

## Legislative Fiscal Office

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## Joint Committee on Ways and Means

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Representative Tawna Sanchez, House Co-Chair

Senator Fred Girod, Senate Co-Vice Chair  
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Amanda Beitel, Legislative Fiscal Officer  
Tom MacDonald, Deputy Legislative Fiscal Officer (Budget)  
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

**To:** General Government Subcommittee  
**From:** Michael Graham, Legislative Fiscal Office  
**Date:** March 29, 2023  
**Subject:** SB 5501 – Board of Accountancy  
Work Session Recommendations

### Board of Accountancy – Agency Totals

	2019-21 Actual	2021-23 Legislatively Approved	2023-25 Current Service Level	2023-25 LFO Recommended
Other Funds	\$2,578,871	\$3,263,399	\$3,409,013	\$3,017,763
<b>Total Funds</b>	<b>\$2,578,871</b>	<b>\$3,263,399</b>	<b>\$3,409,013</b>	<b>\$3,017,763</b>
Positions	8	8	8	7
FTE	7.50	7.50	7.50	7.00

Enclosed are the budget recommendations from the Legislative Fiscal Office (LFO) for the Board of Accountancy.

The 2023-25 LFO recommended budget for the Board of Accountancy includes \$3,017,763 Other Funds and 7 positions (7.00 FTE). The LFO recommended budget represents a decrease of \$245,636 Other Funds, or 7.5%, from the 2021-23 legislatively approved budget and a decrease of \$391,250 Other Funds, or 11.5%, from the current service level.

The 2023-25 LFO recommended budget includes the following adjustments:

- \$210,847 Other Funds expenditure reduction from various adjustments, including a \$200,000 reduction in the Board's Attorney General (AG) services line item due to the Board underspending its AG line item by at least \$200,000 in the 2021-23 biennium; \$74,977 Other Funds reduction owing to the reclassification of an Investigator position as an Administrative Specialist 2 position; \$79,740 Other Funds increase and 0.50 FTE increase from making a part-time Office Specialist 1 a full-time position; \$29,658 Other Funds increase from reclassifying two Administrative Specialist 1 positions as Administrative Specialist 2 positions; \$29,213 Other Funds reduction in rental facility expenditures from savings realized through working

remotely and conducting board meetings remotely; and \$16,055 Other Funds reduction in position-related services and supplies costs.

- \$191,250 Other Funds revenue reduction to account for lost revenue from first-time and returning CPA application examinees, since the Board now outsources CPA exam application processing to the National Association of State Boards of Accountancy.
- \$180,403 Other Funds expenditure reduction from eliminating a vacant Administrative Specialist 2 position and reducing the Board's total FTE by 1.00 FTE.

### **Adjustments to Current Service Level**

See attached "Work Session Presentation Report."

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.

**Accept** LFO Recommendation:

**MOTION:** I move the LFO recommendation to SB 5501. (VOTE)

**OR**

**Change** LFO Recommendation:

**MOTION:** I move the LFO recommendation to SB 5501, with modifications. (VOTE)

### **Performance Measures**

See attached "Legislatively Proposed 2023-25 Key Performance Measures."

**Accept** LFO Recommendation:

**MOTION:** I move the LFO recommendation on Key Performance Measures. (VOTE)

**OR**

**Change** LFO Recommendation:

**MOTION:** I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

### **Recommended Changes**

LFO recommends a budget of \$3,017,763 Other Funds, and 7 positions (7.00 FTE), which is reflected in the -1 amendment.

MOTION: I move adoption of the –1 amendment to SB 5501. (VOTE)

**Final Subcommittee Action**

LFO recommends that SB 5501, as amended by the –1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 5501, as amended, to the Full Committee with a do pass recommendation. (VOTE)

**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)
<b>2021-23 Agy. Leg. Adopted</b>	-	-	<b>3,182,967</b>	-	-	-	<b>3,182,967</b>	<b>8</b>	<b>7.50</b>
2021-23 Ebds, SS & Admin Act	-	-	80,432	-	-	-	80,432	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2021-23 Leg Approved Budget</b>	-	-	<b>3,263,399</b>	-	-	-	<b>3,263,399</b>	<b>8</b>	<b>7.50</b>
<b>2021-23 Leg Approved Budget (Base)</b>	-	-	<b>3,263,399</b>	-	-	-	<b>3,263,399</b>	<b>8</b>	<b>7.50</b>
Summary of Base Adjustments	-	-	35,947	-	-	-	35,947	-	-
<b>2023-25 Base Budget</b>	-	-	<b>3,299,346</b>	-	-	-	<b>3,299,346</b>	<b>8</b>	<b>7.50</b>
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(9,723)	-	-	-	(9,723)	-	-
030: Inflation & Price List Adjustments	-	-	119,390	-	-	-	119,390	-	-
<b>2023-25 Current Service Level</b>	-	-	<b>3,409,013</b>	-	-	-	<b>3,409,013</b>	<b>8</b>	<b>7.50</b>
<b>Adjusted 2023-25 Current Service Level</b>	-	-	<b>3,409,013</b>	-	-	-	<b>3,409,013</b>	<b>8</b>	<b>7.50</b>
<b>Total LFO Recommended Packages</b>	-	-	<b>(391,250)</b>	-	-	-	<b>(391,250)</b>	<b>(1)</b>	<b>(0.50)</b>
<b>2023-25 Legislative Actions</b>	-	-	<b>3,017,763</b>	-	-	-	<b>3,017,763</b>	<b>7</b>	<b>7.00</b>
Net change from 2021-23 Leg Approved Budget	-	-	(245,636)	-	-	-	(245,636)	(1)	(0.50)
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	(7.5%)	0.0%	0.0%	0.0%	(7.5%)	(12.5%)	(6.7%)
Net change from 2023-25 Adj Current Service Level	-	-	(391,250)	-	-	-	(391,250)	(1)	(0.50)
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	(11.5%)	0.0%	0.0%	0.0%	(11.5%)	(12.5%)	(6.7%)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2021-23 Agy. Leg. Adopted</b>	-	-	3,182,967	-	-	-	3,182,967	8	7.50
2021-23 Ebds, SS & Admin Act	-	-	80,432	-	-	-	80,432	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2021-23 Leg Approved Budget</b>	-	-	3,263,399	-	-	-	3,263,399	8	7.50
<b>2021-23 Leg Approved Budget (Base)</b>	-	-	3,263,399	-	-	-	3,263,399	8	7.50
Summary of Base Adjustments	-	-	35,947	-	-	-	35,947	-	-
<b>2023-25 Base Budget</b>	-	-	3,299,346	-	-	-	3,299,346	8	7.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(9,723)	-	-	-	(9,723)	-	-
030: Inflation & Price List Adjustments	-	-	119,390	-	-	-	119,390	-	-
<b>2023-25 Current Service Level</b>	-	-	3,409,013	-	-	-	3,409,013	8	7.50
<b>Adjusted 2023-25 Current Service Level</b>	-	-	3,409,013	-	-	-	3,409,013	8	7.50
<b>Total LFO Recommended Packages</b>	-	-	(391,250)	-	-	-	(391,250)	(1)	(0.50)
<b>2023-25 Legislative Actions</b>	-	-	3,017,763	-	-	-	3,017,763	7	7.00
Net change from 2021-23 Leg Approved Budget	-	-	(245,636)	-	-	-	(245,636)	(1)	(0.50)
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	(7.5%)	0.0%	0.0%	0.0%	(7.5%)	(12.5%)	(6.7%)
Net change from 2023-25 Adj Current Service Level	-	-	(391,250)	-	-	-	(391,250)	(1)	(0.50)
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	(11.5%)	0.0%	0.0%	0.0%	(11.5%)	(12.5%)	(6.7%)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 801 LFO Analyst Adjustments**

Package Description

This package makes various adjustments to the Board's personal services and services and supplies costs. The adjustments include an increase of \$79,740 Other Funds and 0.50 FTE, both of which correspond with changing a part-time Office Specialist 1 position to full-time; an increase of \$29,658 Other Funds to reclassify two Administrative Specialist 1 positions as Administrative Specialist 2 positions; a decrease of \$74,977 Other Funds to reclassify one Investigator position as an Administrative Specialist 2 position; a decrease of \$200,000 Other Funds in Attorney General costs; a decrease of \$29,213 Other Funds in rental costs; and a decrease of \$16,055 Other Funds in position-related services and supplies costs. The total adjustments in this package reduce the Board's Other Funds expenditures by \$210,847 and increase the Board's total FTE by 0.50.

This package also reflects a reduction in Other Funds revenue of \$191,250 to account for the lost revenue from first-time and returning examinees, since the Board now outsources CPA exam application processing to the National Association of State Boards of Accountancy.

LFO Recommendation

LFO recommends approval of the package.

LFO Recommended	-	-	(210,847)	-	-	-	(210,847)	-	0.50
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 802 Vacant Position Reductions**

Package Description

This package eliminates a vacant Administrative Specialist 2 position and reduces the Board's total FTE by 1.00. The package also reduces the Board's expenditures by \$180,403 Other Funds.

LFO Recommendation

LFO recommends approval of the package.

LFO Recommended	-	-	(180,403)	-	-	-	(180,403)	(1)	(1.00)
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# Legislatively Proposed 2023 - 2025 Key Performance Measures

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**Agency:** Board of Accountancy

**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 2024	Target 2025
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	95%	90%	90%
	Timeliness		92%	90%	90%
	Helpfulness		96%	90%	90%
	Overall		95%	90%	90%
	Accuracy		95%	90%	90%
	Expertise		96%	90%	90%
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.		Approved	25%	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.		Approved	133	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.		Approved	204	240	240
5. BEST PRACTICES - Percent of total best practices met by the Board.		Approved	100	100	100

**LFO Recommendation:**

The Legislative Fiscal Office recommends approval of the proposed Key Performance Measures and targets.

**SubCommittee Action:**