

Legislative Fiscal Office

Oregon State Capitol
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Joint Committee on Ways and Means

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Sen. Elizabeth Steiner Hayward, Senate Co-Chair
Rep. Dan Rayfield, House Co-Chair

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Laurie Byerly, Interim Legislative Fiscal Officer
Amanda Beitel, Deputy Legislative Fiscal Officer (Budget)
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

To: General Government Subcommittee
From: Michael Graham, Legislative Fiscal Office
Date: May 10, 2021
Subject: House Bill 5001 – Board of Accountancy
Work Session Recommendations

Board of Accountancy – Agency Totals

	2017-19 Actual	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 LFO Recommended
Other Funds	2,334,613	2,905,362	3,277,122	3,271,479
Total Funds	2,334,613	2,905,362	3,277,122	3,271,479
Positions	8	8	8	8
FTE	7.50	7.50	7.50	7.50

The 2021-23 LFO recommended budget for the Oregon Board of Accountancy is 8 positions (7.50 FTE) and \$3,271,479 Other Funds. This is a 12.6% increase from 2019-21 Legislatively Approved Budget. The recommended budget is projected to leave the board with an ending balance of \$2,059,834, an equivalent of 15 months of operating funds. The attached recommendations from the Legislative Fiscal Office for the Board of Accountancy contain the following:

Adjustments to Current Service Level

See attached “Work Session Presentation Report,” dated May 2, 2021.

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end-of-session bills.

Performance Measures

See attached “Legislatively Proposed 2021-23 Key Performance Measures.”

Recommended Changes

LFO recommends a budget of \$3,271,479 Other Funds, and 8 positions (7.50 FTE), as reflected in the -1 amendment.

Final Subcommittee Action

LFO recommends that House Bill 5001, as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	2,788,351	-	-	-	2,788,351	8	7.50
2019-21 Ebds, SS & Admin Act	-	-	117,011	-	-	-	117,011	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	2,905,362	-	-	-	2,905,362	8	7.50
2019-21 Leg Approved Budget (Base)	-	-	2,788,351	-	-	-	2,788,351	8	7.50
Summary of Base Adjustments	-	-	179,497	-	-	-	179,497	-	-
2021-23 Base Budget	-	-	2,967,848	-	-	-	2,967,848	8	7.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	13,917	-	-	-	13,917	-	-
030: Inflation & Price List Adjustments	-	-	295,357	-	-	-	295,357	-	-
2021-23 Current Service Level	-	-	3,277,122	-	-	-	3,277,122	8	7.50
Adjusted 2021-23 Current Service Level	-	-	3,277,122	-	-	-	3,277,122	8	7.50
Total LFO Recommended Packages	-	-	(5,643)	-	-	-	(5,643)	-	-
2021-23 Legislative Actions	-	-	3,271,479	-	-	-	3,271,479	8	7.50
Net change from 2019-21 Leg Approved Budget	-	-	366,117	-	-	-	366,117	-	-
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	12.6%	0.0%	0.0%	0.0%	12.6%	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	-	-	(5,643)	-	-	-	(5,643)	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	(0.2%)	0.0%	0.0%	0.0%	(0.2%)	0.0%	0.0%

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2019-21 Ebds, SS & Admin Act	-	-	117,011	-	-	-	117,011	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	2,905,362	-	-	-	2,905,362	8	7.50
2019-21 Leg Approved Budget (Base)	-	-	2,788,351	-	-	-	2,788,351	8	7.50
Summary of Base Adjustments	-	-	179,497	-	-	-	179,497	-	-
2021-23 Base Budget	-	-	2,967,848	-	-	-	2,967,848	8	7.50
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Package 099 Microsoft 365 Consolidation

Package Description Microsoft 365 Consolidation: Microsoft 365 is being consolidated within the Office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 21-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

LFO Recommendation

LFO Recommended	-	-	(5,643)	-	-	-	(5,643)	-	-
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Legislatively Proposed 2021 - 2023 Key Performance Measures

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Agency: Accountancy, Board of

Mission Statement:

The mission of the Board of Accountancy is to protect Oregon consumers by ensuring only qualified licensees practice public accountancy in accordance with established professional standards and promulgated rules.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
1. CUSTOMER SATISFACTION - Percent of customers rating satisfaction with agency services as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved	90%	90%	90%
	Timeliness		92%	90%	90%
	Helpfulness		95%	90%	90%
	Overall		90%	90%	90%
	Accuracy		95%	90%	90%
	Expertise		96%	90%	90%
5. BEST PRACTICES - Percent of total best practices met by the Board.		Approved	100	100	100
2. TIMELY COMPLAINT RESPONSE - Percentage of complaints filed wherein letters advising the parties of either an inquiry or investigation will be initiated and a letter advising the parties are mailed within five business days of the receipt of the initial complaint.		Proposed New		85%	85%
3. TIMELY REVIEW OF NEW COMPLAINTS - Number of days from the date of letter advising parties that an inquiry has been opened to completion of an inquiry report and approval from Director.		Proposed New		120	120
4. TIMELY INVESTIGATION - Number of days from the date of letter advising parties that an investigation has been opened to completion of investigation report and approval from Director.		Proposed New		240	240
2. TIMELY COMPLAINT RESPONSE - Percentage of complaints wherein letters advising the parties of whether or not an investigation will be initiated are mailed within five business days of the receipt of the complaint.		Proposed Delete	64%	85%	
3. TIMELY INVESTIGATION - Average number of calendar days from date of letter advising parties that an investigation has begun to completion of investigative report.		Proposed Delete	311	240	
4. TIMELY CASE RESOLUTION - Average number of calendar days from date of Complaints Committee recommendation to date of preliminary Board determination.		Proposed Delete	217	25	

LFO Recommendation:

LFO recommends the following:

- Delete KPM #2 ("Timely Complaint Response") and replace it with a new KPM #2 to include letters advising the parties of either an *inquiry* or *investigation*. KPM #2 only addresses the investigation, but generally the Board initiates an inquiry as a first step. This change will more accurately measure the time between receipt of a complaint and advising the parties.
- Delete KPM #3 ("Timely Investigation") and replace it with two new KPMs. KPM #3 currently tracks the average number of calendar days from the date of the letter advising parties that an investigation has begun to completion of the investigative report. These new KPMs will break down these averages between the inquiry and investigation processes. This will more effectively measure the time it takes to complete a preliminary inquiry and/or the investigation.
- Delete KPM #4 ("Timely Case Resolution"). The current KPM does not provide any value as to how complaints are handled since it essentially measures the time between the complaints committee and the Board meeting.

- Approve KPM #1 and KPM #5 and their targets as presented.

In addition, LFO recommends the Board of Accountancy work with LFO and DAS CFO during the interim to document its data collection and processing methods to ensure that KPM data provided are accurate and that definitions of data elements are consistent from year to year.

SubCommittee Action: