

LEGISLATIVE FISCAL OFFICE REVIEW OF SEMI-INDEPENDENT AGENCY REPORTS

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Review Authority and Reporting

1. Board of Architect Examiners
2. Appraiser Certification and Licensure Board
3. Board of Examiners for Engineering and Land Surveying
4. Board of Geologist Examiners
5. Landscape Architect Board
6. Landscape Contractors Board
7. Board of Massage Therapists
8. Board of Optometry
9. Physical Therapist Licensing Board
10. Oregon Patient Safety Commission
11. Oregon Wine Board
12. *Citizens' Initiative Review Commission*

Funding

- Agencies are mostly self-funded.
- Nine boards are funded by application, examination, license fees, and other program revenue.
- Oregon Patient Safety Commission is funded by annual fees assessed on Oregon healthcare facilities and by state General Fund that comes to the Commission as pass-through funding from the Oregon Health Authority.
- Oregon Wine Board is funded primarily through an assessment on grapes harvested for wine production and a privilege tax imposed on manufacturers and distributors of wine. Other revenue sources include program fees/grants.

Statutory Differences

The semi-independent agencies subject to this reporting requirement are exempt from statutes regulating state agencies in the following areas:

- Personnel relations (except for temporary appointments and collective bargaining)
- Use of state facilities and printing
- Public contracting and purchasing (except for surplus property and products of the disabled)
- Interagency services
- Financial administration
- Disbursing and investing of funds
- Salaries and expenses of state officers and employees

Semi-independent agencies subject to this reporting requirement must:

- Maintain tort liability coverage
- Adhere to public records and meeting laws
- Use the services of the Department of Justice for advice and counsel
- Use the services of the Secretary of State Audits Divisions for financial control through audit or review
- Maintain continual participation in the state Public Employees Retirement System

Fiscal and Administrative Accountability

- Must establish financial accounts in FDIC-insured banks, ensure that deposits in excess of FDIC limits are collateralized.
- Must follow generally accepted accounting principles (GAAP) and accurately disclose their financial condition and financial operations through this reporting requirement.
- Subject to biennial external independent audits or financial reviews conducted according to governmental audit and review standards.
 - Audits or financial reviews are scrutinized and published by the Secretary of State Audits Division.
- Generally required to prepare and adopt a biennial operating budget using the public hearing and administrative rule processes.
- Semi-independent agencies subject to this reporting requirement must adopt personnel policies, along with contract and purchasing policies.
 - Policies are submitted to the Department of Administrative Services (DAS) for review and approval.
 - DAS makes certain the proposed policies comply with applicable state and federal laws and collective bargaining contracts.

Review Process

- Review is focused on the provisions of ORS 182.472 and covers reports submitted by the deadline of April 1, 2024.
- Reports were reviewed for compliance with statutory requirements.
- LFO followed up with clarifying questions and met with agencies as needed.
- 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.

Summary of Financial Audits/Reviews

- The statute requires agencies to submit “the most recent audit or financial review of the board.”
- 11 agencies submitted a financial review from Moss Adams, LLP, for the biennium ending June 30, 2023.
- The reviews included an examination of: 1) internal controls related to financial, accounting, and licensing processes; 2) cash controls; 3) revenue and expense verification, including budget to actual comparison.
- The evaluations of these agreed-upon procedures found that, generally, adequate controls were in place.

Budget and Fund Analysis

- Agencies provided:
 - ✓ a balance sheet for the 2021-23 biennium;
 - ✓ a comparison of budgeted to actual revenues and expenditures for the 2021-23 biennia;
 - ✓ a projected/adopted budget for the 2023-25 biennium; and
 - ✓ a forecasted balance sheet for the 2023-25 biennium.
- Identified beginning and ending balances, variances between reported and audited numbers.
- Agencies generally operated within their budgets for the 2021-23 biennium. Where there were variances, the agencies provided reasonable explanations.

	2021-2023		Board Members		2021-2023	Licensees		Director	2021-2023	2023-25	2023-2025	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Monthly Salary (as of 6/30/23)	Actual Expenditures	Budgeted Expenditures	Pos.	FTE
Board of Architect Examiners	5	4.13	5	2	14	4,007	943	\$12,579	\$1,492,973	\$1,558,142	5	4.13
Appraiser Certification and Licensure Board	7	6.50	7	1	8	1,389	100	\$8,001	\$2,470,809	\$2,684,104	7	6.50
Board of Examiners for Engineering and Land Surveyors	13	13.00	9	2	12	35,000	-	\$12,201	\$4,237,803	\$4,750,000	13	13.00
Board of Geologist Examiners	2	2.00	4 ⁺	1	9	993	-	\$10,357	\$779,964	\$857,544	2	2.00
Landscape Architect Board	u	u	4	3	8	541	229	u	\$470,783	\$541,726	u	u
Landscape Contractors Board	6	5.50	5	2	16	1,606	1,401	\$10,357	\$1,812,780	\$2,358,658	7	6.50
Board of Massage Therapists	6	6.00	4	3	12	7,611	302	\$11,083	\$2,693,868	\$2,603,604	6	6.00
Board of Optometry	2	2.00	4	1	9	1,120	-	\$10,357	\$907,969	\$1,016,190	2	2.00
Board of Physical Therapy	4	3.60	6	2	24	6,568	-	\$12,579	\$1,520,729	\$1,882,265	4	3.60
Oregon Patient Safety Commission	10	10.00	17	0	15	o	o	\$11,427	\$3,104,496	\$4,021,452	11	11.00
Oregon Wine Board	8	8.00	9	0	16	o	o	\$19,700	\$4,939,531	\$5,840,597	8	8.00
Citizens' Initiative Review Commission *												

+ Plus one *ex officio* member (State Geologist)

u Contracted services from Board of Geologist Examiners

o Not a licensing agency

* Inactive

APPENDIX A - Semi-Independent Agencies: Operations Summary for 2021-23 Biennium

	2021-23 Actual Beginning Fund Balance	2021-23 Approved Budgeted Revenues	2021-23 Actual Revenues	2021-23 Approved Budgeted Expenditures	2021-23 Actual Expenditures	2021-23 Budgeted Ending Fund Balance	2021-23 Actual Ending Fund Balance	2023-25 Adopted Budgeted Revenues	2023-25 Adopted Budgeted Expenditures	2023-25 Budgeted Ending Fund Balance
Board of Architect Examiners	\$684,772	\$1,351,619	\$1,414,775	\$1,554,085	\$1,492,973	\$482,306	\$589,349	\$1,558,142	\$1,558,142	\$589,349
Appraiser Certification and Licensure Board	\$1,175,106	\$2,441,925	\$2,337,255	\$2,440,572	\$2,470,809	\$1,176,459	\$1,041,552	\$2,698,875	\$2,684,104	\$1,056,323
Board of Examiners for Engineering and Land Surveyors	\$1,820,923	\$4,674,985	\$4,736,776	\$4,630,000	\$4,237,803	\$1,865,908	\$2,319,896	\$4,764,243	\$4,750,000	\$2,334,139
Board of Geologist Examiners	\$284,047	\$686,240	\$661,990	\$812,791	\$779,964	\$157,496	\$166,073	\$864,570	\$857,544	\$173,099
Landscape Architect Board	\$409,429	\$475,800	\$478,199	\$499,371	\$470,783	\$385,858	\$416,845	\$489,050	\$541,726	\$364,169
Landscape Contractors Board	\$757,911	\$1,833,970	\$2,103,680	\$1,914,247	\$1,812,780	\$677,634	\$1,048,811	\$2,030,335	\$2,358,658	\$720,487
Board of Massage Therapists	\$566,142	\$2,513,241	\$2,404,391	\$2,507,795	\$2,693,868	\$571,588	\$276,665	\$2,576,000	\$2,603,604	\$249,061
Board of Optometry	\$203,220	\$817,950	\$835,403	\$912,095	\$907,969	\$109,075	\$130,654	\$977,250	\$1,016,190	\$91,714
Board of Physical Therapy	\$967,982	\$1,615,413	\$1,632,435	\$1,768,364	\$1,520,729	\$815,031	\$1,079,688	\$1,590,066	\$1,882,265	\$787,489
Oregon Patient Safety Commission	\$1,887,389	\$3,587,112	\$3,604,188	\$3,587,112	\$3,104,496	\$1,887,389	\$2,387,081	\$3,662,028	\$4,021,452	\$2,027,657
Oregon Wine Board	\$948,702	\$5,194,009	\$5,237,830	\$5,863,434	\$4,939,531	\$279,277	\$1,247,001	\$5,332,211	\$5,840,597	\$738,615
Citizens' Initiative Review Commission										

Italicized numbers denote where agency-reported ending balance and actual biennial ending balance differ; further information included in the text of the report as needed.

APPENDIX B - Semi-Independent Agencies: Budget to Actual Summary for 2021-23 Biennium

SAMPLE BUDGET ANALYSIS

LANDSCAPE CONTRACTORS BOARD

	2019-21 Budget	2019-21 Actual	2021-23 Budget	2021-23 Actual	2023-25 Budget
Total Funds	\$1,778,957	\$1,604,922	\$1,914,247	\$1,812,780	\$2,358,658
Positions	5	5	5	6	7
FTE	4.50	4.50	4.50	5.50	6.50

Overview

The Landscape Contractors Board (LCB) regulates the landscape industry in Oregon and protects the public by promoting a fair and competitive business environment through education, licensing, dispute resolution, and enforcement. The Board is responsible for administering examinations, [issuing](#) and renewing licenses, investigating complaints, and monitoring the continuing education of its licensees. The seven-member board is composed of five professionals and two public members.

Revenue Sources

The Board is funded by revenue generated from application and annual licensure fees for individuals and businesses. Other miscellaneous sources include civil penalties, late fees, and interest income. Revenue in 2023-25 is projected at \$2,030,335, a 3.5% decrease from 2021-23 actual revenues.

Budget Environment and Licensing and Enforcement Activities

The Board licenses approximately 1,600 individuals and 1,400 businesses. In total, business and individual licensee numbers increased by approximately 9% from the 2019-21 biennium.

In 2021-23, consumer complaints against licensed landscape contractors totaled 130, up from 99 in 2019-21 and 94 in 2017-19. An increase in demand for landscaping work has occurred as the economy has improved, which is likely the cause of the increase in complaints.

2021-23 Budget to Actual

Actual revenue for 2021-23 was \$2,103,680, approximately 14.7% higher than budgeted due to 25% more applications and renewals than anticipated. The Board's 2021-23 actual expenditures were \$1,812,780, approximately 5.3% lower than the \$1,914,247 budgeted due to IT costs being less than budgeted.

The Board approved a modified budget in July 2022, increasing the 2021-23 budget from \$1,827,330 to \$1,914,247. The Board hired a new Administrator in January 2022 and subsequently added a new Program Specialist position to perform outreach and enforcement activities and to process claims.

2023-25 Budget

The 2023-25 adopted budget of \$2,358,658 represents a 23.22% increase from the 2021-23 adopted budget due to an increase in personal services and legal expenses. The budget includes a new Investigator/Mediator position to increase capacity for enforcement actions and claims mediation. The Board's projected ending cash balance for the 2023-25 biennium of \$898,269 equals approximately 9.1 months of operating costs. The Legislative Fiscal Office notes the 2023-25 projected ending balance is not adjusted for outstanding liabilities expensed and paid in different biennia.

Board of Architect Examiners

	2021-2023		Board Members		2021-2023	Licensees		Director	2021-2023	2023-25	2023-2025	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Monthly Salary (as of 6/30/23)	Actual Expenditures	Budgeted Expenditures	Pos.	FTE
Board of Architect Examiners	5	4.13	5	2	14	4,007	943	\$12,579	\$1,492,973	\$1,558,142	5	4.13

- Fee increase for firms, effective July 1, 2021, and fee increase for individuals effective July 1, 2022
- Due to process efficiencies and agency reorganization, OSBAE anticipates eliminating one vacant Executive Assistant position during the 2023-25 biennium

Appraiser Certification and Licensure Board

	2021-2023		Board Members		2021-2023	Licensees		Director	2021-2023	2023-25	2023-2025	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Monthly Salary (as of 6/30/23)	Actual Expenditures	Budgeted Expenditures	Pos.	FTE
Appraiser Certification and Licensure Board	7	6.50	7	1	8	1,389	100	\$8,001	\$2,470,809	\$2,684,104	7	6.50

- ACLB anticipates applying for a grant from The Appraisal Foundation to engage appraisal compliance consultants to assist the investigators in research and audits

Board of Examiners for Engineering and Land Surveying

	2021-2023		Board Members		2021-2023	Licensees		Director	2021-2023	2023-25	2023-2025	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Monthly Salary (as of 6/30/23)	Actual Expenditures	Budgeted Expenditures	Pos.	FTE
Board of Examiners for Engineering and Land Surveyors	13	13.00	9	2	12	30,000	-	\$12,201	\$4,237,803	\$4,750,000	13	13.00

- Increased renewal fees as of October 2021
- Created a Land Surveying Qualifications Taskforce to review education and experience requirements for licensure
- 18.4% increase in licensing activities, which is close to pre-pandemic levels

Landscape Contractors Board

	2021-2023		Board Members		2021-2023	Licensees		Director	2021-2023	2023-25	2023-2025	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Monthly Salary (as of 6/30/23)	Actual Expenditures	Budgeted Expenditures	Pos.	FTE
Landscape Contractors Board	6	5.50	5	2	16	1,606	1,401	\$10,357	\$1,812,780	\$2,358,658	7	6.50

- Business and Individual licensee increased by 9% from the 2019-21 biennium
- New Administrator as of January 2022 and added one Program Specialist position to perform outreach and enforcement activities

Board of Geologist Examiners

	2021-2023		Board Members		2021-2023	Licensees		Director	2021-2023	2023-25	2023-2025	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Monthly Salary (as of 6/30/23)	Actual Expenditures	Budgeted Expenditures	Pos.	FTE
Board of Geologist Examiners	2	2.00	4 ⁺	1	9	993	-	\$10,357	\$779,964	\$857,544	2	2.00

- Interagency agreement between Board of Geologist Examiners and Landscape Architect Board
- Fee increases, effective July 1, 2023

Landscape Architect Board

	2021-2023		Board Members		2021-2023	Licensees		Director	2021-2023	2023-25	2023-2025	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Monthly Salary (as of 6/30/23)	Actual Expenditures	Budgeted Expenditures	Pos.	FTE
Landscape Architect Board	u	u	4	3	8	541	229	u	\$470,783	\$541,726	u	u

- Board staff include a contracted Administrator and Registration Specialist who are employed by the Board of Geologist Examiners but work part-time (totaling 1.00 FTE) at OSLAB through an interagency agreement that is subject to renegotiation each biennium
- 37% increase in examination applicants due to agency outreach activities

Board of Massage Therapists

	2021-2023		Board Members		2021-2023	Licensees		Director	2021-2023	2023-25	2023-2025	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Monthly Salary (as of 6/30/23)	Actual Expenditures	Budgeted Expenditures	Pos.	FTE
Board of Massage Therapists	6	6.00	4	3	12	7,611	302	\$11,083	\$2,693,868	\$2,603,604	6	6.00

- Decreased number of licensees due to COVID-19 pandemic (8,076 in June 2019 vs. 7,611 in June 2023)
- Revenue impact mitigated due to increased civil penalty collections from changed compliance/collection processes, more assessments due to increase in illegal massage facilities
- Agency was 7.4% overbudget for 2021-23 due largely to unplanned personal services expenditures

Board of Optometry

	2021-2023		Board Members		2021-2023	Licensees		Director	2021-2023	2023-25	2023-2025	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Monthly Salary (as of 6/30/23)	Actual Expenditures	Budgeted Expenditures	Pos.	FTE
Board of Optometry	2	2.00	4	1	9	1,120	-	\$10,357	\$907,969	\$1,016,190	2	2.00

- Fee increase for the 2021-23 biennium

Board of Physical Therapy

	2021-2023		Board Members		2021-2023	Licensees		Director	2021-2023	2023-25	2023-2025	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Monthly Salary (as of 6/30/23)	Actual Expenditures	Budgeted Expenditures	Pos.	FTE
Board of Physical Therapy	4	3.60	6	2	24	6,568	-	\$12,579	\$1,520,729	\$1,882,265	4	3.60

- Increased initial licensing and renewal fees as of 2021-23 biennium
- 14% underbudget in 2021-23 due to savings related to delayed IT project, less travel due to COVID-19

Oregon Patient Safety Commission

	2021-2023		Board Members		2021-2023	Licensees		Director	2021-2023	2023-25	2023-2025	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Monthly Salary (as of 6/30/23)	Actual Expenditures	Budgeted Expenditures	Pos.	FTE
Oregon Patient Safety Commission	10	10.00	17	0	15	0	0	\$11,427	\$3,104,496	\$4,021,452	11	11.00

- Includes Patient Safety Reporting Program, and Early Discussion and Resolution program
- Annual fees assessed on Oregon healthcare facilities and state General Fund passed through Oregon Health Authority
- 13.5% underbudget in 2021-23 due to vacant position, and a pause on some activities/remote work due to COVID-19

Oregon Wine Board

	2021-2023		Board Members		2021-2023	Licensees		Director	2021-2023	2023-25	2023-2025	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Monthly Salary (as of 6/30/23)	Actual Expenditures	Budgeted Expenditures	Pos.	FTE
Oregon Wine Board	8	8.00	9	0	16	0	0	\$19,700	\$4,939,531	\$5,840,597	8	8.00

- Funded by assessment fees on Winery or Growers Sales Privilege licensees, privilege tax per gallon of wine for manufacturers and distributors, program fees and grants
- 15.8% under budget, largest reason is reduced marketing and communications related to tourism promotion, trade education and events due to COVID-19 pandemic
- Budget on an annual and not biennial basis, so 2023-25 numbers are subject to change

Citizens' Initiative Review Commission

[illegible]

Other Semi-Independent Agencies

- *Oregon Tourism Commission (Travel Oregon)* files copies of its adopted or modified budget and financial statements with LFO.
- Commission also submits a report to LFO by October 1st of each year that identifies:
 - Funds received by the Commission from transient lodging tax.
 - The awards and commitments approved by the Commission of these funds for the fiscal year.
 - Other information requested by LFO including information on grants of \$2 million or more.
- Statutory requirement to spend transient lodging tax:
 - 65% or more to fund state tourism programs.
 - 20% to implement a regional cooperative tourism program- distributes revenue to regions in proportion to the amount of lodging tax revenue collected in each region.
 - 10% for a competitive grant program which may include tourism-related facilities and tourism-generating events.

Other Semi-Independent Agencies

- ORS 377.838 requires the *Oregon Travel Information Council* to file with the Governor, Legislative Assembly, and Legislative Fiscal Office an annual report of its activities and operations.
- ORS 284.335 requires the *Oregon Film and Video Office* to file with the Governor, Legislative Assembly, and Legislative Fiscal Office a biennial report of its activities and operations.
- Because the Oregon Travel Information Council and Oregon 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.

REPORTING GUIDELINES FOR 2026

Report Checklist

Section I: Copy of Audit or Financial Review

- ☐ Audit or review for biennium ending June 30, 2023
- ☐ A copy of the financial statements used to support the [review](#)
 - ☐ Budget to actuals
 - ☐ Budget to actuals variance analysis
 - ☐ Balance sheet
- ☐ Follow up on prior recommendations and/or copies of management response, if applicable

Section II: Budget Comparison

- ☐ Balance sheet for the 2023-25 biennium
- ☐ Forecasted balance sheet for the 2025-27 [biennium](#)
- ☐ [Line item](#) comparison of final adopted budget to actual revenues and expenditures for 2023-25 biennium
 - ☐ If budget was modified during the biennium, also include comparison of modified budget to initial budget amounts and to actual [amounts](#)
- ☐ [Line item](#) comparison of 2023-25 budget to 2025-27 budget and 2023-25 actuals to 2025-27 budget
- ☐ Discussion of reasons for any major variances between budget and actuals for the 2023-25 biennium
 - ☐ If budget was modified during the biennium, include reasons for mid-biennium changes to the [budget](#)
- ☐ Discussion of reasons for any major variances between the 2023-25 and 2025-27 budgets
- ☐ Table of fee changes made in 2023-25 or proposed for [2025-27](#)
- ☐ Discussion of reason for any fee changes
- ☐ Beginning and ending balances for 2023-25 and 2025-27 with description of any variances
- ☐ Discussion of agency's target ending balance in terms of overall reserve amount and/or months of operating reserves
- ☐ *For non-licensing agencies, include information on any changes in revenue sources or [amounts](#)*

Section III: Rule Making Activities

- ☐ Table that includes a description of all rules adopted in the 2023-25 [biennium](#)
- ☐ Description of the public hearing process to establish/modify the adopted budget. This must include the exact dollar figures for the budget that have been adopted into [rule](#)

Section IV: Consumer Protection

- ☐ Overview of consumer protection activities using Consumer Protection table format provided by [LFO](#)
- ☐ Examples of agency materials or publications to promote consumer [protection](#)
- ☐ *For non-licensing agencies, include annual performance reports for industry stakeholders to illustrate [performance](#)*

Section V: Licensing Activities and Disciplinary Actions

- ☐ Discussion of licensing processes
- ☐ Copy of updated Licensing and Enforcement Activity table provided by LFO, covering past [10 years](#)
- ☐ Discussion of major changes in licensing numbers, number of complaints, case resolution timeliness, case aging etc.

Section VI: Other Board Activities

- ☐ Organizational chart with positions and FTE
- ☐ Brief narrative of any changes in number of positions, FTE, or staffing
- ☐ Copy of Agency Operations table provided by LFO, covering past [10 years](#)
- ☐ Board Best Practices self-assessment provided by LFO, including a brief narrative describing number of Board members responding and how and when the survey was [administered](#)
- ☐ Discussion of other agency accomplishments and performance results (customer service surveys, improvements made or planned)
- ☐ *For non-licensing agencies, report on selected high-level outcome-oriented key performance [measures](#)*

Questions?

Legislative Fiscal Office

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