

**Pursuant to ORS 182.472, as Revised by  
HB 2029 of the 73<sup>rd</sup> Legislative Assembly  
A Report Submitted by the**

**OREGON STATE BOARD  
OF  
GEOLOGIST EXAMINERS**

**to**

**The Governor,  
The President of the Senate,  
The Speaker of the House of Representatives, and  
The Legislative Fiscal Office**

December 30, 2005

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

**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**

Bus: Department of Geology and  
Mineral Industries  
800 NE Oregon ST #28  
Portland OR 97232  
(503) 731-4600x228  
fax (503) 731-4066  
[vicki.mcconnell@dogami.state.or.us](mailto:vicki.mcconnell@dogami.state.or.us)

**Terms:** Ex-Officio

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

Bus: Oregon Department of Forestry  
801 Gales Creek Road  
Forest Grove OR 97116  
(503) 359-7448  
fax (503) 357-4548  
email: [dmichael@odf.state.or.us](mailto: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](mailto: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](mailto: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](mailto: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](mailto:eileen.webb@amec.com)

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

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## AUDIT INFORMATION

Two audits are reflected in this section of the report.

- ✓ One could be considered a “pseudo-audit”, as it was a review of the working processes of the semi-independent government model. Summary information about that “audit” is below.
- ✓ The second was a financial audit “For the Three Years Ended June 30, 2003” and was conducted by the Secretary of State’s Office. That audit in its entirety follows this page. It was also included in the report presented January 10, 2005.

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A Report of the 2004 Joint Legislative Audit Committee (JLAC) Titled:  
Review of Small Regulatory Agencies

During the Legislative interim of 2004, the Legislative Fiscal Office (LFO) conducted a review of several models of government. Included in this review were those Boards designated as “semi-independent” regulatory Boards. The final copy of the review was released on December 6, 2004. Because a staff member of the LFO spent time reviewing numerous documents in the Board office, this report could be considered a type of audit.. Because the final report was not referenced in the biennial report submitted by the Board of Geologist’s Examiners in January of 2005, it is being referenced at this time.

Because of the length of the document (48 pages) as well as its availability on line, it is not being included in this binder. Should you be interested in the information provided in this report, you can locate the document at the following web address:

[http://www.leg.state.or.us/comm/lfo/Report\\_04\\_1.pdf](http://www.leg.state.or.us/comm/lfo/Report_04_1.pdf)

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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)*  
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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

[www.gmscpa.com](http://www.gmscpa.com)

Mailing Address • P.O. Box 2122 • Salem, Oregon 97308-2122

Salem • 475 Cottage Street NE, Suite 200 • Salem, Oregon 97301-3814 • (503) 581-7788 • FAX (503) 581-0152  
Albany • P.O. Box 663 • 519 S. Lyon Street • Albany, Oregon 97321-0570 • (541) 967-2315 • FAX (541) 926-5926

MEMBERS OF THE McGLADREY 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**  
**(A 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**

**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**

**Other Income** 10,410  
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.

Salem, Oregon  
October 18, 2003

  
CERTIFIED PUBLIC ACCOUNTANTS

## **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

**This report, which is a public record, is intended to promote the best possible management of public resources.**

If you received a copy of an audit report and no longer need it, you may return it to the Audits Division. We maintain an inventory of past audit reports. Your cooperation helps us save on printing costs.

Oregon Audits Division  
Public Service Building  
255 Capitol Street NE • Suite 500  
Salem, Oregon 97310

**We invite comments on our reports through our Hotline or Internet address.**

Ph. 503-986-2255  
Hotline: 800-336-8218  
Internet: [Audits.Hotline@state.or.us](mailto:Audits.Hotline@state.or.us)

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

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

## **BUDGET INFORMATION**

The following items are included in this section:

- A. A summary statement regarding the material changes in the actual budget figures from the 2003-05 Biennium to the 2005-07 budgeted figures
- B. A REVENUE/EXPENSE REPORT for the 2003-05 Biennium which reflects the balance carried into the 2005-07 Biennium
- C. Budget versus Actual for the 2003-05 Biennium
- D. The Adopted Budget for the 2005-07 Biennium
- E. A Copy of the Presiding Officer's Report of the Rule Making Hearing for Purposes of Adopting the 2005-07 Budget

**OREGON STATE BOARD OF GEOLOGIST EXAMINERS (OSBGE)  
Material Changes from the 2003-05 to the 2005-07 Biennia**

The **Personal Services** total increased substantially between these two biennia. For the 2005-07 biennium, OSBGE is contracting with the Oregon State Landscape Architect Board (OSLAB) for the administration of their office. A half-time staff person is budgeted for the 2005-07 biennium to assist with the workload.

A substantial increase in **Rent** cost is budgeted from the \$4781 in '03-'05 to \$8120 budgeted for the '05-'07. OSBGE relocated in January 2005 within the same office building from a one-room to a three-room space. This move allowed OSLAB and OSBGE to combine their location. The Geology Board encouraged staff to seek a larger space as the one-room office was very stuffed. [Please note that the budgeted amount for '05-'07 is \$4000+ less than the actual rent costs of \$12,560 incurred for the 1999 to 2001 biennium!]

**Government Services** increased unexpectedly without budgeted funding during the 2003-05 biennium. This was due to the **DAS Bond Repayment** (PERS) expense. This item is now reflected in the 2005-07 budget in an amount of \$8488. You will see in the 2003-05 budget that the budgeted dollars for Government Services were \$720 but the actual was \$4354. The increase in the actual was due to the required payment for the DAS Bond Repayment. A 200% increase in the **Liability/Property insurance** with DAS/Risk Management Division is also reflected between biennia.

The **Revenue** estimate is also considerably higher in the 2005-07 biennium because of the **contract payment** by OSLAB for administration of their office. The **Miscellaneous** revenue category for 2003-05 was over \$4000 greater than anticipated. This was due to increased interest on the bank balance. As a revenue source, this is a difficult figure to project and no increase in interest revenue for 2005-07 budget is included.

11:17 AM  
12/28/05  
Cash Basis

OR State Board of Geologists Examiners  
Expense and Revenue Report  
July 1, 2003 through June 30, 2005

	<u>Jul '03 - Jun ...</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
1000 · RPG & CEG Fees Income	250,154.90
1400 · Computer List Sales	20.00
1603 · Interest	3,166.37
1800 · Miscellaneous Cash Receipts	1,362.94
2000 · Fee Refunds	-1,890.76
<b>Total Income</b>	<u>252,813.45</u>
<b>Expense</b>	
4100 · IS Travel Expenses	6,272.21
4150 · OS Travel Expenses	7,184.96
4200 · Office	12,340.26
4351 · Dues	2,950.00
4400 · Publicity & Publications	194.92
4500 · Telephone-related Services	2,475.44
4550 · Computer Data Processing	9,535.99
4700 · Training	1,040.00
5000 · Professional Services	4,384.66
5050 · Attorney General Legal Fees	19,615.75
5105 · Gov Services	10,778.53
5400 · Facilities Rent	5,877.20
5800 · Examinations	21,420.00
8000 · Bank Charges, Other	684.00
9200 · Regular Employees	130,775.20
9300 · Temporary Employment Ser...	447.62
<b>Total Expense</b>	<u>235,976.74</u>
<b>Net Ordinary Income</b>	<u>16,836.71</u>
<b>Net Income</b>	<u><u>16,836.71</u></u>

Oregon State Board of Geologist Examiners  
2003-05 Budget versus Actual

		Budgeted	Actual
		\$ 136,712.00	\$ 131,222.82
	<b>Item</b>		
	<b>Rent</b>	4,781.00	\$ 5,877.20
	<b>Telecommunications</b>	3,308.00	\$ 2,655.44
	<b>Office Expenses</b>	20,156.00	\$ 13,015.18
	<b>Professional Meetings</b>	20,504.00	\$ 13,837.17
	<b>Bank Charges</b>	640.00	\$ 684.00
	<b>Other Government</b>		
	Attorney General	24,990.00	\$ 19,615.75
	Audit/Accounting	4,000.00	\$ 4,200.20
	Government Services	720.00	\$ 4,354.33
	<b>Insurances</b>		
	Liability	200.00	\$ 1,120.00
	Property	1,000.00	\$ 1,104.00
	<i>sub-total</i>	30,910.00	\$ 30,394.28
	<b>Contract Services</b>		
	Exam	18,900.00	\$ 21,420.00
	ADP, ASBOG, BCA	1,240.00	\$ 7,334.56
	Programmer	10,500.00	\$ 7,560.00
	<i>sub-total</i>	30,640.00	\$ 36,314.56
	<b>Property</b>		
	Computer	-	\$ 1,197.00
	Printer/Supplies	2,208.00	\$ 778.99
	Office Furniture	-	
	<i>sub-total</i>	2,208.00	\$ 1,975.99
	<b>Space/Supplies Total</b>	113,147.00	\$ 104,753.82
		<b>Estimated Expenses</b>	<b>Actual Expenses</b>
	<b>TOTAL S&amp;S AND PS</b>	\$ 249,859.00	\$ 235,976.64
		<b>Estimated Revenue</b>	<b>Actual Revenue</b>
	<b>Exam</b>	23,500.00	\$ 27,675.00
	<b>Renewals</b>	203,952.00	\$ 206,749.14
	<b>Miscellaneous</b>	14,296.00	\$ 18,389.31
		<b>241,748.00</b>	<b>\$ 252,813.45</b>
		(8,111.00)	\$ 16,836.81

Oregon State Board of Geologist Examiners  
**2005-07 Budget**  
 Adopted 6/10/2005

	Items	Budgeted
<b>PERSONAL SERVICES TOTAL</b>		\$ 197,002.00
<b>SERVICES/SUPPLIES</b>		
5400	<b>Rent</b>	\$ 8,120.00
	<b>Telecommunications</b>	\$ 3,160.00
	<b>Office Expenses</b>	\$ 17,833.00
	<b>Professional Meetings</b>	\$ 17,337.00
	<b>Bank Charges</b>	\$ 5,430.00
	<b>Other Government</b>	
	Attorney General	\$ 25,200.00
	Audit/Accounting	\$ 4,500.00
	<b>Insurances</b>	
	Liability/Property	\$ 3,302.00
5105	<b>Government Services</b>	\$ 1,988.00
	DAS Bond Repayment	\$ 8,488.00
	<i>sub-total</i>	\$ 43,478.00
	<b>Contract Services</b>	
	Exam (ASBOG)	\$ 22,000.00
	Payroll Provider	\$ 1,216.00
	Programmer	\$ 13,100.00
	<i>sub-total</i>	\$ 36,316.00
	<b>Property</b>	
	Computer	\$ -
	Printer/Supplies	\$ 1,400.00
	Office Furniture	\$ -
	<i>sub-total</i>	\$ 1,400.00
	<b>Services/Supplies Total</b>	\$ 133,074.00
	<b>TOTAL ESTIMATED S&amp;S AND PS</b>	<b>\$ 330,076.00</b>
	<b>ESTIMATED REVENUE</b>	
	<b>Exam</b>	\$ 25,000.00
	<b>Renewals</b>	\$ 207,450.00
	<b>Miscellaneous</b>	\$ 14,900.00
	<b>OSLAB Contract</b>	\$ 96,000.00
	<b>TOTAL ESTIMATED REVENUE</b>	<b>\$ 343,350.00</b>
	<b>Estimated Revenue Status</b>	<b>\$ 13,274.00</b>

## **CURRENT FEES WITH JUSTIFICATION FOR ADOPTED OR PROPOSED FEE CHANGES**

The only fee changes during 2005 were two examination related fees, one for the national examination and one for an Oregon examination.

The National Association of State Boards of Geology (ASBOG) is the body charged with examination development and the Oregon State Board of Geologist Examiners (OSBGE) administers the examination. ASBOG increased the fee for the fundamental examination from \$125.00 to \$150.00 effective with the March 2006 examination administration. The rule change occurred in 2005 because fees for the March 2006 administration were collected in 2005.

Effective June 1, 2005, OSBGE eliminated the Oregon Specific Geology examination requirement. The \$50.00 fee for this examination was removed from the fee schedule.

**809-010-0001**

**Fees**

Fees, as established by the Board of Geologist Examiners, are:

- (1) Fundamental Section of the national examination for Geologist registration -- \$150.
- (2) Practice Section of the national examination for Geologist certification -- \$150.
- (3) Examination for Engineering Geologist certification -- \$200.00.
- (4) Geologist-in-Training initial registration and annual renewal -- \$25.00.
- (5) Geologist initial registration and annual renewal -- \$75.00.
- (6) Engineering Geologist initial certification and annual renewal -- \$50.00. Engineering Geologist must have a current Geologist Registration.
- (7) Duplicate or replacement of lost, destroyed, or mutilated registration card -- \$3;  
duplicate or replacement of lost, destroyed, or mutilated wall certificate -- \$25.00.
- (8) Restoration fee if postmarked:
  - (a) One to ninety days after due date: \$10;
  - (b) Ninety-one to one-hundred seventy-nine days after due date: \$50;
  - (c) Over one-hundred seventy-nine days after due date: \$100.
- (9) Renewal of registration by Geologist, if applicant is 70 years of age or over by renewal date -- \$10.
- (10) Renewal of certification by Engineering Geologist, if applicant is 70 years of age or over by renewal date -- \$10.
- (11) Application Fee -- \$50.00. This fee is to accompany any application for registration or examination and any reapplication after one year since previous examination.
- (12) Temporary Permit Fee -- \$50.00. This fee is to accompany any notification per 672.545(3)(b).
- (13) File Maintenance Fee--\$25.00 per request. This fee is to cover maintaining examination files for passing examinees who decline to register in Oregon. Required prior to releasing verification of passing ASBOG exams.

Stat. Auth.: ORS 182.466, 670.310 & 672.705

Stats. Implemented: ORS 672.705

Hist.: GE 1(Temp), f. & ef. 11-3-77; GE 2, f. & ef. 12-13-77; GE 2-1979, f. 10-2-79, ef. 10-3-79; GE 1-1981, f. & ef. 8-3-81; GE 1-1982, f. & ef. 5-14-82; GE 2-1983(Temp), f. 10-14-83, ef. 11-1-83; GE 1-1984, f. & ef. 2-1-84; GE 1-1985, f. & ef. 7-1-85; GE 2-1986, f. & ef. 3-5-86; GE 1-1989, f. 12-18-89, cert. ef. 1-1-90; GE 1-1993(Temp), f. 3-1-93, cert. ef. 3-2-93; GE 2-199; GE 2-1996, f. & cert. ef. 8-30-96; BGE 1-1999, f. & cert. ef. 6-17-99; BGE 2-2001, f. & cert. ef. 3-23-01; BGE 1-2002, f. & cert. ef. 2-6-02; BGE 3-2002, f. & cert. ef. 7-9-02; BGE 6-2004, f. & cert. ef. 8-5-04; BGE 2-2005, f. & cert. ef. 9-28-05

## **Presiding Officer's Report to Agency on Rulemaking Hearing**

**Date:** June 10, 2005  
**To:** Members of Board of Geologist Examiners  
**From:** Gary Peterson, Presiding Officer  
**Subject:** Presiding Officer's Report on Rulemaking Hearing

Hearing Date:	June 10, 2005
Hearing Location:	Sunset Center South, Conference Room Salem, Oregon
Title of Proposed Rules:	2005-07 Biennial Budget [OAR 809-010-0025]
Board Members present:	Allen Morris, Public Member David Michael, RG, CEG William Orr, RG Gary Peterson, RG, CEG, Board Chair Eileen Webb, RG Vicki McConnell, RG, State Geologist
Staff Present:	Susanna Knight, Administrator
Guests Present:	None present

The rulemaking hearing on OAR 809-010-0025 was convened at 1:10 PM. Chair Peterson stated that comments during the formal hearing would be received from anyone completing a registration card. No Registration Cards were received.

### **Summary of Comments**

The purpose of this hearing is to provide an opportunity for public comment on the Board's budget for the 2005-07 biennium. Notification was published in the May 2005 Oregon Bulletin. Notification was also given in the Board's newsletter. Written comments were accepted until 1:00 PM on June 10, 2005. No requests for the budget or written comments about the budget were received prior to the hearing. No oral comments were received during the hearing.

The hearing was adjourned at 1:11 PM.

OSBGE Oregon Administrative Rule Chapter 809  
Processed during 2005

OAR #	Effective Date	Adopted	Amended	Repealed	Suspend	Description
809-010-0025	8/15/2005		x			Adopt 2005-07 Biennial Budget
809-010-0001	9/28/2005		x			ASBOG fundamental exam fee to \$150
809-010-0001	9/28/2005		x			Remove OR Geo Exam fee
809-040-0002	9/28/2005		x			Remove OR Geo Exam information
809-040-0006	9/28/2005		x			Remove OR Geo Exam information
809-050-0010	9/28/2005		x			Remove OR Geo Exam information
809-010-0001	12/7/2005		x			Reinstate file maintenance fee
809-015-0000	12/14/2005		x			Aligns renewal fee due date with ORS
809-015-0005	12/14/2005		x			Clarifies when lapsed fee is required

## **PROGRAM ELEMENTS THAT ADDRESS CONSUMER PROTECTION**

The Mission Statement adopted by the Board in 2000 clearly outlined the Board's intent to protect consumers. The mission statement identifies two areas focused on Consumer Protection: public education directed at appropriate regulatory communities and systematic outreach to counties, cities and registrants.

Educating the regulatory communities about the practice of geology is an ongoing process. As the gatekeepers for future registrants, the institutions of higher education must be engaged in disseminating information about regulation. As the gatekeepers of Oregon's environment, the Department of Environmental Quality (DEQ) must patrol geology report quality. There are other state agencies and organizations to target with outreach, so this is an ongoing effort.

Quarterly newsletters are issued to key contact professors at Oregon State University (OSU), Portland State University, Southern Oregon University (SOU), University of Oregon and Western Oregon University. Those contact professors are asked to post the newsletter so that it is available for student viewing. The Board has offered to present information on campuses. Representatives of the Board annually meet with a senior seminar OSU geology class to discuss the requirements of registration.

The Board holds one quarterly meeting annually on a university campus as an outreach effort. The November 11, 2005 Board meeting was convened on the campus of SOU in Ashland. This meeting allowed the Board to meet the geology faculty, tour the geology department, and expose students to the regulation process. SOU has the most Registered Geologist on faculty of any of the institutions of higher education.

Representatives of the Board have met two times this calendar year with managers of DEQ. A goal of these meetings is to empower DEQ personnel to enforce geology regulation by working with the Board as needed to improve the quality of the practicing community.

This year, the Board increased the quarterly newsletter distribution. In addition to each Board of County Commissioners, the newsletter now goes to every city and town in Oregon rather than just those cities with a population greater than 10,000. Because the newsletter discusses compliance cases, cities and counties are exposed to issues of the practice of geology. It is distributed to all registrants and is posted on the web page.

The Board developed a DISCLOSURE STATEMENT which was recently approved and subsequently distributed to all counties and cities. This document is a tool to be used in the hearings process to assist hearings officers in evaluating the expertise of presenters.

The Board also adopted a Tribal Policy and designated a Board Member as the Native American Affairs Coordinator.

The Board also adopted "Guidelines for Hydrogeology Reports", a huge undertaking during 2005. This report can be located on the Board's web page.

## **OREGON STATE BOARD OF GEOLOGIST EXAMINERS LICENSURE ACTIVITIES DURING 2005**

Examinations conducted during 2005:

- ✓ National Association of State Boards of Geology (ASBOG) examinations conducted on March 4, 2005 and October 7, 2005.
- ✓ Oregon Geology examination conducted on March 4, 2005.
- ✓ WA/OR Certified Engineering Geology examination conducted March 4, 2005 and October 7, 2005.

The following new registrations were added during 2005:

- ✓ 24 Geologists-in-Training;
- ✓ 29 Registered Geologists;
- ✓ 6 Certified Engineering Geologists.
- ✓ 11 Registered Geologists by Cooperative Registration.

Examination results are received from ASBOG about 60 days after the examination. Staff is able to register passing candidates and notify them within 48 hours of receipt of results. As soon as the candidate submits the annual registration fee, they become active registrants. Staff is generally able to process those payments within two weeks of receipt by the bank.

Engineering Geologists' examinations are scored by staff and the turnaround time is generally less than two weeks. Again, upon receipt of the prorated annual fee, the registration is activated.

The Board practices Cooperative registration. If an applicant has passed the ASBOG examination in another state, they may register in Oregon if they have met the education and experience requirement. If an application packet is received in proper form and the state where the applicant passed the ASBOG exam responds in a timely fashion, registration can occur quickly!

Effective June 1, 2005, the Oregon Geology examination requirement was discontinued. Although the exam was offered quarterly to assist Cooperative applicants in gaining registration in a timely fashion, removal of this requirement has increased the turnaround time for Cooperative registration.

Annual renewal reminders are issued approximately six weeks before the expiration date of the registration. Envelopes are provided for submitting renewal payments. If the registrant forwards payment in a timely fashion, their current registration is in their hands before the expiration date. Turnaround time is generally less than two weeks.

The registration numbers continue to remain static. There are currently 1177 active and 63 retired registrants in the database for a total of 1240 registrants. One year ago, there were 1224 active/retired registrants.

## **SUMMARY OF ENFORCEMENT AND COMPLIANCE ACTIVITIES FOR THE OREGON STATE BOARD OF GEOLOGIST EXAMINERS**

The Oregon State Board of Geologist examiners registered 8 new complaints during 2005. Two of those complaints were deemed not the practice of geology and were dismissed. Four cases were closed with informational letters regarding the regulation of the practice. These cases closed in an average time of 12 weeks. Two cases involve overlapping issues with the Oregon State Board of Examiners for Engineering and Land Surveying (OSBEELS) and are handled through a Joint Compliance Committee (JCC). Neither of those cases are closed.

In two of the four cases closed with informational letters, the respondents met with a committee of the Board to discuss the complaint. The Board has found that if the complaint is valid but not a serious threat to public safety, the most successful way of discussing the issue is to use a small committee format and meet with the respondent. This provides the Board the opportunity to educate the respondent about the practice of geology. It also allows the respondent to recognize that the regulation of a practice is backed by active practitioners.

In addition to the two JCC cases opened in 2005 against Certified Engineering Geologists, one case from 2004 also remains open. A MEMORANDUM OF UNDERSTANDING (MOU) was signed with OSBEELS in December of 2001 establishing a joint process (JCC) for dealing with complaints in overlap practice areas. It has been a struggle to bring the MOU into a working process. Perhaps with recent new member appointments to OSBEELS, these issues can be laid to rest at the JCC meeting scheduled for January 11, 2006.

A revocation of a geology registration was unanimously approved at the June 7, 2005 meeting of the Board. The original complaint was presented to the Board in March of 2003. Three different complaints against the registrant were rolled into one, allowing the Board to close two complaints and move forward against the registrant. The registrant subsequently requested a hearing. The pre-hearing conference was postponed to January 30, 2006. When cases move into the Hearing process, it appears as though much additional time is added to bringing a case to closure as it has been 6 months since the case was referred to the AAG.