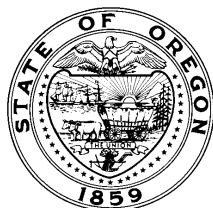


# **Review of Semi-independent Agency Reports**



**Legislative Fiscal Office  
December 2008**



**STATE OF OREGON  
LEGISLATIVE FISCAL OFFICE**

900 COURT STREET NE  
STATE CAPITOL, ROOM H-178  
SALEM OR 97301-4048  
PHONE 503-986-1828  
FAX 503-373-7807



KEN ROCCO  
LEGISLATIVE FISCAL OFFICER

DARON HILL  
DEPUTY LEGISLATIVE FISCAL OFFICER

December 22, 2008

To the Members of the Seventy-Fifth Oregon Legislative Assembly:

Enclosed is the second Legislative Fiscal Office report on review of semi-independent agencies' biennial reports, in accordance with ORS 182.472. This report is the means by which the Legislative Assembly receives budgetary and administrative information on agencies whose budgets are not subject to Executive Branch review, or approval or modification by the Legislative Assembly.

Ken Rocco  
Legislative Fiscal Officer



# Review of Semi-independent Agency Reports

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## Summary

This review fulfills the Legislative Fiscal Office's (LFO) requirement to provide the Joint Legislative Audit Committee with a statement of findings and conclusions related to the semi-independent agency reports submitted pursuant to ORS 182.472.

The review generally covers agency performance for the 2005-07 biennium and the adopted budget for the 2007-09 biennium. This review cycle, LFO met with each agency to discuss report content and to review a proposed set of guidelines for future reports. During these meetings, LFO closed information gaps and resolved issues identified so that all affected agencies would be in compliance with ORS 182.472. Throughout the review process, agencies were very cooperative and open to improving the quality and consistency of future reports.

For future reports, LFO recommends that:

1. Agencies follow the reporting guidelines prepared by LFO.
2. Agencies pilot the use of financial reviews.
3. Agencies supply a copy of the financial audit or review that corresponds to the report timeframe.
4. The Oregon Patient Safety Commission and the Oregon Wine Board, which are not licensing entities, supply information that enables LFO to review each of their board's performance as driven by their unique missions and statutory requirements.

In addition, LFO recommends that the Legislative Assembly consider legislation to make the report timeframe consistent for all types of information submitted pursuant to ORS 182.472. The recommended timeframe is the prior biennium. Further, LFO recommends that the statutory due date for the reports be extended to April 1 of even numbered years. This change will help ensure that financial audits provided correspond to the same timeframe as the report.

## **Background**

ORS 182.454 requires the following eleven semi-independent agencies to submit a biennial report to the Governor, the President of the Senate, the Speaker of the House, and the Legislative Fiscal Officer by January 1 of each even-numbered year:

- Appraiser Certification and Licensure Board
- Oregon Board of Architect Examiners
- Oregon State Board of Examiners for Engineering and Land Surveying
- Board of Geologist Examiners
- State Landscape Architect Board
- State Landscape Contractors Board
- Oregon Board of Massage Therapists
- Oregon Board of Optometry
- Physical Therapist Licensing Board
- Oregon Patient Safety Commission
- Oregon Wine Board

Appendix A provides a summary profile for each of these semi-independent agencies.

## **Authority**

ORS 182.472 requires the Legislative Fiscal Office to review the reports and issue a statement of findings and conclusions to the Joint Legislative Audit Committee. This report fulfills the requirement.

## **Review Process**

The review is focused on the provisions of ORS 182.472 and covers reports submitted for the January 1, 2008 deadline. Reports were reviewed for completeness and compliance with statutory requirements. This review should not be considered an audit as findings and conclusions are limited to the information provided by agencies in response to ORS 182.472.

As part of this review, LFO met with each agency to collect missing information, provide feedback on report content, and to discuss proposed guidelines for future reports. In all cases, agencies were responsive to requests for information and appreciative of LFO's efforts at providing more specific structure and guidance to improve the quality of future reports.



## Required Content

The required content of agency reports is detailed in ORS 182.472. The 2007 Legislative Assembly modified the statute to allow agencies to include a financial audit or financial review (SB 70).

**182.472 Reports.** *Not later than January 1 of each even-numbered year, each board subject to ORS 182.456 to 182.472 shall submit a report to the Governor, the President of the Senate, the Speaker of the House of Representatives and the Legislative Fiscal Officer. The Legislative Fiscal Officer shall review the reports and shall prepare and submit a statement of findings and conclusions to the Joint Legislative Audit Committee. The report must include the following:*

*(1) A copy of the most recent audit or financial review of the board.*

*(2) A copy of the actual budget for the prior biennium and a copy of the board's adopted budget for the biennium in which the report is made. The budget documents must show:*

*(a) The beginning balance and ending balance for each of the two biennia;*

*(b) A description of material changes between the two biennia;*

*(c) A description of the public hearing process used to establish the budget adopted for the current biennium; and*

*(d) A description of current fees and proposed changes to fees, along with information supporting the amounts of the current fees and any proposed changes to the fees.*

*(3) A description of all temporary and permanent rules adopted by the board since the last report was submitted.*

*(4) A description of board actions promoting consumer protection that were taken since the last report was submitted.*

*(5) If the board issues licenses, a description of the board's licensing activities performed since the last report that is adequate to allow evaluation of the board's performance of its licensing responsibilities, including:*

*(a) The number of license applications;*

*(b) The number of licenses issued;*

*(c) The number of examinations conducted;*

*(d) The average time between application for and issuance of licenses;*

*(e) The number and types of complaints received about persons holding licenses;*

*(f) The number and types of investigations conducted;*

*(g) The number and types of resolutions of complaints;*

*(h) The number and type of sanctions imposed; and*

*(i) The number of days between beginning an investigation and reaching a resolution.*

*(6) A description of all other actions taken since the last report in the performance of the board's statutory responsibilities that is adequate to allow evaluation of the board's performance.*

## Findings

LFO's review identified the following key findings:

- All eleven agencies submitted a report that generally complied with the content requirements specified in ORS 182.472. However, there were cases where information provided was insufficient and/or the range and type of information provided varied widely across agencies. LFO's 2006 report to the Legislature made some suggestions for future agency reports; however, not all agencies implemented the suggestions. As a result, one of the products of this review was the development of a guidance document for future reports.
- Some agencies interpreted the timeframe of the report differently. The statute states that agencies are to include budget information that relates to "actual data for the prior biennium and board approved data for the biennium in which the report is made." This represents a biennial timeframe. In other sections of the statute, agencies are instructed to include data that covers "actions taken since the last report," which represents a calendar year timeframe. All the semi-independent agencies required to report under ORS 182.472 operate on a biennial budget timeframe, except for the Oregon Wine Board which operates on an annual fiscal year timeframe.
- The statute requires that "the most recent audit or financial review of the board" be submitted. In all cases, the most recent audit covered the 2003-05 biennium, while all other information reported covered the 2005-07 biennium. LFO believes that an important component of its review of agency reports is to compare financial data reported against financial audit results. This cycle, LFO delayed its review until the audits for the 2005-07 biennium were available. While no significant financial issues were uncovered this cycle, conducting this comparison is one strategy for proactively identifying potential management issues earlier in the process.
- LFO's review of audits identified that several agencies had received management letters for their audits dated June 30, 2007. The majority of these letters were related to either general journal entry protocols or

check signing authority. In all cases, affected agencies had taken corrective actions aligned with audit recommendations. In conversations with the Secretary of State's office, LFO learned that changes to the Statement of Auditing Standards (SAS) 112 went into effect for audits after December 31, 2006. This change has resulted in more management letters than usual being issued for audits dated June 30, 2007.

- SB 70 (2007) modified ORS 182.472 to enable semi-independent agencies to contract for a financial review instead of a financial audit. According to the Secretary of State's office, a financial review typically includes a more detailed assessment of operational processes and practices than a traditional financial audit. Costs of a financial review are dependent upon the scope of the review; however, they can be scoped to be priced similar to a traditional financial audit. Several agencies expressed interest in financial reviews as they believed that this type of review would provide more valuable information for improving operations. However, agencies also expressed concern that the Legislature would not be as accepting of a financial review as they are of a financial audit.
- Agencies, in most cases, did not clearly identify beginning and ending balances. This same deficiency was identified in the last report to the Legislature. The primary reason agencies did not include this information was because their accounting software does not have a standard report for producing such information. All agencies have agreed to include this information in a manually produced table in future reports.
- All agencies provided a "description of all temporary and permanent rules adopted by the board." As part of the review process, LFO would like to verify that agencies are generally complying with public hearing requirements and rule making processes. For this to occur, agencies need to also include process dates in their descriptions of board rules. Agencies have agreed to include this information in future reports to facilitate LFO's verification process.

- Two of the eleven agencies increased fees during the 2005-07 biennium, and several other agencies indicated that they may be raising fees during the 2007-09 biennium. LFO previously recommended that agencies include information on the board deliberations and evaluation processes that resulted in the need for a new fee or fee increase. In reviewing agency reports, LFO identified that agencies generally do not provide sufficient information to conclude that fee increases, or the addition of new fees, are a last resort strategy for ensuring continued solvency of the board. Given this, LFO has provided in the agency reporting guidelines document examples of questions and additional information that agencies should include regarding fee increases. Agencies have agreed to provide more comprehensive information on fee increases in future reports.
- Agencies generally identified the applicable volume of services provided: applications, licenses, exams, registrations, complaints, investigations, and/or resolutions. While the statute does not specifically require that agencies include multiple years of data, LFO's previous report recommended that agencies do include multiple years of data so trending would be possible. Despite this, all agencies included only data for the 2005-07 biennium. To help ensure reporting consistency and that multiple years of data are provided, LFO worked with each agency to develop a spreadsheet template to use in future reports (Appendix C).
- The Oregon Patient Safety Commission and Oregon Wine Board do not provide licensing services, and the Wine Board does not have consumer protection as part of its mission. These agencies agreed to provide information that enables LFO to review board performance in line with the expectations of ORS 182.472.
- The 2006 report to the Legislature identified that the statutes applying to three additional semi-independent agencies – Oregon Tourism Commission, Travel Information Council, and Oregon Film and Video Office – are inconsistent among each other and with the other eleven semi-independent agencies. These inconsistencies represent variations in the financial

accountability and reporting requirements of semi-independent agencies. The Legislative Assembly may wish to further examine the semi-independent governance model to determine whether consistent reporting and audit requirements would be appropriate.

## Conclusions and Recommendations

The findings of this review point to several key conclusions (identified by italic text) and related recommendations (identified by bold text).

- *Agency interpretation of statutory expectations varies; having more specific guidance would greatly improve report consistency and quality.* Materials included in reports and interpretation of timelines varied among agencies. Most of the reporting recommendations made in the previous report were not adopted by agencies. Given these issues, LFO met personally with each agency to gather additional information, provide feedback on reports, and to clarify expectations for future reports. Further, LFO developed a reporting guidelines document to establish clearer expectations for future reports (Appendices B and C). **LFO recommends that agencies follow these guidelines when preparing future reports.**
- *Agencies now may contract for financial reviews instead of a financial audit; this information may be more valuable for improving agency performance results.* A financial review provides more detailed information on financial processes and practice deficiencies and opportunities for improvement. LFO assumes that the cost of a financial review will be similar to that of a financial audit. Given that the most recent financial audits did not uncover any significant financial reporting and control issues, **LFO recommends that semi-independent agencies pilot the use of financial reviews.** LFO assumes that the scope of these reviews would be monitored by agency boards and the Secretary of State.
- *The statute establishes different reporting timeframes for different subsections; this unnecessarily complicates agency submissions and LFO's review.* The ideal timeframe would be to have all actual

reported information be for the prior biennium. Agencies would still be expected to provide adopted/ projected budget information, including any anticipated fee changes, for the biennium of the report. LFO worked with Legislative Counsel to draft legislation to resolve this timing issue (Appendix D).

**LFO recommends that the interim Joint Committee on Ways and Means introduce legislation to fix this issue.**

- *Timing of the financial audit's process dictates that LFO's review cannot be completed until several months after they are submitted.* The statute requires agencies to include a copy of the most recent audit. LFO had several conversations with the Secretary of State's office to see if the auditing schedule might be modified so that the most recent audit would be for the same timeframe as actual reported information. Unfortunately, it is not possible to modify audit timeframes because this effort is contracted out and the Secretary of State needs time to review contractor drafts. The anticipated audit completion deadline is March of even numbered years. Given this, **LFO recommends that the deadline for submitting information under ORS 182.472 be changed to April 1 of even numbered years.** This change is also included in the draft legislation (Appendix D).
- *The statute assumes agencies required to report are licensing entities; however, two agencies do not have licensing functions.* The Oregon Patient Safety Commission and the Oregon Wine Board do not issue licenses, so they have nothing to report in subsection 5 of ORS 182.472. While the Oregon Patient Safety Commission and the Oregon Wine Board may not have licensing data, **LFO recommends that these agencies supply information that is adequate for LFO to review each of their board's performance, including key performance measures that may be trended over time.**

**Board Summary for 2005-07 Biennium**

	Positions/FTE	Board Members Industry/Public	2005-2007 Board Meetings	Approximate # Licensees 2007	Board Stipend	Director Salary/Month on 12/07	2005-2007 Audited Expenditures	2007-2009 Budget Expenditures
Oregon Board of Architect Examiners	5/3.50	5/2	17	**2,720 + ●598	\$30 a day	\$4,937	\$623,149	\$660,000
Appraiser Certification and Licensure Board	5/5.50	5 appraisers/1 banker/1 public	10	1,700	\$30 a day	\$6,055	\$912,497	\$1,426,474
Oregon State Board of Examiners for Engineering and Land Surveyors	11.50/9.50	9/2	20	15,000	\$30	\$6,997	\$1,850,104	\$2,300,000
Oregon Board of Geologist Examiners	2/2.0	4/1	10	1,250	\$100/full day and \$50/half day	\$4,937	\$364,299	\$467,915
State Landscape Architect Board	*	4/3	12	**409 + ●132	\$30	*	\$254,251	\$275,565
State Landscape Contractors Board	7	5/2	12	**1,590 + ●1,227	\$30 a day	\$4,937	\$1,014,422	\$1,159,962
Oregon Board of Massage Therapists	4/4.00	4/3	23	5,700	\$100 a month	\$7,070	\$1,088,074	\$1,287,346
Oregon Board of Optometry	3/2.20	4/1	9	1,235	\$50 a day	\$7,956	\$498,413	\$617,904
Physical Therapist Licensing Board	2.80	6/1	18	4,200	\$30	\$7,497	\$761,813	\$859,000
Oregon Patient Safety Commission	4/3.75	15/2	15	N/A	None paid	\$6,350	\$495,877	\$1,047,933
Oregon Wine Board	7/6.00	9/0	15	N/A	None paid	\$10,644.58	\$2,322,971	\$4,860,203

\* Contracted services from Oregon Board of Geologist Examiners. \*\* Individual Licenses.

● Business and Firm Licenses.





## Semi-Independent Agency Reporting Guidelines

ORS 182.472 requires that eleven semi-independent agencies provide reports every even numbered year to the Governor, Senate President, House Speaker, and Legislative Fiscal Office (LFO). These guidelines were developed by LFO to facilitate its report review and completion of the biennial summary report of findings prepared for the Legislature. Questions about these guidelines can be directed to Dawn Farr at Dawn.Farr@state.or.us or Erica Kleiner at Erica.M.Kleiner@state.or.us.

### Reporting Time Period

The report includes actual data for the prior biennium and approved/forecasted budget and fee change information for the biennium in which the report is completed. For example, the report that is due on January 1, 2010 would include actual data for the 2007-09 biennium, and adopted budget and fee change information for the 2009-11 biennium.

### What to Report

The statute specifies what information agencies are required to include; however, there is a wide range of information submitted to meet the requirement. What follows are more specific reporting guidelines intended to promote consistency in the type and level of detail of information provided.

#### ***ORS 182.472 (1) A copy of the most recent audit or financial review of the board.***

The statute directs agencies to submit their most recent audits or financial review, which agencies should continue to do. Unfortunately, the timing of audits is currently such that agencies must submit an audit for the biennium prior to the biennium being reported upon. Having a copy of the audit that covers the timeframe of the report is a critical tool for LFO to reference when reviewing information provided by agencies. Given this, LFO requests that agencies provide a copy of the audit for the biennium covered by the report as soon as it is available, along with copies of management letters referenced in the audit.

#### ***ORS 182.472 (2) A copy of the actual budget for the prior biennium and a copy of the board's adopted budget for the biennium in which the report is made: (a) The beginning balance and ending balance for each of the two biennia; (b) A description of material changes between the two biennia; (c) A description of the public hearing process used to establish the budget adopted for the current biennium; and, (d) A description of current fees and proposed changes to fees, along with information supporting the amounts of the current fees and any proposed changes to the fees.***

The statute directs agencies to include a copy of the “actual budget for the prior biennium and a copy of the board’s adopted budget for the biennium in which the report is made.” This means that the report due in the 2010 report should include actual budget numbers for the 2007-09 biennium and the adopted budget for the 2009-11 biennium.

Optimally, LFO would like for agencies to include the following budget materials:

- Comparison of budgeted to actual revenues and expenditures for the actual/reported biennium
- Balance sheet for the actual/reported biennium
- Projected/adopted budget for the biennium in which the report is made
- Forecasted balance sheet for the projected/adopted biennium in which the report is made
- Updated budget forecast for the projected/adopted biennium in which the report is made (if prepared and presented to the board in the first quarter of the report biennium)

a) Beginning and ending balances for the two biennia

Beginning and ending balances represent the amount of monies that are carried over from one biennium to the next. LFO recognizes that the accounting software that most agencies use does not easily identify this information, so LFO requests that agencies prepare a simple table to communicate this information.

**Example: Table of Beginning and Ending Balances**

<b>Beginning and Ending Balances</b>	<b>2007-09 Actual/Reported</b>	<b>2009-11 Projected/Adopted</b>
Beginning Balance (2005-07 carry-over)	\$200,000	\$220,000
Net Income/Loss	20,000	15,000
Ending Balance	\$220,000	\$235,000

Once the audit for the timeframe of the report becomes available, LFO will confirm that audited values for the past biennium and actual numbers reported by the agency are the same. Variances occur for a number of legitimate reasons, many of which are related to accounting timing. LFO will ask the agency to clarify any variance, so agencies may want to include this information when they submit the audit for the timeframe covered by the report.

b) A description of material changes between the two biennia

A material change is any change above an inflationary increase to a budget from one biennium to another. Agencies need to provide a description of the changes that are represented in their adopted budget, compared to what was budgeted for in the prior biennium. In providing this information, it may also be appropriate to discuss unanticipated expenditures that emerged during the prior biennium that are not reflected as material changes in the current biennium.

c) A description of the public hearing process used to establish the adopted budget

When describing the public hearing process for approval of the budget, please include the dates and a description of actions taken. Actions covered should include:

- Information regarding who received notices about budget hearings and why (with dates)
- Information regarding budget hearings, public comments, and board actions (with dates)
- Information regarding the date the budget was filed with the Secretary of State and when a copy was submitted to Legislative Counsel

d) A description of current fees and proposed changes, and information supporting the changes Agencies should include a list of current fees, changes made in the previous biennium, and anticipated changes for the upcoming biennium. One suggested presentation format for this information is to use a table such as the following:

**Example: Table of Fees and Changes Over Time**

<b>Fee Type</b>	<b>Fee as of 6/30/07</b>	<b>Fee as of 6/30/09</b>	<b>Anticipated Fee on 6/30/10</b>
<i>List of all fee types.</i>			

In addition to including a list of fees, the agency should supply an explanation of changes and a justification for fee increases. Typically, the justification is a “budget shortfall.” In this case, LFO will want to confirm that the agency has appropriately forecasted anticipated revenues and expenditures and that all other avenues of potential funding were considered (such as agency efficiency improvements or use of agency reserves) prior to approval of a fee increase. Some questions agencies might consider when preparing their justification for a fee increase are:

- What is changing in the operating environment that is negatively impacting future revenues and expenditures?
- What actions has the agency already taken to mitigate the impacts of the factors that are negatively influencing future revenues and expenditures?
- What assumptions are used when forecasting a budget shortfall?
- What options besides a fee increase were considered as a strategy for funding the budget shortfall?

The Oregon Patient Safety Commission and the Oregon Wine Board have different revenue structures than licensing boards, so LFO requests that these agencies provide information on changes in revenue sources which may include fees, contributions, tax revenues, grants, or other sources.

***ORS 182.472 (3) A description of all temporary and permanent rules adopted by the board since the last report was submitted.***

The statute requests that agencies report rules adopted by the board since the last report, which would technically have the agency reporting from January 1, 2008 to January 1, 2010. To facilitate preparation of the report, LFO requests that agencies provide information on temporary and permanent rules adopted for the previous biennium.

Agency information provided under this section needs to include sufficient information to allow LFO to quickly confirm that proper protocols were followed when revising Oregon Administrative Rules (OAR), Chapter 183. Critical elements include:

- OAR reference
- Nature of change
- Public notification and hearing dates (if applicable)
- Board action date
- Filing dates (Secretary of State and Legislative Counsel)

LFO suggests that agencies use a table format to present this information, as the following example illustrates:

**Example: Table of Administrative Rules**

<b>OAR Number</b>	<b>Description of Change</b>	<b>Public Notification and Hearing Dates</b>	<b>Board Action Date</b>	<b>SOS Filing Date</b>	<b>LC Filing Date</b>
<i>Number</i>	<i>Change...</i> <i>Repeal...</i> <i>New...</i> <i>Temporary Rule</i>	<i>Dates</i> <i>NA</i>	<i>Date</i>	<i>Date</i>	<i>Date</i>

Note: This table might be better displayed using landscape format.

***ORS 182.472 (4) A description of board actions promoting consumer protection that were taken since the last report was submitted.***

LFO requests that agencies provide a description of actions taken to promote consumer protections which might include activities such as process or service delivery improvements, public outreach, education programs, industry activities, etc. It may also be appropriate to include examples of agency materials and/or publications under this section.

One exception: The Oregon Wine Board does not have consumer protection as part of its mission. Instead, the Oregon Wine Board has agreed to include copies of its annual performance reports that are prepared for industry stakeholders and other key constituents.

***ORS 182.472 (5) If the board issues licenses, a description of the board's licensing activities performed since the last report that is adequate to allow evaluation of the board's performance of its licensing responsibilities, including: (a) The number of license applications; (b) The number of licenses issued; (c) The number of examinations conducted; (d) The average time between application for and issuance of licenses; (e) The number and types of complaints received about persons holding licenses; (f) The number and types of investigations conducted; (g) The number and types of resolutions of complaints; (h) The number and type of sanctions imposed; and (i) The number of days between beginning an investigation and reaching a resolution.***

The statute requires agencies to report on licensing activities since the last report. In previous reports to the Legislature, LFO recommended that future reports cover a biennial cycle. Given this, the January 2010 report would include actual licensing data for the 2007-09 biennium.

During the preparation of LFO's 2008 report to the Legislature, LFO has worked with each agency to establish a standardized template for reporting data under this section. In future reports, agencies will retain historical data when reporting for up to a period of 10 years (5 biennia). The inclusion of historical data enables the agency to discuss performance trends and/or potential issues such as case backlogs in their narrative, which facilitates LFO's efforts to evaluate the board's performance of licensing responsibilities.

The Oregon Patient Safety Commission and the Oregon Wine Board are not licensing entities.

***ORS 182.472 (6) A description of all other actions taken since the last report in the performance of the board's statutory responsibilities that is adequate to allow evaluation of the board's performance.***

Agencies should include additional comments about actions taken since the last report which might include agency accomplishments and performance results. Examples include results from customer service surveys, improvements made or planned, etc.

Two exceptions: Since the Oregon Patient Safety Commission and the Oregon Wine Board are not licensing entities, they have both agreed to select and report on a few key performance measures that illustrate performance results achieved during the reporting period. Ideally, these performance measures are high level, outcome oriented measures that are aligned with mission critical work so that they are consistent over time, allowing for performance trending and analysis. The purpose of this request is to facilitate LFO's efforts to evaluate the board's performance.



## Sample Licensing Spreadsheet

ORS 182.472 Section 5	2003-2005**	2005-2007	% Change
(a) The number of license applications;	724	1521	110%
(b) The number of licenses issued; Active or Inactive	2058	5145	150%
(c) The number of examinations conducted;	971	2597	167%
(d) The average time between application for and issuance of licenses; (in hours)	48	24	-50%
(e) The number and types of complaints received about persons holding licenses;	27	162	500%
(f) The number and types of investigations conducted;	111	145	31%
(g) The number and types of resolutions of complaints;			
Cases closed	28	101	261%
Civil penalty/sanctions imposed	36	121	236%
License revoked	2	3	50%
<b>(h) The number and type of sanctions imposed; (total)</b>	<b>39</b>	<b>78</b>	<b>100%</b>
Imposed civil penalty	36	121	236%
Required ethics training and counseling	1	2	100%
Licenses revoked	2	3	50%
<b>(i) The number of days between beginning an investigation and reaching a resolution. (Average days)</b>	123	261	112%
** Data is just for calendar year 2004.			





LC 1595  
11/5/08 (TR/ps)

# D R A F T

## SUMMARY

Modifies periods for which semi-independent state agencies must report certain information to Governor and Legislative Assembly.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to reports of semi-independent state agencies; creating new pro-  
3 visions; amending ORS 182.472 and section 7, chapter 218, Oregon Laws  
4 2007; and declaring an emergency.

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

6 **SECTION 1.** ORS 182.472 is amended to read:

7 182.472. Not later than [*January 1*] **April 1** of each even-numbered year,  
8 each board subject to ORS 182.456 to 182.472 shall submit a report to the  
9 Governor, the President of the Senate, the Speaker of the House of Repre-  
10 sentatives and the Legislative Fiscal Officer. The Legislative Fiscal Officer  
11 shall review the reports and shall prepare and submit a statement of findings  
12 and conclusions to the Joint Legislative Audit Committee **and the Joint**  
13 **Committee on Ways and Means.** The report must include the following:

14 (1) A copy of the most recent audit or financial review of the board.

15 (2) A copy of the actual budget for the prior biennium and a copy of the  
16 board's adopted budget for the biennium in which the report is made. The  
17 budget documents must show:

18 (a) The beginning balance and ending balance for each of the two biennia;

19 (b) A description of material changes between the two biennia;

20 (c) A description of the public hearing process used to establish the  
21 budget adopted for the current biennium; and

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (d) A description of current fees and proposed changes to fees, along with  
2 information supporting the amounts of the current fees and any proposed  
3 changes to the fees.

4 (3) A description of all temporary and permanent rules adopted by the  
5 board [*since the last report was submitted*] **during the prior biennium.**

6 (4) A description of board actions promoting consumer protection that  
7 were taken [*since the last report was submitted*] **during the prior**  
8 **biennium.**

9 (5) If the board issues licenses, a description of the board's licensing ac-  
10 tivities performed [*since the last report*] **during the prior biennium** that is  
11 adequate to allow evaluation of the board's performance of its licensing re-  
12 sponsibilities, including:

13 (a) The number of license applications;

14 (b) The number of licenses issued;

15 (c) The number of examinations conducted;

16 (d) The average time between application for and issuance of licenses;

17 (e) The number and types of complaints received about persons holding  
18 licenses;

19 (f) The number and types of investigations conducted;

20 (g) The number and types of resolutions of complaints;

21 (h) The number and type of sanctions imposed; and

22 (i) The number of days between beginning an investigation and reaching  
23 a resolution.

24 (6) A description of all other actions taken [*since the last report*] **during**  
25 **the prior biennium** in the performance of the board's statutory responsi-  
26 bilities that is adequate to allow evaluation of the board's performance.

27 **SECTION 2. The amendments to ORS 182.472 by section 1 of this**  
28 **2009 Act apply to reports, audits and financial reviews required to be**  
29 **submitted on or after the effective date of this 2009 Act.**

30 **SECTION 3. Section 7, chapter 218, Oregon Laws 2007, is amended to**  
31 **read:**

1       **Sec. 7.** (1) The amendments to ORS 182.464 and 182.472 by sections 1 and  
2 2 [*of this 2007 Act*], **chapter 218, Oregon Laws 2007**, apply to financial re-  
3 view schedules for financial reviews to be included in reports to be submitted  
4 to the Governor and the Legislative Assembly [*not later than*] **on or after**  
5 the date on which the Seventy-fifth Legislative Assembly convenes.

6       (2) The amendments to ORS 297.210 by section 3 [*of this 2007 Act*],  
7 **chapter 218, Oregon Laws 2007**, apply to audits or reviews required to be  
8 made of an institution or department of state government when the executive  
9 head of the institution or department retires on or after [*the effective date*  
10 *of this 2007 Act*] **May 30, 2007**.

11       (3) The amendments to ORS 406.085 by section 4 [*of this 2007 Act*],  
12 **chapter 218, Oregon Laws 2007**, apply to disbursements made from the  
13 Conservatorship Revolving Account on or after [*the effective date of this 2007*  
14 *Act*] **May 30, 2007**.

15       (4) The repeal of ORS 206.320 by section 6 [*of this 2007 Act*], **chapter 218,**  
16 **Oregon Laws 2007**, applies to services performed by a sheriff on behalf of  
17 the state on or after [*the effective date of this 2007 Act*] **May 30, 2007**.

18       **SECTION 4.** **This 2009 Act being necessary for the immediate pres-**  
19 **ervation of the public peace, health and safety, an emergency is de-**  
20 **clared to exist, and this 2009 Act takes effect on its passage.**

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