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# MEMORANDUM

Legislative Fiscal Office  
900 Court St. NE, Room H-178  
Salem, Oregon 97301  
Phone 503-986-1828  
FAX 503-373-7807

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**To:** General Government Subcommittee of the Joint Committee on Ways and Means

**From:** Haylee Morse-Miller, Legislative Fiscal Office, 503-986-1834  
Emily Coates, Legislative Fiscal Office, 503-986-1827

**Date:** January 25, 2023

**Subject:** Review of the Semi-Independent Agency Reports  
Work Session Recommendation

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## **Background**

The 2005 Legislature passed legislation requiring this review of semi-independent agencies. The first review was in 2006. This is the 9th review LFO has presented to the Legislature.

The Legislature first started granting agencies semi-independent status in 1991. The intent of this status was to allow these agencies to deliver services in a more business-like manner. Currently, 15 agencies have semi-independent status. Only 12 of the 15 are subject to ORS 182.456 to 182.472 which require them to submit reports for this review. The other three agencies are the Oregon Tourism Commission, the Travel Information Council, and the Film and Video Office. Because the Travel Information Council and the Film and Video Office are required to present their budgets and agency operations information to a legislative committee, this report does not include a detailed review for these two agencies. This report does provide a brief review of the Oregon Tourism Commission's use of transient lodging tax for the 2019-21 and 2021-23 biennia.

The twelve semi-independent agencies subject to this reporting requirement are self-funded and fully supported by income such as license, application and examination fees; federal funds; grants; and other program revenue. A semi-independent agency's budget is not subject to Executive Branch review, or approval or modification by the Legislative Assembly.

## **The Semi-Independent Agency Reports**

Starting in 2006, every April of even-numbered years, 12 state semi-independent agencies are required by statute to submit information regarding licensing, complaints, investigations, and consumer protection activities as well as financial review and budget information. LFO reviews this information for completeness and compliance with statutory requirements. As part of this review, LFO corresponded via email and by telephone with agencies as needed to collect missing information, provide feedback on report content, and to discuss proposed recommendations for

future reporting. In all cases, agencies were responsive to requests for information. LFO compiled the information gathered into the attached review.

The review covers agency performance for the 2019-21 biennium and the adopted budget for the 2021-23 biennium. Included in the LFO summary review of these reports are budget analyses for each of the twelve agencies, tables and charts summarizing budget to actual numbers, as well as staffing, and licensing information. In short, all twelve agencies submitted information that generally complied with statutes.

LFO continues to work with these agencies to ensure that information regarding licensing activities, complaints, investigations, resolutions, and sanctions are reported in a way that will be reliable.

Included in the LFO review are updated instructions to help these semi-independent agencies prepare future reporting, and the following recommendations for improving the semi-independent review process.

For future reports, LFO recommends that all 12 agencies subject to this reporting requirement follow the updated reporting guidelines prepared by LFO (Appendix D) for the 2024 reporting cycle.

**Recommendation**

LFO recommends acknowledging receipt of LFO's Review of Semi-Independent Agency Reports.