative to agency growth. This has been accomplished by centralizing those services where value can be added by responding to common needs among the program units. Generally, Shared Services provide a single point of accountability, economies of scale, and the ability to roll up information on a department-wide basis to achieve better decision-making.



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Cost saving measures, 2005-2007

- Continued the use of central application delivery of computer programs, allowing the department to purchase surplus personal computers and extend the useful life of existing PCs.
- Expanded a Web-based reporting system to reduce production costs and streamline report delivery.
- Expanded an e-mail notification system so customers can obtain documents online rather than in hard copy through the mail.
- Expanded an Internet survey system to reduce cost of collecting customer satisfaction and feedback information.
- Changed copier lease practices by extending lease length and right-sizing copiers.
- Switched service providers to reduce maintenance costs.
- Reduced the number of phone lines in use and changed conference room phones to outgoing calls only, eliminating line charges on those phones.

Revenues

Shared Services are funded primarily by revenue transfers from the various dedicated revenue sources within the department. A “charge back” process is used to transfer revenue from dedicated funds for actual services provided.

The Information Management Division receives federal funds through a Bureau of Labor Statistics grant from the U.S. Department of Labor. The grant is used to conduct an annual survey of work-related injuries and illnesses and to collect data for the census on fatal occupational injuries. An equal match from workers’ compensation premium assessment revenue is required. Federal funds are used to reimburse the Information Management Division for expenditures charged against its Other Funds expenditure limitation.

SHARED SERVICES

Governor's Recommended Budget

	Request	FTE
2005-07 Legislatively Adopted Budget	\$ 31,614,649	166.67
Base Budget Adjustments		
Net Cost of 2005-07 Position Actions:		
Administrative, Biennialized E-Board, Phase-outs	\$ 1,559,717	(3.00)
Estimated Cost of 2007-09 Merit Increase	\$ 432,563	-
Base Nonlimited Adjustment	\$ (2,334)	-
Subtotal: 2007-09 Base Budget	\$ 33,604,595	163.67
Essential Package 010 - Non-PICS Adjustments		
Vacancy factor adjustment.	\$ (164,868)	-
Non-PICS adjustments for unemployment, overtime, temporaries, and mass transit taxes calculated as .006 of base salaries and wages.	\$ 35,225	-
Essential Package 021/022 - Phase in/out	\$ -	-
Essential Package 030 - Cost Adjustment for Inflation and Price List		
Cost of Goods & Services Increase/(Decrease)	\$ 169,158	-
Increase/shift in State Government Service Charges.	\$ (519,422)	-
Essential Package 060 - Technical Adjustments	\$ 17,150	-
Subtotal: 2007-09 Essential Budget Level	\$ 33,141,838	163.67
Policy Packages		
Policy Package 161 - Statewide E-permitting System	\$ 3,886,249	6.00
Total: 2007-09 Governor's Recommended Budget	\$ 37,028,087	169.67

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Revenues and Disbursements

2007-09 Beginning Balance		\$ -
Revenues		
Workers' Comp Insurance Taxes	\$ 217,025	\$ -
Federal Revenues	\$ 217,025	\$ -
Business License & Fees	\$ 5,028	
Charges for Services	\$ 357,629	\$ -
Subtotal Revenues		\$ 796,707
Transfers		
Transfer In from Other Divisions for Services	\$ 36,838,117	\$ -
Subtotal Transfers		\$ 36,838,117
Available Funds		\$ 37,634,824
Budget		\$ 37,028,087
2007-09 Ending Balance		\$ 606,737