

**Report to the 73<sup>rd</sup> Legislative Assembly  
Pursuant to ORS 182.472 and ORS 192.245**

OREGON STATE BOARD  
OF  
GEOLOGIST EXAMINERS

January 10, 2005

Prepared by:  
Susanna R. Knight  
Administrator  
[osbge@osbge.org](mailto:osbge@osbge.org)

## Table of Contents

<b>1</b>	Audit
<b>2</b>	Public Hearing Process for Setting Budget; Budget
<b>3</b>	Fee Changes Fee Change Justification
<b>4</b>	Licenses
<b>5</b>	Complaints
<b>6</b>	Rules
<b>7</b>	Meetings and Work Sessions
<b>8</b>	Outreach & Publications
<b>9</b>	Revenue Increase Increase Expended
<b>10</b>	Discharging Lawful Responsibilities

**OREGON STATE BOARD OF GEOLOGIST EXAMINERS**

1193 Royvonne Avenue SE, #24, Salem, Oregon 97302  
Phone (503) 566-2837 Fax (503) 485.2947 Email: osbge@osbge.org

**October 18, 2004**

Susanna R. Knight, Administrator

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**Vicki S. McConnell, PhD, RG**  
**Acting State Geologist**

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vicki.mcconnell@dogami.state.or.us

**Terms:** Ex-Officio

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**David L. Michael, RG, CEG**

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801 Gales Creek Road  
Forest Grove OR 97116  
(503) 359-7448  
fax (503) 357-4548  
email: dmichael@odf.state.or.us

**Terms:** 11/18/99 to 11/17/2002  
11/18/2002 to 11/17/2005

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**Allen W. Morris, Public Member**

Bus: (503) 266-7844  
Email: allenmorris33@canby.com

**Terms:** 3/22/2004 to 1/24/2005

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**William N. Orr, PhD, RG**

Bus: University of Oregon  
Department of Geology  
1272 University of OR  
Eugene OR 97403-1272  
(541) 346-4577  
fax (541) 346-4692  
email: worr@darkwing.uoregon.edu

**Terms:** 1/25/99 to 11/17/1999  
11/18/1999 to 11/17/2002  
11/18/2002 to 11/17/2005

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**Gary L. Peterson, RG, CEG**  
**Board Chairman**

Bus: Squier|Kleinfelder  
15050 SW Koll Parkway, Suite L  
Beaverton, OR 97006-6028  
(503) 635-4419  
fax (503) 643-1905  
email: gpeterson@squier-kleinfelder.com

**Term:** 11/1/2000 to 10/31/2003  
11/1/2003 to 10/31/2006

.....

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**Eileen L. Webb, RG**  
**Board Vice-Chairman**

Bus: AMEC Earth & Environmental Inc.  
7477 SW Tech Center Drive  
Portland, Oregon 97223  
(503) 639-3400x419  
fax (503) 620-7892  
email: eileen.webb@amec.com

**Term:** 3/1/2002 to 2/28/2005

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Secretary of State

State of Oregon

**STATE BOARD OF GEOLOGIST EXAMINERS**

For the Three Years Ended June 30, 2003



**Audits Division**

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OFFICE OF THE  
SECRETARY OF STATE  
Bill Bradbury  
Secretary of State



AUDITS DIVISION  
Cathy Pollino  
State Auditor

(503) 986-2255  
FAX (503) 378-6767

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*Auditing for a Better Oregon*

The Honorable Theodore R. Kulongoski  
Governor of Oregon  
254 State Capitol  
Salem, Oregon 97301

The Board of Directors  
State Board of Geologist Examiners  
1193 Royvonne Avenue SE, No. 24  
Salem, Oregon 97302

This report contains audited financial statements of the State Board of Geologist Examiners, a semi-independent agency of the State of Oregon, as of and for the three years ended June 30, 2003, and a report on the State Board of Geologist Examiners' compliance with laws and regulations, contracts and grants and on internal control over financial reporting. The audit was performed by Grove, Mueller & Swank, P.C. for the Audits Division.

OREGON AUDITS DIVISION

Cathy Pollino  
State Auditor

**STATE BOARD OF  
GEOLOGIST EXAMINERS  
(A Semi-Independent Agency of the  
State of Oregon)  
FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION  
For the Three Years Ended June 30, 2003**

**STATE BOARD OF GEOLOGIST EXAMINERS**  
(A Semi-Independent Agency of the State of Oregon)  
**TABLE OF CONTENTS**

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**FINANCIAL SECTION**

Independent Auditor's Report	1
Financial Statements	
Balance Sheet	2
Statement of Revenues, Expenditures and Changes in Fund Balance	3
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	4
Notes to Financial Statements	5-7
Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance	8

**COMPLIANCE SECTION**

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	9
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**GROVE, MUELLER & SWANK, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
State Board of Geologist Examiners  
1193 Royvonne Avenue SE, #24  
Salem, Oregon 97302

Catherine E. Pollino, Director  
Oregon Audits Division  
255 Capitol Street NE, Suite 500  
Salem, Oregon 97310

We have audited the accompanying financial statements of the State Board of Geologist Examiners, a semi-independent agency of the State of Oregon, as of and for the three years ended June 30, 2003, as listed in the table of contents. These financial statements are the responsibility of the State Board of Geologist Examiners' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the State Board of Geologist Examiners as of June 30, 2003, and the results of its operations for the three years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2003, on our consideration of the State Board of Geologist Examiners' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit. That report is separately presented in the compliance section as listed in the table of contents.

The accompanying supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the State Board of Geologist Examiners. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

**GROVE, MUELLER & SWANK, PC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

By:

Charles A. Swank, A Shareholder  
October 18, 2003

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MEMBERS OF THE MCGGLADREY NETWORK • WORLDWIDE SERVICES THROUGH RSM INTERNATIONAL

**STATE BOARD OF GEOLOGIST EXAMINERS**  
**(A Semi-Independent Agency of the State of Oregon)**  
**BALANCE SHEET**  
**JUNE 30, 2003**

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**ASSETS**

Cash	\$	<u>139,531</u>
<i>Total Assets</i>	\$	<u>139,531</u>

**LIABILITIES AND FUND BALANCE**

**Liabilities**

Accounts payable	\$	1,771
Compensated absences		<u>410</u>
<i>Total Liabilities</i>		2,181

**Fund Balance**

Unreserved		<u>137,350</u>
<i>Total Liabilities and Fund Balance</i>	\$	<u>139,531</u>

**STATE BOARD OF GEOLOGIST EXAMINERS**  
**(A Semi-Independent Agency of the State of Oregon)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**THREE YEARS ENDED JUNE 30, 2003**

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**REVENUES**

Licenses and fees	\$ 367,095
Interest income	10,410
Other income	<u>403</u>
<i>Total Revenues</i>	377,908

**EXPENDITURES**

Licensing	314,038
Examinations	<u>35,076</u>
<i>Total Expenditures</i>	<u>349,114</u>

**EXCESS OF REVENUES OVER EXPENDITURES** 28,794

**FUND BALANCE, July 1, 2000** 108,556

**FUND BALANCE, June 30, 2003** \$ 137,350

*The accompanying notes are an integral part of the financial statements.*

**STATE BOARD OF GEOLOGIST EXAMINERS**  
**(A Semi-Independent Agency of the State of Oregon)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**THREE YEARS ENDED JUNE 30, 2003**

	<u>Actual</u>	<u>Budget</u>	<i>Variance Favorable (Unfavorable)</i>
<b>REVENUES</b>			
Licenses and fees	\$ 367,095	\$ 333,973	\$ 33,122
Interest income	10,410	16,440	( 6,030)
Other income	403	5,400	( 4,997)
<i>Total Revenues</i>	<u>377,908</u>	<u>355,813</u>	<u>22,095</u>
<b>EXPENDITURES</b>			
Personal services	174,573	169,466	( 5,107)
Services and supplies	<u>174,541</u>	<u>194,403</u>	<u>19,862</u>
<i>Total Expenditures</i>	<u>349,114</u>	<u>363,869</u>	<u>14,755</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	28,794	( 8,056)	36,850
<b>FUND BALANCE, July 1, 2000</b>	<u>108,556</u>	<u>108,556</u>	<u>-</u>
<b>FUND BALANCE, June 30, 2003</b>	<u>\$ 137,350</u>	<u>\$ 100,500</u>	<u>\$ 36,850</u>

*The accompanying notes are an integral part of the financial statements.*

## **STATE BOARD OF GEOLOGIST EXAMINERS**

**( Semi-Independent Agency of the State of Oregon)**

**NOTES TO FINANCIAL STATEMENTS**

**THREE YEARS ENDED JUNE 30, 2003**

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### **NATURE OF THE ORGANIZATION**

The State Board of Geologist Examiners' objective is to safeguard the health, welfare, and property of Oregonians affected by the geologic fields of ground water, land-use planning, mineral exploration and development, geologic hazards and the further development of the science of geology. The Board has the authority to determine qualifications, examine and register geologists, certify those with engineering specialty, grant reciprocity for comparable requirements in other states, and suspend, revoke or refuse to renew registration or certification and assess civil penalties when warranted.

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### *Reporting Entity*

The State Board of Geologist Examiners (the Board) is a semi-independent agency of the State of Oregon. The Board operates under Oregon Revised Statutes (ORS) Chapter 672.505 - 672.991. The Board consists of five members appointed by the governor for three-year terms. Four members are registered geologists, and the fifth member is a public citizen. The State Geologist is an ex officio member of the Board. The Board examines applicants for licensure and imposes disciplinary proceedings against those who violate statutes. The Board also makes rules and enforces professional standards for the practice of geology in Oregon.

Pursuant to Oregon Senate Bill 546 adopted in 1997, the Board was granted semi-independent status by the Legislature; revised by Oregon Senate Bill 1127 in 1999.

#### *Basis of Presentation*

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities. The accounts of the Board are organized in a single fund which is used to account for the Board's activities. Revenues are from license fees, civil penalties and interest income.

#### *Basis of Accounting*

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. All funds of the Board are accounted for on the flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues) and decreases (i.e., expenditures) in net current assets. Long-term assets and liabilities would be accounted for in account groups.

The Board uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets, except for licensee fees which are recognized when received. Expenditures are recognized under the modified accrual basis of accounting when the related liability is incurred.

#### *Budget*

The Board is required to adopt budgets on a biennial basis. The Board may adopt or modify a budget only after holding a public hearing and must give notice of budget hearings to all licensees.

**STATE BOARD OF GEOLOGIST EXAMINERS**  
**(A Semi-Independent Agency of the State of Oregon)**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**THREE YEARS ENDED JUNE 30, 2003**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Budget (Continued)*

Unlike most budgets in state government where the agency budgets are enacted into law by the legislature, the Board's budget is not subject to review and approval by the legislature or to future modification by the legislature or the Emergency Board. For this reason, the budgets adopted by the Board are considered to be a nonappropriated budget. The budgetary statement included herein compares the total of annualized nonappropriated budgets for fiscal years 2001, 2002 and 2003 to actual expenditures for the three years ended June 30, 2003.

*Supplies*

Supplies are charged as expenditures when purchased.

*License Fees*

License fees are billed monthly for an annual period based upon anniversary date. Fees are recognized when collected.

*Compensated Absences*

Full-time, permanent employees are granted paid time off benefits of varying amounts to specified maximums depending on tenure with the Board.

*Equipment*

Equipment with a cost of more than \$5,000 is depreciated over its useful life. Currently, the Board does not have any equipment with a cost basis greater than \$5,000.

*Accounting Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions which affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**DEPOSITS AND CASH EQUIVALENTS**

The Board's deposits at year-end are covered by federal depository insurance and a collateral agreement. The Federal Deposit Insurance Corporation generally limits insurance to \$100,000 of deposits. Monies in excess of this amount were not secured at times during the period by a certification of participation in the State of Oregon collateral pool as required by Oregon Revised Statutes.

The Board of Directors has adopted the State of Oregon's investment policies which restrict investment types and maturities.

**STATE BOARD OF GEOLOGIST EXAMINERS**  
**(A Semi-Independent Agency of the State of Oregon)**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**THREE YEARS ENDED JUNE 30, 2003**

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**PENSION PLAN**

The Board employees participate in the Oregon Public Employees Retirement System (PERS), a cost sharing multiple-employer defined benefit pension plan. All Board employees are eligible to participate in the system after completing six months of service. Total payroll was \$131,920 and covered payroll was \$131,920 for the three years ended June 30, 2003. PERS is administered by the Public Employees Retirement Board (PERB) under the guidelines of Oregon Revised Statutes, Chapter 238. The PERS retirement allowance, payable monthly for life, may be selected from thirteen retirement benefit options. Options include survivorship benefits and lump sum refunds. The basic benefit formula is 1.67 percent of a member's final average salary multiplied by the member's number of years of service. Benefits may also be calculated under either a money match or an annuity-plus-pension computation if a greater benefit results. PERS also provides death and disability benefits. A copy of the Oregon Public Employees Retirement System annual financial report may be obtained from PERS, P.O. Box 23700, Tigard, Oregon 97281-3700.

Covered employees are required by State statute to contribute 6.0 percent of their salary to the plan. The Board is required by statute to contribute actuarially computed amounts as determined by PERB. Rates are subject to change as a result of subsequent actuarial valuations. Currently, the rate is 9.49 percent of each covered employee's salary. The amount contributed by the Board for the three years ended June 30, 2003, was \$21,407, which was equal to the required contributions for the three years.

**EMPLOYEE LEAVE**

Sick leave is earned at the rate of eight hours per month with no maximum limit. Accumulated sick leave at June 30, 2003 can be used in case of an employee's extended illness or injury. When the employee retires, any sick leave accrual terminates and no compensation is made for such hours. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

Vacation time is earned, subject to a maximum accumulation of 250 to 350 hours depending on employee classification, at a rate of eight hours per month to 17.34 hours per month depending on employee classification and length of service. The time off is vested when earned and recorded as an expenditure. Accumulated paid time off, based on current salary rates, was \$410 at June 30, 2003.

**INSURANCE**

Insurance programs are administered for the Board by the Risk Management Division of the Oregon Department of Administrative Services, which provides insurance coverage to all state agencies with a blanket honesty and faithful performance bond, general liability and vehicle liability self-insurance, and self-insurance property damage program.

The cost of servicing insurance claims and payments is covered by charging an assessment to each State entity based upon its share of services provided in a prior period.

**LEASE COMMITMENT**

The Board leases space under a one year lease expiring May 1, 2004. Total lease payments for the three years ended June 30, 2003 were \$19,158. Future minimum lease payments for the year ending June 30, 2004 is \$3,880.

***SUPPLEMENTAL INFORMATION***

**TATE BOARD OF GEOLOGIST EXAMINERS**  
**(A Semi-Independent Agency of the State of Oregon)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**THREE YEARS ENDED JUNE 30, 2003**

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**REVENUES**

**Licenses and fees**

Renewal fees	\$ 309,605
Examination fees	39,675
Late payment fees	2,010
Other fees	<u>15,805</u>

*Total Licenses and Fees* 367,095

**Interest Income**

10,410

**Other Income**

403

*Total Revenues* 377,908

**EXPENDITURES**

**Personal Services**

Employee payroll	131,510
Board stipend	2,130
Payroll taxes and benefits	17,487
PERS	21,407
Accrued employee leave	410
Other	<u>1,629</u>

*Total Personal Services* 174,573

**Services and Supplies**

Bank fees	808
Government services	7,691
Rent	19,807
Examinations	25,700
Dues	8,900
Advertising	2,471
Travel	23,735
Office expenses	18,873
Telecommunications	3,236
Data processing	5,604
Training	3,173
Professional services	53,902
Capital outlay	<u>641</u>

*Total Services and Supplies* 174,541

*Total Expenditures* 349,114

**EXCESS OF REVENUES OVER (UNDER)  
EXPENDITURES**

28,794

**FUND BALANCE, July 1, 2000**

108,556

**FUND BALANCE, June 30, 2003**

\$ 137,350

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

Board of Directors  
State Board of Geologist Examiners  
1193 Rayvonne Avenue SE, #24  
Salem, Oregon 97302

Catherine E. Pollino, Director  
Oregon Audits Division  
255 Capitol Street NE, Suite 500  
Salem, Oregon 97310

We have audited the financial statements of State Board of Geologist Examiners as of and for the three years ended June 30, 2003, and have issued our report thereon dated October 18, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Compliance***

As part of obtaining reasonable assurance about whether State Board of Geologist Examiners' financial statements are free of material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*. Monies in excess of the Federal Deposit Insurance Corporation (FDIC) limit were not secured at times during the year. As of the date of this report, the Board has secured a certificate of participation to comply with the required Oregon Revised Statutes.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered State Board of Geologist Examiners, internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might constitute material weaknesses. A material weakness is a condition in which the design or operation of one or more of the specific internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the combined financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting that we consider to be material weaknesses.

This report is intended solely for the information and use of State Board of Geologist Examiners, the Governor of State of Oregon, and Oregon Legislative Assembly, and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS

Salem, Oregon  
October 18, 2003

## **FACTS ABOUT THE SECRETARY OF STATE AUDITS DIVISION**

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The Oregon Constitution provides that the Secretary of State shall be, by virtue of his office, Auditor of Public Accounts. The Audits Division exists to carry out this duty. The division reports to the elected Secretary of State and is independent of the Executive, Legislative, and Judicial branches of Oregon government. The division audits all state officers, agencies, boards, and commissions and oversees audits and financial reporting for local governments.

### **Directory of Key Officials**

<i>State Auditor</i>	Cathy Pollino, CGFM, MBA
<i>Deputy State Auditor</i>	Charles A. Hibner, CPA
<i>Deputy State Auditor</i>	Mary E. Wenger, CPA

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Salem, Oregon 97310

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<http://www.sos.state.or.us/audits/audithp.htm>

***Auditing to Protect the Public Interest and Improve Oregon Government***

## **2003-2005 Budget Hearing Process**

(OAR 809-010-0025)

- **January/February, 2003:** The Administrator drafted the 2003-2005 Budget.
- **March 10, 2003:** The budget was reviewed and reworked by the Board at the Work Session.
- **April 2003:** All registrants were noticed of the PROPOSED RULEMAKING HEARING in the quarterly newsletter.
- **June 9, 2003:** A Public Hearing was called to order by Board Chairman David Michael. All Board members were present. No registrants presented oral or written comments for the record.
- **June 9, 2003:** The Board officially adopted the proposed rule change for the budget at the regularly scheduled quarterly meeting.
- **June 13, 2003:** Rule adopting budget was submitted to the Administrative Rules Unit.

Oregon State Board of Geologist Examiners

**Budget for 2003-2005 Biennium**

Adopted June 9, 2003

PERSONAL SERVICES		1ST YEAR	2ND YEAR	Total
<b>PERSONAL SRVC TOTAL</b>		<b>67864.00</b>	<b>68,848.00</b>	<b>136,712.00</b>
SERVICES&SUPPLIES	Item	1ST YEAR	2ND YEAR	
	<b>Rent</b>	2,346.00	2,435.00	4,781.00
	<b>Telecommunications</b>	1,640.00	1,668.00	3,308.00
	<b>Office Expenses</b>	9,944.00	10,212.00	20,156.00
	<b>Professional Meetings</b>	10,508.00	9,996.00	20,504.00
	<b>Bank Charges</b>	310.00	330.00	640.00
	<b>Other Government</b>			
	Attorney General	12,000.00	12,990.00	24,990.00
	Audit/Accounting	4,000.00	-	4,000.00
	Government Services	360.00	360.00	720.00
	<b>Insurances</b>			
	Liability	100.00	100.00	200.00
	Property	500.00	500.00	1,000.00
	<i>sub-total</i>	16,960.00	13,950.00	30,910.00
	<b>Contract Services</b>			
	Exam	9,450.00	9,450.00	18,900.00
	Payroll Provider	600.00	640.00	1,240.00
	Programmer	8,000.00	2,500.00	10,500.00
	<i>sub-total</i>	18,050.00	12,590.00	30,640.00
	<b>Property</b>			
	Computer	-	-	-
	Printer/Supplies	1,088.00	1,120.00	2,208.00
	Office Furniture	-	-	-
	<i>sub-total</i>	1,088.00	1,120.00	2,208.00
<b>Srvcs&amp;Supplies Total</b>		<b>60,846.00</b>	<b>52,301.00</b>	<b>113,147.00</b>
		<b>1ST YEAR</b>	<b>2ND YEAR</b>	<b>TOTAL BUDGET</b>
<b>TOTAL S&amp;S AND PS</b>		<b>128,710.00</b>	<b>121,149.00</b>	<b>249,859.00</b>
	<b>Exam</b>	11,750.00	11,750.00	23,500.00
	<b>Renewals</b>	101,976.00	101,976.00	203,952.00
	<b>Miscellaneous</b>	7,148.00	7,148.00	14,296.00
		<b>120,874.00</b>	<b>120,874.00</b>	<b>241,748.00</b>
<b>Total Expenses</b>		128,710.00	121,149.00	249,859.00
		(7,836.00)	(275.00)	(8,111.00)

Oregon State Board of Geologist Examiners  
**Budget for the 2001-2003 Biennium**  
 Adopted March 13, 2001

PERSONAL SERVICES		1ST YEAR	2ND YEAR	Total
<b>PERSONAL SRVC TOTAL</b>		<b>57,353.68</b>	<b>62,765.17</b>	<b>120,118.85</b>
SERVICES&SUPPLIES	Item	1ST YEAR	2ND YEAR	
	<b>Rent</b>	6,804.00	13,900.00	20,704.00
	<b>Telecommunications</b>	1,896.00	1,936.00	3,832.00
	<b>Office Expenses</b>	9,600.00	9,820.00	19,420.00
	<b>Professional Meetings</b>	10,056.00	10,652.00	20,708.00
	<b>Bank Charges</b>	1,484.00	1,560.00	3,044.00
	<b>Other Government</b>			
	Attorney General	12,000.00	12,990.00	24,990.00
	Audit/Accounting	4,000.00	4,120.00	8,120.00
	<b>Insurances</b>			
	Liability	351.00	-	351.00
	Property	750.00	-	750.00
	<i>sub-total</i>	17,101.00	17,110.00	34,211.00
	<b>Contract Services</b>			
	Exam	9,000.00	9,600.00	18,600.00
	Payroll Provider	600.00	640.00	1,240.00
	Programmer	3,600.00	3,708.00	7,308.00
	<i>sub-total</i>	13,200.00	13,948.00	27,148.00
	<b>Property</b>			
	Computer	-	2,100.00	2,100.00
	Printer/Supplies	-	600.00	600.00
	Office Furniture	-	-	-
	<i>sub-total</i>	-	2,700.00	2,700.00
<b>Srvcs&amp;Supplies Total</b>		<b>60,141.00</b>	<b>71,626.00</b>	<b>131,767.00</b>
		1ST YEAR	2ND YEAR	TOTAL BUDGET
<b>TOTAL S&amp;S AND PS</b>		<b>117,494.68</b>	<b>134,391.17</b>	<b>251,885.85</b>
	<b>Exam</b>	10,600.00	10,600.00	21,200.00
	<b>Renewals</b>	95,040.00	94,390.00	189,430.00
	<b>Miscellaneous</b>	7,280.00	7,280.00	14,560.00
		<b>112,920.00</b>	<b>112,270.00</b>	225,190.00
<b>Total Expenses</b>		117,495.00	134,391.17	251,886.17
		(4,575.00)	(22,121.17)	(26,696.17)

Oregon State Board of Geologist Examiners

**Budget for 1999-2001 Biennium**

Adopted April 9, 1999

<b>PERSONAL SERVICES</b>	<b>ITEM</b>	<b>1ST YEAR</b>	<b>2ND YEAR</b>	<b>TOTAL BUDGET</b>
<b>BdMem</b>	BdMem Stipends	300.00	360.00	660.00
	FICA	18.60	22.32	40.92
	MEDR	4.40	5.28	9.68
	WCD	0.30	0.36	0.66
<b>BdMem sub-total</b>		<b>323.30</b>	<b>387.96</b>	<b>711.26</b>
<b>Staff</b>	Staff Salary	33886.08	34902.68	68788.76
	SS Taxes	2710.88	2876.20	5587.08
	SEBB	4524.00	4660.00	9184.00
	PERS	4978.56	5279.84	10258.40
	TempHelp	1200.00	1240.00	2440.00
<b>Staff sub-total</b>		<b>47299.52</b>	<b>48958.72</b>	<b>96258.24</b>
<b>PERSONAL SRVC TOTAL</b>		<b>\$ 47,622.82</b>	<b>\$ 49,346.68</b>	<b>\$ 96,969.50</b>
<b>SERVICES&amp;SUPPLIES</b>	<b>Item</b>	<b>1ST YEAR</b>	<b>2ND YEAR</b>	<b>TOTAL BUDGET</b>
	<b>Rent</b>	6300.00	6600.00	12900.00
	<b>Telecommunications</b>			6150.00
	Phone/local	720.00	744.00	1464.00
	Phone/Ingdst	420.00	432.00	852.00
	Phone/taxes	96.00	100.00	196.00
	E-mail Service	264.00	272.00	536.00
	Fax Line	300.00	309.00	609.00
	Web Page	1875.00	618.00	2493.00
	<b>Office Expenses</b>			
	Copy Machine	1100.00	1133.00	2233.00
	Desk Supplies	600.00	618.00	1218.00
	Paper Supplies	400.00	412.00	812.00
	<b>Dues/Subscriptions</b>	2900.00	2900.00	5800.00
	<b>Postal Charges</b>	1200.00	1200.00	2400.00
	<b>Newsletter</b>	3200.00	3296.00	6496.00
<b>Professional Meetings</b>				
	In-State Travel	1053.00	1230.00	2283.00
	Out-of-State Travel	2000.00	2024.00	4024.00
	In-State Meal&Lodging	847.50	900.00	1747.50
	Out-of-State MI&Ldgng	2850.00	2470.00	5320.00
	Registration Fees	960.00	900.00	1800.00
	Staff Training	500.00	500.00	1000.00
	Misc Expenses	700.00	700.00	1400.00
<b>Bank Charges</b>	Service Charges	444.00	456.00	900.00
	Deposit Charges	668.00	688.00	1356.00
<b>Other Government</b>	Attorney General	12000.00	12360.00	24360.00
	Audit	4000.00	4120.00	8120.00
<b>Insurances</b>	Liability	351.00	0.00	351.00
	Property	750.00	0.00	750.00
<b>Contract Services</b>	Exam	12000.00	12000.00	24000.00
	Investigator	1200.00	1240.00	2440.00
	Payroll Provider	440.00	456.00	896.00
	Programmer	3600.00	3708.00	7308.00

Oregon State Board of Geologist Examiners

**Budget for 1999-2001 Biennium**

Adopted April 9, 1999

	Contract Services			
<b>Property</b>	Computer	2100.00	0.00	2100.00
	Printer/Supplies	900.00	0.00	900.00
	Office Furniture	1050.00	0.00	1050.00
	Misc Office Equipment	200.00	250.00	450.00
<b>Srvcs&amp;Supplies Total</b>		\$ 67,788.50	\$ 62,636.00	\$ 130,564.50
<b>TOTAL S&amp;S AND PS</b>		\$ 115,411.32	\$ 111,982.68	\$ 227,534.00

## **FEE CHANGE**

Only one fee change occurred during the 2002 and 2003 calendar years. Effective August 5, 2004, a \$25.00 fee was established for verifying an exam score for exam candidates who do not choose to register with the Oregon Board. This fee has not yet been assessed.

## **JUSTIFICATION OF FEE CHANGE**

The national examination for registration is offered on two separate exam dates each year. The state of California has chosen to offer the examination only one time. Some Oregon examination candidates are not seeking registration in Oregon. They are only seeking to pass the examination for registration elsewhere. Although the Oregon Board has been very cooperative in allowing any eligible candidate to sit for the examination, when those candidates choose not to register in Oregon, the responsibility continues for Oregon to be the caretaker of their examination results. This fee will assess such examination candidates for the responsibility placed on the Oregon Board. It will be assessed whenever examination results are released as requested by the candidate.

## **Registration Information for 2003 and 2004**

The total number of active registrants remains close to what was reported to the 72<sup>nd</sup> Legislative Assembly. At that time the total was 1198; now the count is 1204. However, with an updated database system and due diligence at renewal time, we are now able to categorize our registrants. This is especially important for budgeting purposes, as the Retired Geologist pay an annual fee of \$10.00 versus \$75.00 for those not retired. The annual fee for retired CEG registrants is \$10.00 versus \$50.00 for those not retired. (Designation of retired status is acquired upon reaching age 70. Many continue to actively practice with this status.)

### **Total Registered Geologists (RG): 1081**

Registered Geologists with the Certified Engineering Geology (CEG) specialty license: 282

### **Total Retired Geologists: 68**

Retired Geologists with the Certified Engineering Geology specialty license: 36

### **Total Geologist-in-Training (GIT): 55**

The Board administers the national Association of State Boards of Geology (ASBOG) examination two times each year for registration purposes. The Board candidates have continued to score above the national average in both the fundamental and practice sections of the examination. A total of 95 applications for the ASBOG fundamental examination were processed. A total of 65 applications for the ASBOG practice examination were processed. In addition, a total of 69 candidates sat for the Oregon Geology examination. This examination is administered four times each year. From those candidates submitting applications, 39 new GIT's were added to the Board's roster and 40 new RG's were added. The Board also practices Cooperative registration for applicants passing the ASBOG examination in another state. Seven new registrants were added via Cooperative registration.

The Board also administers a Certified Engineering Geology examination two times each year. The Washington and Oregon Boards jointly own this examination. Twelve candidates applied this past year and nine new CEGs were added to the Board's roster. In addition, two candidates became registered as CEGs by Cooperative registration.

No licenses were revoked or suspended during this two-year period. The Board is currently involved in mediation with a Registered Geologist.

**COMPLAINTS**

Following the 71<sup>st</sup> Legislative Assembly, the Oregon Board of Geologist Examiners (OSBGE) and the Oregon Board of Examiners for Engineering and Land Surveying (OSBEELS) began working together to develop a Memorandum of Understanding (MOU). The purpose of the MOU was to establish a procedure for dealing with complaints against registrants practicing in an overlapping practice arena. Numerous meetings over the past two years have been convened. Through this process, OSBEELS has determined that they lack authority for disciplining Professional Engineers (PEs) for practicing geology. The statutes governing OSBGE exempt PEs so the MOU Committee has identified that a gap in the practice arena. OSBEELS is taking the lead in developing statutory language that will protect the public from poor practice of geology by PEs. This process has led to delays in closing cases reviewed by the Joint Committee.

**1999**

One MOU complaint was closed by OSBEELS. OSBGE has not acted on this.

**2001**

Two MOU complaints were closed by OSBEELS. OSBGE has not acted on these.

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**2003**

Eight new complaints were brought to the Board’s attention during this calendar year. Of these eight complaints, seven have been closed. One is in an ongoing mediation. Cases were closed as follows:

**Closed Cases: 7**

3 Cases	Closed with issuance of Letter of Concern
2 Cases	Closed with issuance of Informational Letter regarding the regulation of the practice of geology here in Oregon
1 Case	Closed by combining with another complaint against the same registrant
1 Case	Closed; company is out of business.

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**2004**

Four new cases were opened in this calendar year. Of these four cases, one was closed, two were referred to the Joint Committee, and one is under review.

**Closed Cases: 1**

1 Case	Closed with issuance of an Informational Letter regarding the regulation of the practice of geology here in Oregon.
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**Oregon State Board of Geologist Examiners**  
 Oregon Administrative Rules Adopted, Amended, Repealed and Suspended  
 from January 1, 2003 to December 31, 2004

OAR #	Effective Date	Adopted	Amended	Repealed	Suspend	Description
809-050-0030	4/3/2003			x		Public testimony rule
809-010-0025	7/1/2003		x			Amend the operating budget for the 2003-05 biennium
809-001-0005	6/23/2004		x			New edition of Model Rules adopted
809-001-0000	6/23/2004		x			Clarify procedure for permanent rules versus temporary rules
809-001-0035	6/23/2004	x				Confidentiality and Inadmissibility of Mediation Communications
809-030-0015	8/5/2004		x			Describe what university professors can use as work experience
809-050-0000	8/5/2004		x			Include guidance in use of electronic stamps for documents
809-010-0001	8/5/2004		x			\$25 fee for verifying exam scores for nonregistered exam candidates
809-003-0000	10/19/2004		x			Added the definiton of public proceeding and revised the definition of misconduct
809-050-0050	10/19/2004	x				Mandates that all applicants provide their social security number

Oregon State Board of Geologist Examiners  
Public Meetings, Work Sessions, Other Meetings

**2003**

**2004**

<b>2003</b>		<b>2004</b>	
<b>Date</b>	<b>Type and Location</b>	<b>Date</b>	<b>Type and Location</b>
3/10/2003	Work Session, Salem	3/11/2004	Work Session, Salem
3/10/2003	Rules Hearing, Salem	3/11/2004	Regular Meeting, Salem
3/10/2003	Regular Meeting, Salem	4/12/2004	Special Board Meeting, Salem
6/9/2003	Work Session, Salem	5/5/2004	Special Board Meeting, Salem
6/9/2003	Rules Hearing, Salem	6/5/2004	Work Session, Baker City
6/9/2003	Regular Meeting, Salem	6/6/2004	Regular Meeting, Baker City
9/10/2003	Work Session, Salem	9/14/2004	Work Session, Salem
9/10/2003	Regular Meeting, Salem	9/14/2004	Regular Meeting, Salem
12/10/2003	Work Session, Eugene, U of O	12/7/2004	Work Session, Corvallis, OSU
12/10/2003	Regular Meeting, Eugene, U of O	12/7/2004	Regular Meeting, Corvallis, OSU
<b>Totals for 2003</b>	4 Regular Meetings	<b>Totals for 2004</b>	4 Regular Meetings
	4 Work Sessions		4 Work Sessions
	2 Rules Hearings		2 Special Meetings

## **OUTREACH**

### **Newsletter**

The newsletter is published four times each year. It is U.S. Mailed to all our registrants, to all Oregon cities over 9000, to all Oregon counties, and to those names on our public mailing list. The newsletter provides names of new registrants as well as listing registrant names with lapsed registrations. The newsletter has been a powerful tool for keeping registrants updated on compliance cases. It is also used to annually provide the Board's CODE OF CONDUCT and to remind registrants of their responsibility to provide information to the Board of unlicensed practitioners. In addition, the quarterly newsletter is forwarded to each university geology department chairperson. The chairperson is asked to post the newsletter so that is available to college students.

### **University**

Campus exposure by the Board is critical. Future Registered Geologists are on college campuses. It is important that they are aware that the profession they are choosing is regulated. The Board is on course to meet on every major university campus in Oregon. In 2003, the December Board meeting was held at the University of Oregon, Eugene. In 2004, the Board meeting was held at Oregon State University, Corvallis. Future Board meeting locations include Southern Oregon University, Ashland and Western Oregon University, Monmouth. A rotation schedule has been established so that the Board will annually meet on a university campus.

For the second consecutive year, the Board spoke with an Oregon State University class. Information about the regulation of the practice as well as information about the examination process was shared. The Board hopes to make the presentation to more university campuses.

### **Website**

The website continues to be our major source of information, not only for registrants, but for anyone interested in the regulation of geology. All meeting minutes, newsletters, application forms, and reports and guidelines of the Board are available on the web page. In addition, answers to most frequently asked questions as well as a registrant list are posted on the web.

### **Additional Outreach**

The Board held their June 2004 meeting in Baker City. Notices were directed to registrants living within an hour radius. Newspapers within that radius were also provided with the Meeting Notice. No registrants or public chose to attend. The Board set policy following that meeting to make the university campus meeting the "outstate" meeting each year.

## REVENUE INCREASE; REVENUE EXPENDED

Revenue Source	1999-2001	2001-2003	Difference
Application Fee	4,050.00	7,050.00	+3,000.00
CEG Examination Fee	780.00	1850.00	+1070.00
RG License Renewal Fee	166,523.00	170,709.00	+4,186.00
Restoration Fee	2,651.00	4,750.00	+2,099.00
Over 70 RG Renewal Fee	1100.00	1390.00	+290.00
Over 70 CEG Renewal Fee	710.00	660.00	-50.00
Interest Income	10,565.56	4,977.09	-5,588.47
<b>TOTALS</b>	<b>186,379.56</b>	<b>191,386.09</b>	<b>5,006.53</b>

The above figures reflect that numerous revenue sources did show an increase. Although license renewal fees were not increased, the total income from those fees did increase. This was partially due to new registrants, and partially due to lapsed registrants who chose to activate their registration. However, you will note the substantial decrease in interest income that offset the renewal fee increase.

Another trend noted in the Revenue Source comparisons above is the increase in the over 70 RG Renewal Fee of \$290.00. This means that 29 more registrants have moved from the annual fee of \$75.00 to an annual fee of \$10.00. That is actually a decline in projected income of \$2175.00 during the biennium.

There was an overall increase in revenue from the 1999-2001 to 2001-2003 biennium of \$4,302.42. During the 2001-2003 biennium, the Board incurred \$30,541.73 of Attorney fees. This was up from \$20,543.56 during the 1999-2001 biennium. This was where the increased revenue was expended during the 2001-2003 biennium.

As a semi-independent state agency, the Board is not eligible to borrow money through the Emergency Board process. In 1999, the Board established the need to build a reserve to cover a six-month operating budget and a fund for compliance hearing costs. The overall net income of \$17,305.57 during the 2001-2003 biennium is set aside in the reserve account.

## DISCHARGING LAWFUL RESPONSIBILITIES

The Board continues to discharge all lawful responsibilities. The following list includes many of the responsibilities the Board discharged during the past two years.

**ORS 672.525** directs the Board to oversee the practice, including dealing with non-registered geologist. The Board solicits assistance from Registered Geologists to act as eyes and ears of the Board in the practice community. Through the compliance process, four letters were issued during the past two years informing non-registered individuals about the practice of geology.

**ORS 672.545** allows the practice of geology by certain other professionals. The Board has pressed onward through the Memorandum of Understanding to seek resolution to complaints against Professional Engineers. The Joint Committee has met to discuss and settle various cases. And through these discussions, a practice gap was identified. The Board anticipates that a statutory change will occur during the 73<sup>rd</sup> Legislative Session to correct this gap.

**ORS 672.555** requires that applicants meet certain qualifications. In recent years, the Board discovered that some applicants with a geology degree do not have the minimum number of geology hours required of those not having a degree. The Board attempted to correct this qualification concern during the 72<sup>nd</sup> Legislative Assembly but the bill did not make it out of committee. SB80 is in the pipeline for the 73<sup>rd</sup> Legislative Assembly. The Board is hopeful that this bill will move forward.

**ORS 672.565** allows for the establishment of Professional Affairs Committee. A very active Hydrogeology Report Guideline Committee is currently developing a document. A Professional Practice Committee is developing a White Paper which discuss various practice arenas in the field of geology.

**ORS 672.595** allows for individuals registered in other states to use those qualifications to register in Oregon. During this reporting period, 7 Geologists and 2 Engineering Geologists registered via this statute.

**ORS 672.615** requires that the Board hold at least two meetings per year. The Board met quarterly during both years. Meeting days included both an informal work session and a formal meeting. In addition, two special meetings were convened. Two Board Member changes have occurred during the reporting period. The State Geologist retired and the newly appointed State Geologist Vicki McConnell is now serving in the ex-officio capacity. In addition, the public member moved out of state after serving for five years. An immediate appointment was made to complete the one-year remaining in the term. Board members are very committed and absences are almost nonexistent.

**ORS 672.635** requires that records of all proceedings be maintained. Such records are available on the Board's website ([www.osbge.org](http://www.osbge.org)). The Legislative Fiscal Office (LFO) conducted a review of eight semi-independent Boards during the summer of 2004. The LFO

auditor spent time perusing the minutes and other documents on file in the Board office. The final report of that review can be located at:

[http://landru.leg.state.or.us/comm/lfo/Dec\\_04\\_Agenda\\_Materials\\_Audit.pdf](http://landru.leg.state.or.us/comm/lfo/Dec_04_Agenda_Materials_Audit.pdf).

The Board was also audited by the Secretary of State for a three years period ending June 30, 2003. A copy of that audit is enclosed with this report.

**ORS 672.665** directs the Board to review any charges brought against a geologist. The Board is currently in mediation with a Registered Geologist due to a citizen complaint.

**ORS 672.690** allows the Board to issue civil penalties. The Board issued one civil penalty during the reporting period. However, the company is located in Washington State and the Board has been unable to collect on the penalty.

## **ADDITIONAL INFORMATION ABOUT THE BOARD**

The Board continues to operate as a semi-independent state agency with one paid employee, the Administrator. It continues to follow the adopted rules of the Department of Administrative Services for personnel, contracting and purchasing. The Board budget has benefited from numerous events during the reporting period. The Board office relocated and substantial savings have resulted. Due to the wage freeze imposed by the Governor for the 2003-05 Biennium, the Board reaped additional savings. A volunteer has completed five years of service as the Board's Webmaster and newsletter Design Editor. In addition, a new volunteer joined the Board staff in July 2003 doing general office assistance.