



REVIEW OF SEMI-INDEPENDENT AGENCY REPORTS

April 1, 2024



MAY 2025

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REVIEW AUTHORITY AND PURPOSE OF REPORT

In accordance with ORS 182.472, certain semi-independent agencies are required to provide reports in even-numbered years to the Governor, Senate President, House Speaker, and Legislative Fiscal Office (LFO). LFO is directed to review the reports and issue a statement of findings and conclusions to the Joint Legislative Audit Committee and the Joint Committee on Ways and Means. This report fulfills this requirement.

The reporting agencies include:

- 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) Board of Physical Therapy
- 10) Oregon Patient Safety Commission
- 11) Oregon Wine Board
- 12) Citizens' Initiative Review Commission

Under ORS 182.472, these agencies must report on recent agency audits or financial reviews; information about the agencies' prior and current biennial budgets; descriptions of rules adopted during the prior biennium; certain information about the agencies' licensing activities, if applicable; and a description of other actions taken during the prior biennium that help in the evaluation of the agency's statutory responsibilities. For specific information on each reporting element contained in ORS 182.472, please refer to Appendix D. LFO's review of the agencies' compliance with these reporting requirements is summarized in the sections that follow, with more detail included in Appendix B.

In addition to the reporting requirements for the agencies noted above, ORS 284.126 requires the Oregon Tourism Commission to file copies of its adopted or modified budgets with LFO and other recipients. ORS 284.148 also requires the Commission to submit an annual report that identifies funds received from the transient lodging tax, related awards and commitments, and any information requested by LFO regarding these funds. A summary of LFO's review of the Commission's budget and use of the transient lodging tax is included in Appendix B.

SEMI-INDEPENDENT AGENCIES HISTORY AND BACKGROUND

The Oregon Legislature first advanced the semi-independence model in 1991 by granting the Travel Information Council, Oregon Film and Video Group, and Oil Heat Commission (now defunct) status as semi-independent agencies. In 1997, the Board of Optometry, Board of Geologist Examiners, Board of Architect Examiners, Board of Examiners for Engineering and Land Surveying, and Landscape Architect Board were granted semi-independent status. The Board of Massage Therapists and Board of Physical Therapy were added in 1999; the Landscape Contractors Board and Appraiser Certification and

Licensure Board in 2001; the Oregon Tourism Commission, Oregon Patient Safety Commission, and Oregon Wine Board in 2003; and the Citizens' Initiative Review Commission in 2011.

Funding

The 12 agencies subject to the ORS 182.472 reporting requirement are mostly self-funded. The first nine boards are supported by income such as application, examination, license fees, and other program revenue. The 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 to administer the Early Discussion and Resolution program. The 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 and grants. The Citizens' Initiative Review Commission has been solely dependent on charitable foundations and donations from individuals.

Statutory Differences

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 (except for writing off uncollectible debts)
- Disbursing and investing of funds
- Salaries and expenses of state officers and employees

Semi-independent agencies 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, and maintain continual participation in the state Public Employees Retirement System.

Fiscal Accountability

Semi-independent agencies must establish financial accounts in FDIC-insured banks and ensure that deposits in excess of FDIC limits are collateralized. The agencies must follow generally accepted accounting principles and accurately disclose their financial condition and financial operations through this reporting requirement. Biennially, these agencies are subject to external independent audits or financial reviews conducted according to governmental audit and review standards. These audits or financial reviews are scrutinized and published by the Secretary of State Audits Division.

Semi-independent agencies prepare and adopt a biennial operating budget using the public hearing and administrative rule processes. Under this process, prior to the adoption or modification of a budget, a notice of public hearing is sent to all interested parties and licensees of the boards to allow opportunity to present testimony concerning the budget. After the hearing process, if no substantial changes are required, the budget is adopted, and an administrative rule is filed which defines the agency's budget

for the upcoming biennium. If substantial changes are required, the budget must go through the hearing and rule adoption process again.

The Oregon Wine Board and Oregon Tourism Commission solicit stakeholder feedback on their budgets, but do not have an administrative rule to define the agency's budget. The Oregon Wine Board adopts an annual budget instead of a biennial budget.

Administrative Accountability

In addition to meeting the reporting requirements for this review, semi-independent agencies must adopt personnel policies, along with contract and purchasing policies. These policies are submitted to the Department of Administrative Services for review and approval to ensure the proposed policies comply with applicable state and federal laws and collective bargaining contracts. HB 2946 (2017) requires the State Chief Information Officer to include on the Oregon transparency website information related to revenues, expenditures, and budgets of the twelve semi-independent agencies listed in ORS 182.454, as well as the Oregon Tourism Commission, Oregon Film and Video Office, and Travel Information Council. This information can be found on the [Quasi-Public Entities page](#) of the Oregon Transparency Website.

REVIEW PROCESS

This review is focused on the provisions of ORS 182.472 and covers reports submitted by the April 1, 2024 deadline. Reports were reviewed for 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. LFO staff worked with agencies via email as well as phone and video calls to collect missing information, provide feedback on report content, and discuss proposed recommendations for future reports.

REVIEW FINDINGS

General Reporting

Eleven of the 12 agencies submitted reports that generally complied with the content requirements specified in ORS 182.472. The Citizens' Initiative Review Commission has been nonoperational due to a lack of funding since the 2015-17 biennium and, therefore, did not submit a report.

Summary of Financial Audits/Reviews

The statute requires agencies to submit "the most recent audit or financial review of the board." All agencies (excluding the Citizens' Initiative Review Commission) submitted a financial review from Moss Adams, LLP, for the biennium ending June 30, 2023.

The reviews conducted by Moss Adams, LLP included an examination of:

- Internal controls related to financial, accounting, and licensing processes
- Cash controls
- Revenue and expense verification, including budget to actual comparison

The evaluations of these agreed-upon procedures generally found adequate controls were in place, but also identified opportunities for improvement.

Budget and Fund Analysis

Agencies were asked to provide: 1) a balance sheet for the 2021-23 biennium; 2) a comparison of budgeted to actual revenues and expenditures for the 2021-23 biennium; 3) a projected/adopted budget for the 2023-25 biennium; and 4) a forecasted balance sheet for the 2023-25 biennium. Agencies are asked to clearly identify beginning and ending balances and variances between reported and audited numbers.

2021-23 Biennium

Almost all agencies operated within their budgets for the 2021-23 biennium. Where variances existed, the agencies provided reasonable explanations.

The 2021-23 actual expenditures for reporting agencies ranged from \$470,783 for the Landscape Architect Board to \$4.9 million for the Oregon Wine Board. Nine of the reporting agencies performed under budget for the biennium. The Landscape Contractors Board formally increased their expenditure limitation through the administrative rules process due to unforeseen staffing changes. The Board of Massage Therapists exceeded their budget due in part to unanticipated IT expenses and the decision to hire temporary staff, without conducting rulemaking to amend the budget.

For the 2021-23 biennium, revenues exceeded budgeted projections for eight of the agencies. These revenue increases were most often the result of an increase in the number of applications, exams, or license registrations. However, three agencies saw negative revenue impacts. As a result of the COVID-19 pandemic, the Board of Massage Therapists saw a decrease in licensee numbers, as well as revenue impacts due to the decision to waive late fees during the pandemic. The Board of Geologist Examiners continued a multi-year trend of declining license renewals as licensees are retiring. The Appraiser Certification and Licensure Board reported a decrease in actual revenue from budgeted projections due to a decrease in new and renewing applications for both appraisers and Appraisal Management Companies.

2023-25 Biennium

Nine of the 11 reporting agencies had budget increases between 2021-23 and 2023-25. Changes above the inflationary increases to agency budgets most often included rising costs of employee salaries and benefits. Other reasons for budget increases included compensating for rising legal fees for hearings and Attorney General hourly rates, and higher rates for rent or lease agreements.

See Appendix B for a summary of budgeted and actual fund balance, revenue, and expenditure numbers for the 2021-23 and 2023-25 biennia, as well as a brief budget analysis for each of the reporting agencies.

Public Hearing Process

All agencies provided a description of the public hearing process used to establish the adopted 2023-25 budget. However, not all agencies provided the level of detail requested by LFO, including dates and descriptions of actions taken. Some agencies did not include detailed information about the process

they used to enact mid-biennium budget adjustments, but almost all agencies did hold public hearings for budgetary adjustments and fee increases, even when this information was not included in their report.

Permanent Rules

All agencies provided a “description of all temporary and permanent rules adopted by the board” and most agencies included process dates in their descriptions of board rules. Agencies are generally complying with public hearing requirements and rulemaking processes.

Fees

Information about major fee increases can be found in the following section, with detailed information about agency fee increases included in Appendix B.

During the 2021-23 biennium, four agencies implemented fee changes:

- Board of Architect Examiners – Architectural firm application fees increased from \$75 to \$100 and architectural firm certificate of registration and registration renewal fees increased from \$100 to \$200. The Board also increased almost all fees for individuals, with architect certificate of registration renewal fees increasing from \$200 to \$240 (2-year period).
- Oregon State Board of Examiners for Engineering and Land Surveying – Increased renewal fees from \$190 to \$230, effective October 1, 2021.
- Board of Optometry – Increased active license annual renewal from \$300 to \$348 and the application for examination and licensure from \$200 to \$300.
- Oregon Board of Physical Therapy – Increased the fees for initial applications from \$150 to \$187; Physical Therapist renewal applications from \$170 to \$200; and Physical Therapist Assistants from \$110 to \$130. The Board will also start collecting all pass-through and license processing fees the Board was previously authorized to collect but had been paying on behalf of licensees due to excessive reserves.

As of April 1, 2024, one agency implemented a fee change during the 2023-25 biennium:

- Oregon State Board of Geologist Examiners – Increased registration and renewal fees from \$60 to \$75 for Geologists-in-Training, from \$155 to \$240 for Registered Geologists, and from \$110 to \$190 for Certified Engineering Geologists.

Where applicable, agencies included sufficient information on the board deliberations and evaluation processes that resulted in the need for a new fee or fee increase. Fee increases ensured the continued solvency of the boards and new fees were implemented to offer new, optional, or value-added services.

Board Membership and Best Practices

Each board uses a combination of state and professional organization resources to ensure sufficient training for its board members. Financial expertise on each board varies, with many using experienced business owners for board support. See Appendix A for summary of operations.

Reporting agencies generally provided sufficient information about Board activities and composition. All reporting agencies also provided responses to the Board Best Practices survey, and most had a 100% rating for the best practices considered. However, it should be noted that not all agencies provided requested information on the number of Board members responding to the survey, and it appears that

in some cases, the Board Best Practices survey was submitted by Board directors without individual Board members completing the survey. LFO will follow up on Board participation during the next reporting cycle.

Additional Board Actions Promoting Consumer Protection

The agencies provided consumer information and outreach through their websites, newsletters, email alerts, training, speaking engagements, and attendance at conferences. Agencies also collected survey data to identify ways to better serve their licensees and customers. In addition, agencies developed partnerships with other organizations, educators, and practitioners to foster ethical behavior and professional conduct.

Licensing and Enforcement Activities

In general, agencies are answering complaints and conducting investigations in a timely manner. The Legislative Fiscal Office continues to recommend that each agency better document its data collection process and include this documentation in its reporting. Agencies can improve the quality of their reporting by providing analysis of the collected data. Smaller agencies may have difficulty finding investigative staff and other staff may not be able to backfill when an investigatory position is vacant for any period of time, which can lead to a backlog of cases.

While many agencies saw fewer cases during the COVID-19 pandemic due to limited practice by licensees, Oregon Board of Massage Therapists was one of a few agencies that saw an increase in cases starting in the 2019-21 biennium. The Board had an increase in complaints due to unlicensed practitioners who remained open despite pandemic-related restrictions. Increased complaints about unlicensed practitioners have been a trend since the Board changed licensing requirements in 2016, leading to an increase in illegal massage facilities. The Board of Physical Therapy saw case number double in the 2021-23 biennium; however, this was largely due to individuals licensed in Oregon under a multi-state compact who did not take the Oregon Jurisprudence Exam prior to being licensed. The Appraiser Certification and Licensure Board continues to work through the backlog of unresolved cases due to staff vacancies in 2017 and 2018. The Landscape Contractors Board has also seen a steady increase in cases since 2015 due to the high demand for landscaping work.

Other Performance Indicators

The Oregon Wine Board, Oregon Patient Safety Commission, and Citizens' Initiative Review Commission do not provide licensing services, so other documentation and performance indicators are used to evaluate agency performance. In accordance with LFO recommendations, the Oregon Wine Board provided information that enabled LFO to review agency performance in line with the expectations of ORS 182.472. The Oregon Wine Board submitted its 2020-21, 2021-22, and 2022-23 Annual Reports.

The Oregon Patient Safety Commission has a statutory obligation (ORS 442.837) to publicly report aggregate data from its voluntary Patient Safety Reporting Program. The agency submitted Patient Safety Reporting Program annual reports for 2021 and 2022, as well as the 2022 and 2023 annual reports for the agency's Early Discussion and Resolution program.

The Citizens' Initiative Review Commission has not been operational since 2016 and therefore has no established performance indicators.

RECOMMENDATIONS FOR FUTURE REPORTING

LFO has made some minor revisions to the reporting guidelines in Appendix D for future reports. LFO recommends agencies follow the updated guidelines for the 2026 reporting cycle and use the provided checklist to confirm all requested documentation is in the correct format.

OTHER SEMI-INDEPENDENT AGENCIES

Oregon Tourism Commission (Travel Oregon)

ORS 284.126 requires the Oregon Tourism Commission to file copies of its adopted or modified budget and financial statements with LFO no later than five business days after these documents are prepared or adopted. In addition, ORS 284.148 requires the Commission to submit a report to LFO by October 1 of each year that identifies:

- Funds received by the Commission from the transient lodging tax.
- The awards and commitments approved by the Commission that utilize these funds each fiscal year.
- Other information requested by LFO including information on grants of \$2 million or more.

See Appendix B for a review of the agency's use of transient lodging tax.

Oregon Travel Information Council and Oregon Film and Video Office

ORS 377.838 requires the Oregon Travel Information Council (OTIC) to file with the Governor, Legislative Assembly, and LFO an annual report of its activities and operations. OTIC submitted financial reviews performed by Moss Adams, LLP for the periods ending June 30, 2022, and 2023, along with its budget for 2021-23.

ORS 284.335 requires the Oregon Film and Video Office to file with the Governor, Legislative Assembly, and LFO a biennial report of its activities and operations. The Office submitted its budget and legislative briefings for the 2021-23 and 2023-25 biennia.

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.

Legislative Fiscal Office

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APPENDIX A

OPERATIONS SUMMARY FOR 2021-23 BIENNIUM

	2021-2023		Board Members		2021-2023		Approximate #		Director Monthly Salary (as of 6/30/23)	2021-2023 Actual Expenditures	2023-25 Budgeted Expenditures	2023-2025	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Pos.				FTE	
Board of Architect Examiners Appraiser Certification and Licensure Board	5	4.13	5	2	14	4,007	943	\$12,579	\$1,492,973	\$1,558,142	5	4.13	
	7	6.50	7	1	8	1,389	100	\$8,001	\$2,470,809	\$2,684,104	7	6.50	
	13	13.00	9	2	12	30,000	-	\$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 B

BUDGET TO ACTUAL SUMMARY

	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.

BOARD OF ARCHITECT EXAMINERS

	2019-21 Budget	2019-21 Actual	2021-23 Budget	2021-23 Actual	2023-25 Budget
Total Funds	\$1,459,467	\$1,383,440	\$1,554,085	\$1,492,973	\$1,558,142
Positions	5	5	5	5	5
FTE	4.13	4.13	4.13	4.13	4.13

Overview

The mission of the Oregon State Board of Architect Examiners (OSBAE) is to protect the public through the registration and regulation of the practice of architecture in Oregon. The Board administers examinations; registers individual architects and firms; and investigates complaints and monitors the continued education of its registrants. The seven-member board is composed of five professionals and two public members.

Revenue Sources

OSBAE is primarily funded by revenue from application, registration, and renewal fees for individuals and firms. Other miscellaneous revenue sources include civil penalties, late fees, and interest income.

The Board has not increased registration renewal fees, their primary source of funding, since 2002. However, since 2013, revenues have not kept pace with operating expenses and the Board has used financial reserves to fund the deficits rather than increasing fees. The Board anticipates expenses will outpace revenue for the next two biennia and relying on financial reserves to fund these deficits is no longer sustainable. To ensure sufficient operating revenues and help safeguard the continued financial solvency of the Board, the Board enacted a fee increase for firms, effective July 1, 2021, and a fee increase for individuals effective July 1, 2022.

Fee Increases for Firms (effective July 1, 2021)

Firm Fee Type	2019-21 Fee	2021-23 Fee
Architectural Firm Application	\$75	\$100
Architectural Firm Certificate of Registration	\$100	\$200
Architectural Firm Registration Renewal	\$100	\$200
Architectural Firm Late Renewal	\$100	\$150
Architectural Firm Reinstatement Application	\$0	\$100

Fee Increases for Individuals (effective July 1, 2022)

Individual Fee Type	2019-21 Fee	2021-23 Fee
Reciprocal Application	\$75	\$100
Certificate of Registration by Reciprocity	\$100	\$200
Architect Certificate of Registration Renewal	\$200	\$240
Late Certificate of Registration Renewal	\$100	\$150
Late Continuing Education	\$100	\$240
Architect Reinstatement Application	\$0	\$100

Budget Environment and Registration and Enforcement Activities

The Board currently regulates approximately 5,000 active registrants, between individuals and firms, an increase of approximately 240 registrants from the 2019-21 biennium. The number of individual registration applications slightly increased from recent biennia, with 4.2% more individual applications received in 2021-23 than 2019-21 (575 versus 551); however, this is much higher than the average of 232 applications received between 2009 and 2015. The number of active registrants (both individuals and firms) increased approximately 26% in the past decade.

In 2021-23, the Board received 39 complaints and resolved 48 of the overall complaints outstanding, with a case clearance time of 238 days. Comparatively, in 2019-21, the Board received 48 complaints and resolved only 26 of these complaints, with a case clearance time of 301 days. The Board reports during the 2021-23 biennium the agency closed 21 cases that were open for three months, 15 cases that were open more than three months, two cases that were open for more than six months, and 10 cases that were open more than a year.

2021-23 Budget to Actual

The Board's 2021-23 actual revenue was \$1,414,775, a 4.7% increase from budgeted revenue. Individual renewal revenue was \$57,760 more than budgeted and firm renewal revenue was \$46,300 more than budgeted. The Board's 2021-23 actual expenditures were \$1,492,973, 3.93% less than budgeted due to actual services and supplies costs and personal services costs being less than anticipated.

2023-25 Budget

The 2023-25 Board adopted budget of \$1,558,009 represents a 2.9% decrease from the 2021-23 adopted budget. Due to advancements in technology and redistribution of tasks, the Executive Assistant position is currently vacant, and the Board anticipates eliminating the position sometime during the 2023-25 biennium which will further decrease expenditures. Revenue in 2023-25 is projected to be \$1,558,142 which represents a 15.3% increase from the 2021-23 adopted budget due to fee increases, with a projected ending cash balance of \$589,482, equivalent to approximately 9.1 months of operating costs.

APPRAISER CERTIFICATION AND LICENSURE BOARD

	2021-19 Budget	2021-19 Actual	2021-23 Budget	2021-23 Actual	2023-25 Budget
Total Funds	\$2,173,751	\$2,007,663	\$2,440,572	\$2,470,809	\$2,684,104
Positions	7	7	7	7	7
FTE	6.50	6.50	6.50	6.50	6.50

Overview

The mission of the Appraiser Certification and Licensure Board (ACLB) is to protect the public through regulating the practice of real estate appraisal in Oregon. The eight-member board is composed of five appraisers, one representative of a financial institution, one representative of appraisal management companies (AMCs), and one public member.

Revenue Sources

The Board is funded by revenue generated primarily from license application and renewal fees, with additional funding from interest earnings and civil penalties. The Board's 2021-23 actual revenue was \$2,337,255, a 4.3% decrease from budgeted revenues due to an overall reduction in the number of license applications for new and renewing appraisers and AMCs. However, the licensee numbers for appraisers remain increasing, while the number of licensees for AMCs decreases.

Budget Environment and Licensing and Enforcement Activities

The Board currently regulates approximately 1,389 active individual licensees and 100 AMCs. Individual licensee numbers hit a low of 1,184 licenses in 2013-15 but have increased in the years since.

There were 85 total complaints filed against individual licensees in the 2021-23 biennium, up 1.2% from the previous biennium. In 2021-23, 68 complaints were resolved, with 35 cases resulting in a sanction being imposed. Case numbers for AMCs remained steady during the 2021-23 biennium, with eight complaints received. The Board continues to work through a backlog of cases dating back to staffing issues in 2017 and 2018; 64 of 97 active cases were more than a year old at the time the ACLB submitted their report. The Board anticipates applying for a grant from The Appraisal Foundation, a private non-profit educational organization, during the 2023-25 biennium. If the grant is received, funds will be used to engage appraisal compliance consultants to assist the investigators in research and audits.

The Board is monitored by the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council, a federal Board, which ensures all state appraiser board programs and activities conform with federal law. In June 2023, ASC conducted a biennial ASC Compliance Review and was awarded an ASC Finding of "Good" (possible outcomes included excellent, good, needs improvement, not satisfactory, and poor). The Board was notified of areas of concern and will continue a two-year review cycle.

2021-23 Budget to Actual

Actual expenditures for 2021-23 were \$2,470,809, 1.2% more than budgeted expenditures due to improvements to IT services, connectivity, cybersecurity, and software provided by the Department of Administrative Services that resulted in increased costs.

Additionally, due to evolving business needs, the Board approved the reclassification of a Fiscal Analyst 2 position to a Principal Executive Manager C in October 2021. This reclassification and change in salary were not included in the projected salary expenses for the 2021-23 biennium as the reclassification occurred after approval of the 2021-23 budget, which happened in April 2021.

2023-25 Budget

The Board's 2023-25 budget of \$2,684,104 represents a 10% increase from the 2021-23 adopted budget due to an increase in professional development and services and supplies costs. The agency reports that this increase includes a one-time cost of \$2,000 per employee to replace laptops and additional training costs. The projected ending cash balance of \$1,056,323 equals approximately 9.5 months of operating costs.

BOARD OF EXAMINERS FOR ENGINEERING AND LAND SURVEYING

	2019-21 Budget	2019-21 Actual	2021-23 Budget	2021-23 Actual	2023-25 Budget
Total Funds	\$3,950,000	\$3,932,665	\$4,630,000	\$4,237,803	\$4,750,000
Positions	16	16	13	13	13
FTE	16.00	16.00	13.00	13.00	13.00

Overview

The mission of the Oregon State Board of Examiners for Engineering and Land Surveying (OSBEELS) is to protect the public through licensing and regulating the practices of engineering, land surveying, photogrammetric mapping, and certified water right examination in Oregon. The Board is responsible for administering examinations, issuing and renewing licenses, and investigating complaints. The eleven-member board is composed of nine professionals and two public members.

Revenue Sources

The Board is funded primarily through application and registration fees, with additional revenue from civil penalties and other miscellaneous income. Licensing activities increased by 18.4% in the 2021-23 biennium and are returning to close to pre-pandemic levels.

Due to a projected budget shortfall for the 2021-23 biennium, the Board increased renewal fees from \$190 to \$230 in October 2021.

Budget Environment and Licensing and Enforcement Activities

The Board regulates approximately 30,000 individuals in the fields of engineering, land surveying, photogrammetry, and water right examination. Complaints to the Board decreased by 57% during the 2021-23 biennium, due to the public submitting fewer complaints; however, the Board is beginning to see an increase in complaints in 2023-25. Of the 59 cases closed in 2021-23, 12 resulted in some form of disciplinary action, a 77.4% decrease from the previous biennium. The Board has been able to lower the number of open cases from year to year and increased the speed at which cases reach a resolution (127 days versus 345 days).

The Board reports MyOSBEELS is close to being fully implemented with all registrants integrated into the new database. The Board anticipates full implementation during the 2023-25 biennium once all business requirements in the system are complete. The database allows applicants to apply for professional registration online, submit registration renewals online, provides professionals the ability to update their registration and personal information directly from their online profile, provides registrant look-up tools, and allows registrants and public members to submit requests to OSBEELS staff. Additionally, the Board added a license search feature that allows the public to verify a license by searching the registrant's name or license number, and view any disciplinary actions.

In 2022 the Board created a Land Surveying Qualifications Taskforce to review the Board's education and experience requirements and determine whether current policies posed any barriers to licensure for new registrants. Based on the outcomes of the taskforce, the Board modified the qualifications for licensure as a professional land surveyor in November 2022. Prior to this change, the Board licensed 19 new land surveyors from January 2022 through November 2022. The Board licensed 40 new land

surveyors in the first year of this rule change and of the 40 new registrants, 24 qualified under the new rules.

2021-23 Budget to Actual

The Board's 2021-23 actual expenditures were \$4,237,803, 8.5% less than budgeted due to legal fees being lower than anticipated. Revenue in 2021-23 was \$4,736,776, 1.3% more than the adopted budget projection.

The Board reports that the beginning balance for the 2021-23 biennium was significantly higher than expected due to lower than anticipated legal costs and vacancy savings from the 2019-21 biennium.

2023-25 Budget

The 2023-25 budget of \$4,750,000 represents an 2.6% increase from the 2021-23 adopted budget, with inflationary costs offset by reductions to training and conference expense line items. The 2023-25 budget has a projected ending cash balance of \$2,353,859, which equals approximately 11.9 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 GEOLOGIST EXAMINERS

	2019-21 Budget	2019-21 Actual	2021-23 Budget	2021-23 Actual	2023-25 Budget
Total Funds	\$717,360	\$689,381	\$812,791	\$779,964	\$857,544
Positions	2	2	2	2	2
FTE	2.00	2.00	2.00	2.00	2.00

Overview

The mission of the Oregon State Board of Geologist Examiners (OSBGE) is to protect the public through licensing and regulating the practice of geology in Oregon. The Board is responsible for administering examinations, issuing and renewing licenses, and investigating complaints. The six-member board is composed of four professionals, one public member, and the Oregon State Geologist who serves as the ex-officio member. A new State Geologist started in April 2022.

Revenue Sources

The Board is funded by revenue generated from annual renewal fees for registrants, initial registration fees, and application review fees. Other miscellaneous sources include civil penalties, late fees, interest income, and an interagency agreement with the Oregon State Landscape Architect Board (OSLAB) for shared administration activities. The Board has seen an increased number of licensees qualify for reduced-fee licenses which automatically apply at a certain age, leading to a slight negative impact on revenues. The Board reports the agency is no longer collecting fees for national licensure examinations, as these fees are now collected directly by the administering organization. This change has no revenue impact since the Board previously passed the fees to the National Association of State Boards of Geology, the organization responsible for administering national examinations used by state boards. Due to a continuous decline in registrations, the Board implemented a fee increase effective July 1, 2023; fees were last raised in 2017. The Board increased the following fees:

Fee Type	2021-23 Fee	2023-25 Fee
Oregon Engineering Geologist (EG) Examination	\$200	\$310
Geologist-in-Training (GIT) Initial Registration & Annual Renewal	\$60	\$75
Registered Geologist (RG) Initial Registration & Annual Renewal	\$155	\$240
RG Annual Renewal, Over 70	\$30	\$45
Certified Engineering Geologist (CEG) Initial Reg & Annual Renewal	\$110	\$190
CEG Annual Renewal, Over 70	\$30	\$45
Tiered Restoration Fees <ul style="list-style-type: none"> 1 - 90 days 91 - 179 days 180+ days 	\$25 \$50 \$100	\$40 \$75 \$150
Application for Practice of Geology (PG)	\$100	\$155
Application for RG	\$100	\$155
Application for EG	\$100	\$155
Application for CEG	\$100	\$155
Application for Temporary Military Spouse Registration	\$100	\$155

Budget Environment and Registration and Enforcement Activities

The Board regulates approximately 993 registrants. License applications and new licenses continue to increase, but overall registration numbers decreased by 13% in the 2021-23 biennium due to retirements and non-renewals.

OSBGE is staffed by a Board Administrator and a Registration Specialist, each working as 0.50 FTE (a total of 1.00 FTE) for OSBGE. Staff spend the remaining 0.50 FTE portion of their time working for OSLAB through an interagency agreement (see OSLAB section below).

OSBGE opened and closed three cases in the 2021-23 biennium. A continued low number of complaints has led to concern that licensees are reluctant to report infractions, due to a lack of anonymity when reporting, among other reasons. The Board provides all new registrants with a copy of the Code of Professional Conduct and reminds all registrants of the importance of following the Code and their duty to report potential violations to the Board. A lack of external reporting could undercut the Board's regulation abilities.

2021-23 Budget to Actual

The Board's 2021-23 actual revenue was \$661,990, 3.5% lower than projected. OSBGE's 2021-23 actual expenditures were \$779,964, 4% less than the adopted budget; this was due to professional services expenses coming in lower than anticipated.

2023-25 Budget

The 2023-25 budget of \$857,544 represents a 5.5% increase from the 2021-23 adopted budget. In addition to normal inflationary costs, the Board increased certain budget line items in case of contingencies, such as an increase in their compliance caseload. The projected ending cash balance of \$173,100 equals approximately 4.8 months of operating costs.

LANDSCAPE ARCHITECT BOARD

	2019-21 Budget	2019-21 Actual	2021-23 Budget	2021-23 Actual	2023-25 Budget
Total Funds	\$468,289	\$381,767	\$499,371	\$470,783	\$541,726
Positions	0	0	0	0	0
FTE	0.00	0.00	0.00	0.00	0.00

Overview

The mission of the Oregon State Landscape Architect Board (OSLAB) is to protect the public through licensing and regulating the practice of landscape architecture in Oregon. The Board approves candidates for examinations, issues and renews licenses, investigates complaints, and monitors the continuing education of its licensees. The seven-member board is composed of four professionals and three public members.

Revenue Sources

The Board is funded primarily by application and annual registration fees for individuals and businesses. Revenues in 2023-25 are projected to be \$489,050, which is a 2.3% increase over the actual revenue received in 2021-23. Fees were last increased in 2017.

Budget Environment and Licensing and Enforcement Activities

The Board has approximately 541 active individual registrants and 229 business licensees. The number of examination applicants for the 2021-23 biennium increased by 37% from the 2019-21 biennium. The Board reports this increase is likely due to OSLAB conducting outreach informing Registered Landscape Architects of business registration requirements and opportunities in Oregon.

The number of complaints and investigations conducted remains small, with seven cases opened and eight cases closed during the 2021-23 biennium. Most cases involve improper advertising of landscape architect services and are quickly resolved through education and proper registration. Very few cases result in formal disciplinary actions. The Board uses a private firm for contract investigation services. The Board staff includes a contract Administrator and contract Registration Specialist who are employed by the Oregon State Board of Geologist Examiners (OSBGE) but work part-time (totaling 1.00 FTE) at OSLAB through an interagency agreement that is subject to renegotiation each biennium.

2021-23 Budget to Actual

The Board's 2021-23 actual revenue was \$478,199, a 0.5% increase from budgeted revenue. The Board's 2021-23 actual expenditures were \$470,783, 5.7% less than budgeted expenditures due to IT and legal fees being less than anticipated.

2023-25 Budget

The 2023-25 adopted budget of \$541,726 represents a 15.1% increase from the 2021-23 adopted budget due to increased personal services costs. The Board also retains certain budget line items in case of contingencies, such as an increase in their compliance caseload. The projected ending cash balance of \$364,169 equals approximately 16.1 months of operating costs.

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 MASSAGE THERAPISTS

	2019-21 Budget	2019-21 Actual	2021-23 Budget	2021-23 Actual	2023-25 Budget
Total Funds	\$2,417,000	\$2,065,520	\$2,507,795	\$2,693,868	\$2,603,604
Positions	6	6	6	6	6
FTE	6.00	6.00	6.00	6.00	6.00

Overview

The Oregon Board of Massage Therapists (OBMT) regulates and monitors the practice of massage therapy in Oregon. The Board develops, implements, and maintains standards of professional conduct and practice. OBMT prescribes qualifications and examination standards for license applicants, as well as determining continuing education requirements for licensees. The Board also has the authority to revoke licenses and assess civil penalties against unregistered individuals practicing professional massage therapy without authority, as well as against licensed professionals practicing improperly. The Board consists of seven members appointed by the Governor for four-year terms. Four members are licensed massage therapists, and three members are public citizens.

Revenue Sources

The agency is funded by revenue generated from application and license fees. Other sources include civil penalties, late fees, and the sale of mailing lists. Revenue in 2023-25 is projected to be \$2,576,000 which is 7.1% above 2021-23 actuals. The projected ending cash balance of \$249,061 equals approximately 2.3 months of operating reserves. The Board is considering a fee increase for the 2025-27 biennium.

Budget Environment and Licensing and Enforcement Activities

The number of OBMT individual licensees decreased due to the COVID-19 pandemic, from 8,076 licensed individuals in June 2019, to 7,562 licensed as of June 2021, with approximately 7,611 individual licensees as of June 2023. The Board also has 302 licensed facilities, though the facility license is a one-time registration.

The decrease in licensees during the COVID-19 pandemic was a result of temporary closure of all Oregon massage schools, massage therapists allowing their licenses to lapse temporarily, and numerous licensed massage therapists choosing to move to states with fewer restrictions. OBMT expected licensing numbers to rebound with the end of the pandemic, however, pandemic restrictions for healthcare professionals continued into the 2021-23 biennium which may have impacted licensee numbers. Additionally, many massage schools in Oregon are graduating fewer students due to a lack of instructors and a potential decrease in enrollment as schools switch to a hybrid format. Licensing numbers are anticipated to slightly increase in the 2023-25 biennium.

Starting in January 2016, OBMT stopped requiring a hands-on practical examination for licensure; at that time, Oregon was the only state that required this type of exam. An unanticipated result of having less stringent standards was an increase in unlicensed facilities using massage to engage in labor and human trafficking. Licensed individuals or organizations were able to open businesses that employed or housed persons practicing massage without a license. The Board has received an increase in the number of complaints regarding illegal massage facilities and illegal activity. In response, the Board has increased

education and outreach around this issue, begun assessing civil penalties at maximum levels for facilities or individuals that refuse to comply with Oregon rules and laws, and works with law enforcement on an ongoing basis to assess their response and further deter these operations. The Board has received over 400 new cases each biennium for the past three biennia.

2021-23 Budget to Actual

During the 2021-23 biennium, the Board's actual revenue of \$2,404,391 was 4.3% less than budgeted revenue of \$2,513,241. Initial licensure revenue for 2021-23 was \$140,775, or 46.9%, less than budgeted, likely due to the continuing impacts of the COVID-19 pandemic. Revenue decreases were also seen in the application fee and fingerprinting fee categories due to the decrease in new licensees. Late fees were waived for the first half of the biennium due to the COVID-19 pandemic, which resulted in late fee collections that were 48.9% (\$70,484) less than anticipated.

These revenue losses were partially offset by an increase in civil penalty collections, with the Board collecting \$187,720, or 53.6%, more than budgeted over the course of the biennium. The Board continued to see cases related to illegal massage facilities, as well as practitioners who did not comply with restrictions related to the COVID-19 pandemic.

The Board's 2021-23 actual expenditures were \$2,693,868, which is 7.4% (or \$186,073) more than budgeted. The Board did not conduct rulemaking to amend the budget. During the 2021-23 biennium, payroll expenditures were 14.4% (\$228,050) over budget as the Board brought on a limited duration staff member during the transition to remote work. Computer expenses were 69.5% (\$69,476) over budget due to a change in the Board's IT support contract, an increase in support needed due to remote work, and infrastructure failures. The Board has now switched to IT services provided by the Department of Administrative Services and anticipates more stability in this line item going forward. Bank charges were 58.7% (\$23,496) over budget due to increased utilization of online renewal systems. The Board did see savings in travel and offices supplies from the continuation of remote work and meetings during and after the COVID-19 pandemic. Investigation and legal expenses were under budget due in part to staffing changes that reduced use of contract investigators. Postage expenditures decreased as the Board began emailing licenses instead of mailing them to licensees.

2023-25 Budget

The 2023-25 Board adopted budget of \$2,603,604 represents a 3.8% increase from the 2021-23 Board approved budget of \$2,507,795. The primary cost driver is payroll expenses that are anticipated to increase by \$211,133 from the 2021-23 budget amount. The Board has budgeted less for the 2023-25 biennium for investigations, legal fees, and rent, line items which were all under budget during the 2021-23 biennium.

BOARD OF OPTOMETRY

	2019-21 Budget	2019-21 Actual	2021-23 Budget	2021-23 Actual	2023-25 Budget
Total Funds	\$839,562	\$814,965	\$912,095	\$907,969	\$1,016,190
Positions	2	2	2	2	2
FTE	2.00	2.00	2.00	2.00	2.00

Overview

The Board of Optometry (OBO) is responsible for the licensure of doctors of optometry (optometrists/optometric physicians) and the enforcement of statutes and administrative rules governing the practice of optometry in Oregon. The Board prescribes qualifications for the practice of optometry, standards for the examination of applicants for licensure and certification, and continuing education requirements. The Board has the authority to issue licenses to those who qualify, and to revoke licenses and assess civil penalties against unlicensed individuals practicing optometry, as well as licensed professionals practicing improperly. The Board consists of five members appointed by the Governor for three-year terms. Four members are licensed doctors of optometry, and the fifth member is a public citizen representing health consumers.

Revenue Sources

The Board is funded by revenue generated from application and license fees. Other revenue sources include civil penalties, interest income, and other miscellaneous fees. The Board implemented fee increases during the 2021-23 biennium due to increases in operating costs. Fee changes are shown in the table below.

Fee type	Amount as of 6/30/21	Amount as of 6/30/23
Active license annual renewal	\$348	\$413
Inactive license annual renewal	\$123	\$138
Application for examination and licensure, or for endorsement examination and licensure	\$300	\$355
Reactivation or reinstatement of license	\$150	\$200
Duplicate copy or multiple office license	\$40	\$50
Certified license verification	\$30	\$40
List of licensees	\$30	\$40
Failure to notify Board of practice locations	\$75-\$200	\$100-\$250
Active licensure late fee	\$75-\$200	\$100-\$250
Volunteer license registration/renewal	N/A	\$100/\$50
Emergency license application fee	N/A	\$100

Due in part to these fee increases, revenue in the 2023-25 biennium is projected to be \$977,250, which is 17% more than 2021-23 totals. The 2023-25 projected ending cash balance equals approximately 2.2 months of operating costs. This level of reserves may require the Board to increase fees again in the 2025-27 biennium.

Budget Environment and Licensing and Enforcement Activities

During the 2021-2023 biennium, the Board had approximately 1,120 licensees, including both active and inactive licensees. The number of licensees decreased from 1,219 in the 2017-19 biennium to 1,128 during the 2019-21 biennium, then remained relatively stable during the 2021-23 biennium.

The Board traditionally receives very few complaints (58 during the 2021-23 biennium). Most cases are closed with no action or an educational letter. Most issues are related to continuing education audit compliance; and the sale and use of cosmetic contact lenses, which are sold without a prescription, proper fitting, or education about use.

2021-23 Budget to Actual

The Board's 2021-23 actual revenue was \$835,403, which is 2.1% more than budgeted revenue of \$817,950, primarily due to reimbursement of \$19,257 for a case that went to a hearing. The Board's 2021-23 actual expenditures were \$907,969, which is only slightly less than budgeted expenditures of \$912,095. More than half of the Board's costs are for personal services, with other major cost drivers including IT and related services, and professional services costs which are largely related to legal advice and contested case hearings.

During the 2021-23 biennium, the Board had two line items where actual costs varied more than \$10,000 from budgeted costs. Insurance was \$22,217 (60.4%) less than budgeted due to risk charges that decreased from the prior biennium. The Board also had one case go to administrative hearing which caused the agency to be \$12,379 (22.4%) over budget for professional services, but these costs were reimbursed by the licensee facing discipline.

2023-25 Budget

The 2023-25 Board adopted budget of \$1,016,190 represents an 11.4% increase from the 2021-23 Board approved budget of \$912,095. Approximately half of the cost increases are due to increased personal services costs. The Board also increased the amount budgeted for Attorney General and rent charges due to the possibility of contested cases and potential rent increases that were not known during the budget build process.

BOARD OF PHYSICAL THERAPY

	2019-21 Budget	2019-21 Actual	2021-23 Budget	2021-23 Actual	2023-25 Budget
Total Funds	\$1,616,173	\$1,349,751	\$1,768,364	\$1,520,729	\$1,882,265
Positions	3	4	4	4	4
FTE	2.80	3.60	3.60	3.60	3.60

Overview

The Oregon Board of Physical Therapy (OBPT) regulates the practice of physical therapy in Oregon. The Board protects the public by establishing professional standards of practice which assure that physical therapists and physical therapist assistants are properly educated, hold valid/current licenses, practice within their scope of practice, and continue to receive ongoing training throughout their careers. The Board issues licenses, promulgates rules, monitors continuing competency, investigates complaints, issues civil penalties for violations, and may revoke, suspend, or impose probation on a licensee or limit practice. The Board is comprised of eight volunteer members: five physical therapists, one physical therapist assistant, and two public members. Each member is appointed by the Governor and may serve four-year terms.

Revenue Sources

The Board is primarily funded by revenue generated from application, examination, and license fees. Other sources include civil penalties, interest income, and other miscellaneous sources such as license verification fees and mailing lists. Revenue in 2023-25 is projected to be \$1,590,066, which is 1.6% less than 2021-23 estimates, due primarily to a slight decrease in licensing revenue, and more accurate projection of license verification fee revenue. The projected ending cash balance of \$787,489 equals approximately 10 months of operating costs. The Board migrated from an annual renewal period to a biennial renewal period in 2016, so due to the license renewal timeline, most of the Board's revenues are received during the first quarter of each even-numbered year of the biennium.

As of the 2021-23 biennium, the Board has increased the fees for initial applications from \$150 to \$187 and renewal applications for Physical Therapists and Physical Therapist Assistants from \$170 to \$200 and \$110 to \$130, respectively. The Board also started collecting all pass-through and license processing fees the Board was previously authorized to collect but had been paying on behalf of licensees due to excessive reserves.

Budget Environment and Licensing and Enforcement Activities

The overall number of licenses issued has increased slightly each biennium, though the number of new licensees stagnated during the COVID-19 pandemic which caused overall growth to slow. There were 6,502 total licensees as of June 2019 and 6,568 as of June 2023, a growth rate of around one percent over two biennia. This was likely because of delays in clinical placements for students, as well as reduced hours or clinic closures required during some points during the pandemic, which may have delayed graduation for new licensees. The Board also believes that more licensees are choosing to be licensed under a multi-state compact, and that the number of positions available may have declined in part due to lower reimbursement rates.

Complaints during the 2021-23 biennium were double that of the 2019-21 biennium, rising from 49 to 98. The majority of the increase (26 cases, or just over one-quarter of all cases) is attributed to individuals who are licensed under the multi-state compact but failed to complete the Oregon Jurisprudence Exam prior to being licensed. Cases also saw an uptick due to complaints about billing or documentation, and due to applicants with prior criminal convictions or arrests, most of whom were unaware of the need to report this information. Prior to the 2021-23 biennium, cases had steadily declined.

2021-23 Budget to Actual

The Board's 2021-23 actual revenue totaled \$1,632,435, which was 1.1% more than budgeted revenues of \$1,615,413. The Board's 2021-23 actual expenditures of \$1,520,729 were 14.0% less than the budgeted \$1,768,364. The Board had built some additional expenditure limitation into the budget to offset the possibility of higher costs for particular line items, such as increased legal or contract services costs. Payroll costs were \$67,635 (5.7%) less than budgeted, travel costs were \$31,596 (74.2%) less than budgeted, and office expenses were \$24,367 (29.6%) less than budgeted, all due in part to lessened travel and use of virtual meetings during the COVID-19 pandemic. Dues and subscriptions were \$14,192 (71%) less than budgeted due to delayed or reduced assessments. Computer support was \$44,003 (91.7%) less than budgeted and computers and accessories were \$23,349 (31.3%) less than budgeted due to a delay in IT project implementation. Background check fees were \$28,619 (33.7%) under budget due to delaying use of a new vendor for some verifications.

2023-25 Budget

The 2023-25 adopted budget of \$1,882,265 represents a 6.4% increase from the 2021-23 Board approved budget of \$1,768,364. Liability insurance costs and computer support costs are anticipated to decrease by half. Liability costs vary each biennium, and the computer support costs in the 2021-23 budget were a placeholder should OBPT not be able to share computer equipment with other state agencies; the placeholder amount is removed for the 2023-25 biennium. Legal costs and rent are also anticipated to increase.

OREGON PATIENT SAFETY COMMISSION

	2019-21 Budget	2019-21 Actual	2021-23 Budget	2021-23 Actual	2023-25 Budget
Total Funds	\$3,415,970	\$3,030,944	\$3,587,112	\$3,104,496	\$4,021,452
Positions	10	10	10	10	11
FTE	10.00	10.00	10.00	10.00	11.00

Overview

The Oregon Patient Safety Commission (OPSC) was created by the Legislature to help make Oregon's healthcare system safer through administration of patient safety programs. OPSC's work is guided by its mission to reduce the risk of adverse healthcare events and encourage a culture of patient safety. The OPSC Board of Directors is comprised of 17 members appointed by the Governor for four-year terms. The Board represents a cross-section of diverse healthcare interests in the state. OPSC's body of work includes two legislated patient safety programs:

- The Patient Safety Reporting Program (PSRP): OPSC works with healthcare organizations to manage a confidential, voluntary serious adverse event reporting system in Oregon; promote quality improvement techniques to reduce system errors; and share evidence-based prevention practices to improve patient outcomes.
- The Early Discussion and Resolution (EDR) program: EDR promotes open conversations between patients, families, and healthcare professionals when medical care results in serious harm or death. EDR establishes confidentiality protections for these important conversations to encourage participants to talk candidly about the harm that occurred and seek reconciliation outside of the legal system.

Revenue Sources

During the 2021-23 biennium, OPSC had two major funding sources:

- Annual fees assessed on Oregon healthcare facilities: These fees are used to operate PSRP and provide additional opportunities for patient safety education and quality improvement statewide. Although PSRP is voluntary, annual fees are mandatory and allow the cost of patient safety activities to be shared equitably and removes a potential barrier to participation in the reporting program. Fees are increased annually based on the Consumer Price Index.
- State General Fund: OPSC receives General Fund appropriated by the state Legislature as pass-through funding from the Oregon Health Authority (OHA). This funding is used to administer the EDR program.

OPSC generally retains operating reserves of between three to eight months in the agency's checking account, with the remainder of funds invested in the Oregon State Treasury Local Government Investment Pool.

Budget Environment

The Legislature authorized the assessment of fees on healthcare organizations to fund the operating costs of Oregon's voluntary PSRP. Eligible healthcare organizations include hospitals, long-term care

facilities, pharmacies, ambulatory surgical centers, outpatient renal dialysis facilities, freestanding birthing centers, and independent professional healthcare societies or associations and extended stay centers. OPSC anticipates continued pass-through funds from OHA to support the EDR program. OPSC is authorized to seek mission-appropriate grant funding to support the implementation of patient safety best practices throughout Oregon.

The agency is currently going through a transitional period, driven by changes to the healthcare system because of the COVID-19 pandemic, a greater focus on health equity, and staffing changes within the agency. Between 2016 and 2022, the agency went through eight changes in leadership. The current Executive Director was permanently appointed to the position in June 2022 after twice serving as interim Executive Director. Under a new permanent Executive Director, the agency is focused on evaluating and updating the operations of PSRP and the EDR program. This includes passage of SB 229 (2023), which makes various changes to PSRP; updates to the EDR data strategy; and prioritization of EDR outreach efforts in order to reach populations that are more likely to experience medical harm.

2021-23 Budget to Actual

OPSC's 2021-23 actual revenue of \$3,604,188 was 0.5% more than budgeted revenue of \$3,587,112. The largest source of income for OPSC was \$1.95 million from OHA for the EDR program. PSRP fee revenue was \$25,636 (1.6%) less than budgeted due to mergers and closures of licensed health care facilities, but this was offset by interest that was \$43,317 (95.7%) more than budgeted due to increased interest rates.

OPSC's 2021-23 actual expenditures were \$3,104,496, which is 13.5% less than budgeted expenditures of \$3,587,112. Personal services costs were \$184,209 (6.6%) under budget due to a long-term vacant position. The agency was also \$251,829 (72.6%) under budget for professional services costs due to planned EDR education activities that were paused due to continuing issues with health care provider workload related to the COVID-19 pandemic. The Commission also saw savings in travel, and conference and meeting expenses, due to remote work during the pandemic.

2023-25 Budget

The 2023-25 adopted expenditures of \$4,021,452 represent a 12.1% increase from 2021-23 approved expenditures of \$3,587,112. For the 2023-25 biennium, the Commission added a new program data analyst position to support shared learning programs. The Commission also projects that professional services costs will increase by \$133,665, or 38.5%, for strategic planning, communications and outreach, Executive Director review, hiring a financial consultant, and other costs related to education offerings. State Government Service Charges also increased by \$42,096, or 68.5%.

OREGON WINE BOARD

	2019-21 Budget	2019-21 Actual	2021-23 Budget	2021-23 Actual	2023-25 Budget
Total Funds	\$6,160,458	\$5,201,588	\$5,863,434	\$4,939,531	\$5,840,597
Positions	9	8	8	8	8
FTE	9.00	8.00	8.00	8.00	8.00

Overview

The Oregon Wine Board (OWB) supports marketing, research, and education on behalf of all Oregon wineries and independent wine grape growers throughout the state's diverse winegrowing regions. The Board was established to advance enological, viticultural, and economic research for the development of high-quality wine products, and to promote sustainable business models for wine grape growing and wine making in Oregon. The Board is comprised of nine members appointed by the Governor with staggered three-year terms for each member. Among other qualifications, Board members must be actively engaged in wine grape growing or wine making and have a demonstrated interest in the positive development of the Oregon wine industry.

Revenue Sources

The Board is funded primarily by revenue generated from assessment fees on Winery or Growers Sales Privilege licensees, who are licensed by the Oregon Liquor and Cannabis Commission (OLCC). All revenue is collected by OLCC for distribution to the Oregon Wine Board and includes the following assessments:

- \$25 per ton imposed on wine grapes harvested in Oregon or imported into the state
- \$25 per ton for juice or juice concentrate used to make wine.
- \$12.50 per ton for wine grapes sold to businesses outside of Oregon.
- \$0.021 per gallon imposed for wine made from other agricultural products (such as cider).

Additionally, a privilege tax of \$0.67 or \$0.77 per gallon of wine is imposed on manufacturers and distributors of wines. Rates are based on the alcohol by volume of the product. Of this tax, \$0.02 per gallon is paid into the account established by the Oregon Wine Board. U.S. wine manufacturers producing less than 100,000 gallons annually are exempt from the privilege tax for the first 40,000 gallons sold each year in Oregon.

Other revenue sources include program fees and grants. OWB received grant funding through the Specialty Crop Block Grant program for out-of-state tasting events and trade education during the 2021-23 biennium. OWB is also a member of the Northwest Wine Coalition (along with the Washington State Wine Commission), which applies for and manages U.S. Department of Agriculture Grants on behalf of OWB. Additional revenue is derived from consumer ticket sales to events.

Senate Bill 442 (2011) established a wine country license plate program with proceeds going to the Oregon Tourism Commission to distribute to tourism-promoting agencies for wine and culinary tourism. The Wine Board received \$49,000 from this program during the 2021-23 biennium for website redesign and photography. OWB reports that the Board will apply for this grant again in the 2023-25 biennium.

In 2017, the Legislature appropriated \$500,000 General Fund to the Board for the purposes of expanding market access and technical research. This funding has been used for domestic and

international trade tastings, technical research grants, and professional sales training for winery staff. The final balance of \$55,956 that was remaining from this appropriation was spent during the 2021-23 biennium for the Oregon Wine Touring Guide program.

The Board retains an amount equal to 30% of the prior three-year average grape assessment income for the purpose of covering expenses in case of a year where the grape harvest is limited. This amount is intended to be sufficient to cover overhead costs, and can also be used by the Board for additional investments and research that are determined necessary and are outside of the current budget. The Board's projected ending balance for the 2023-25 biennium is equivalent to three months of operating reserves.

Budget Environment

The Board is required to adopt budgets on an annual basis. The Board may adopt or modify a budget only after holding a public hearing and must give notice of budget hearings to all constituents. In addition, the Board circulates a draft budget and strategic plan to the industry to obtain public comment. The Board is required to submit its annual plans and budget to the Director of the Oregon Business Development Department for review. Unlike most other agencies, the Board budget is not adopted by rule.

Starting with the 2021-22 annual budget development process, the Board began hosting a series of public stakeholder meetings to gather additional input on the budget. Previously, OWB committees provided input on the annual plan and budget. Budget drafts were then reviewed by the OWB finance committee and posted online for public comment before approval by the OWB board of directors.

2021-23 Budget to Actual

The 2021-23 actual revenue of \$5,237,830 was 0.8% more than budgeted revenues of \$5,194,009, with losses in symposium revenue (discussed further below) offset by increases in grape and wine production.

The 2021-23 actual expenditures of \$4,939,531 were 15.8% lower than budgeted expenditures of \$5,863,434. OWB underspent its budget in part due to continuing restrictions from the COVID-19 pandemic, which caused many international events to be cancelled, and numerous in person events moved to online.

The research area was \$154,832, or 17.7%, under budget, due largely to a special grant award for smoke research was not expended in the 2021-23 biennium. Additional savings were seen due to unused grant funds that were returned to OWB, and \$50,000 that was budgeted to be spent in the 2021-23 biennium but was instead transferred to a 2023-25 biennium project on Vine Mealy Bug Delimitation.

The industry education area was \$117,425, or 12.0%, under budget, due primarily to the agency's Oregon Wine Symposium events being held virtually in 2022, and then with less than anticipated attendance in 2023, following the COVID-19 pandemic.

The marketing area was \$222,710, or 11.8%, under budget. Tourism events were the primary cause of this underspending, coming in \$190,154, or 55.4%, under budget due to lingering impacts of the COVID-19 pandemic on travel and in-person gatherings.

The knowledge and insights area was \$173,159, or 48%, under budget due to lower than anticipated spending on the Ag Census, and marketing and industry research studies that either did not move forward or were not billed during the biennium.

The leadership and partnership area was \$170,853, or 43.8%, under budget, primarily due to strategic planning that was delayed until the 2023-25 biennium due to a change in leadership.

General and administrative expenditures, which encompasses various Board and administrative expenses, were \$76,738, or 5.6%, below budget.

2023-25 Budget

The 2023-25 Board adopted budget of \$5,840,597 is nearly equivalent to the 2021-23 adopted budget of \$5,863,434. This budget assumes that Oregon Wine Symposium attendance returns to pre-pandemic levels, but that federal Specialty Crop Block revenues will decrease. OWB also intends to reestablish a physical office this biennium.

Because OWB budgets annually and not biennially, these amounts are subject to change based on final revenue forecasts and other decisions made about the 2024-25 budget by the Board.

CITIZENS' INITIATIVE REVIEW COMMISSION

	2019-21 Budget	2019-21 Actual	2021-23 Budget	2021-23 Actual	2023-25 Budget
Total Funds	*	*	*	*	*
Positions	0	0	0	0	0
FTE	0.00	0.00	0.00	0.00	0.00

*The Commission is currently non-operational due to a lack of funding.

Overview

Established in 2011, the eleven-member Citizens' Initiative Review Commission (CIRC) became a semi-independent state agency in 2013. The Commission was established to provide oversight for the Citizens' Initiative Review program, whose mission is to publicly evaluate ballot measures in order to provide voters with easy access to clear, useful, and trustworthy information at election time. The Commission is to select measures for review and brings volunteer panels of Oregonians from across the state to evaluate ballot measures. The Commission includes former panelists, former moderators, and appointees from the Governor and bipartisan Senate leadership.

The Commission has been non-operational since 2015-17 due to a lack of funding. When active, the Commission operated with no staff and addressed its administrative and program needs on a contract basis. The Commission contracted with the Policy Consensus Initiative (now known as Kitchen Table Democracy), a nonpartisan nonprofit organization that helps state leaders develop collaborative systems of governance, for administrative support. The Commission also contracted with Healthy Democracy, a nonpartisan nonprofit organization committed to fostering public engagement in the democratic process, to run the reviews.

Revenue Sources

The Commission is funded entirely by charitable foundations and donations from individuals. The Commission may not receive moneys or assistance from political committees, for-profit corporate treasuries, or union treasuries. The Commission documented on its website any contributions from any individual in aggregate total of \$100 in a calendar year. The entirety of the Commission's 2013-15 and 2017-19 revenue came from Healthy Democracy, which in turn has received contributions from the following sources: Meyer Memorial Trust, Ford Family Foundation, Samuel S. Johnson Foundation, Nobel and Lorraine Hancock Family Foundation, The Carol and Velma Saling Family Foundation, The Carpenter Foundation, and The Omidyar Network.

Budget Environment

The 2015-17 Commission adopted budget of \$202,150 was anticipated to cover the costs of administrative staff, moderator training, panelist stipends and reimbursements, voter pamphlet publications, and program administration costs for two citizens' initiative reviews in 2016, with each review lasting five days and made up of 24 citizen panelists. However, the Commission only had sufficient funding for one citizens' initiative review in 2016, with the review lasting 3.75 days and made up of 20 citizen panelists.

OREGON TOURISM COMMISSION

Oregon Tourism Commission Programs ¹	2019-21 Budget	2019-21 Actual ²	2021-23 Budget	2021-23 Actual ²	2023-25 Budget
Global Strategic Partnerships - Regional Cooperative Tourism Program ³	\$11,942,825	\$16,420,730	\$14,757,261	\$15,021,199	\$18,280,000
Global Strategic Partnerships - Competitive Grants Program ³	\$3,471,413	\$3,238,368	\$7,378,631	\$1,921,088	\$9,140,000
Global Strategic Partnerships - Competitive Large Grants Program ³	\$2,500,000	\$4,500,000	\$0	\$500,000	\$0
Global Strategic Partnerships - Additional Grants and Regional Destination Management Organizations Funding ³	\$3,150,000	\$1,486,135	\$550,000	\$1,520,976	\$2,240,000
Administration & Operations ⁴	\$7,126,999	\$7,227,088	\$7,829,592	\$6,297,768	\$11,835,541
Global Marketing	\$23,655,408	\$19,172,196	\$30,171,340	\$37,337,299	
Global Sales	\$3,808,318	\$3,604,819	\$5,220,831	\$5,037,158	
Brand Stewardship ⁵					\$35,243,561
Destination Development	\$2,919,689	\$3,337,048	\$4,412,214	\$3,927,994	
Destination Stewardship ⁶					\$5,638,219
Global Strategic Partnerships	\$2,458,774	\$2,763,659	\$4,326,500	\$3,611,295	
Public Affairs, Industry Communications & Strategy	\$0	\$0	\$2,485,650	\$2,091,260	
Insights & Impact ⁷					\$13,019,164
Outfitters and Guides Grants ⁸			\$5,692,378	\$5,692,378	
U.S. Department of Commerce Grant ⁹			\$9,005,000	\$9,005,000	
Total Funds²	\$61,033,426	\$61,750,043	\$91,829,397	\$91,963,415	\$95,396,486
Positions	46	45	52	46	77
FTE	46.00	45.00	52.00	46.00	77.00

1. This table does not include funding for Wine Country License Plate Program which is not included in the agency budget.

2. Although the modified agency budget for the 2019-21 biennium was \$61,033,426, the agency's actual expenditures were \$61,750,043, which included funds carried forward from the prior budget period and appearing as "Beginning Fund Balance" in financial reports. The OTC budgets as presented here include expenditures based only on current revenues. If prior period funds are considered, the agency's 2019-21 total available budget is \$82,117,423.

For the 2021-23 biennium, although the modified agency budget was \$91,729,397, the agency's actual expenditures were \$91,963,415, which included funds carried forward from the prior budget period and appearing as "Beginning Fund Balance" in financial reports. The OTC budgets as presented here include expenditures based only on current revenues. If prior period funds are considered, the agency's 2021-23 total available budget is \$113,585,797.

3. Section was renamed for the 2023-25 biennium due to the agency's strategic plan; new naming conventions will be used in the next report.

4. For the 2023-25 biennium, also includes Visitor Services.

5. New category for the 2023-25 biennium due to combining the sales and marketing sections.

6. New category for the 2023-25 biennium due to combining the Destination Development, Grants, and Regional Cooperative Tourism Program.

7. New category for the 2023-25 biennium due to combining the research, public affairs, policy, communications, and industry relations functions.
8. One-time grant funding for the 2021-23 biennium that was appropriated by the Oregon State Legislature to support outfitters and guides during the COVID-19 pandemic.
9. One-time state tourism grant funding from the U.S. Department of Commerce for the Oregon22 World Athletics Championships.

Overview

The Oregon Tourism Commission (OTC), otherwise referred to as Travel Oregon, serves to drive economic growth and job creation by strengthening tourism in Oregon. OTC was created in 1995 and became a semi-independent state agency in 2003. The Commission is comprised of nine members, which includes five representatives of the lodging sector, three representatives of the tourism industry, and one public member. Each commissioner is appointed by the Governor and may serve up to two four-year terms. OTC has an office in Portland.

Revenue

OTC is primarily funded by revenue generated from the state transient lodging tax. The tax was established by HB 2267 (2003) at a rate of 1% to provide funds for the promotion of Oregon's tourism programs. In 2016, HB 4146 increased the transient lodging tax rate from 1% to 1.8% for the period July 1, 2016 to July 1, 2020, when the rate decreased to 1.5%. The Department of Revenue (DOR) is authorized to collect and retain up to 2% of gross tax revenues for administrative expenses. DOR reports and distributes revenues to OTC monthly. In addition to the transient lodging tax, OTC also receives revenues from the Governor's Conference on Tourism attendee registration and sponsorship fees, workshop registration fees, interest income, federal grants, and the Welcome Center Brochure program.

Per OTC, the agency had \$29.4 million in future programming and fund reserves, a majority of which is dedicated for distribution through the statutorily required Regional Cooperative Tourism Program and Competitive Grants Program as well as other grants. The agency maintains an operating reserve of 5% of revenue which is approved for use if there is a revenue shortfall. Reserves are held in a money market account.

Future Programming and Fund Reserves as of June 30, 2023	
Regional Cooperative Tourism Program for FY 2024	\$3,771,830
Regional Cooperative Tourism Program for FY 2024/25	\$2,245,597
Competitive Grants Program - awarded	\$720,902
Competitive Grants Program - to be awarded	\$7,686,372
Other Grants - awarded	\$142,842
Other Grants - to be awarded	\$550,047
Operating Reserve	\$2,039,446
Immediate Opportunity Fund	\$1,985,343
Other OTC Program, unspent funds, encumbered	\$10,270,426
TOTAL Future Programming and Fund Reserves	\$29,412,805

Budget Environment

The agency's biennial budget includes approved expenditures for the upcoming biennium and ending fund balances from the prior period which are available for use during the following biennium. When

these ending fund balances are considered, the agency's budget as of June 2021 was \$65,243,100; with projected revenues of \$64,773,100, additional funds totaling \$470,000 were sourced from the agency's operating reserve. Total projected revenues increased to \$69,673,100 and in June 2022 OTC approved a modified budget of \$72,478,712, with the revenue deficit resolved using \$365,000 from the operating reserve and \$2,440,612 from the prior fund balance.

In December 2022, OTC had a public hearing and approved another increase to its 2021-23 budget, from \$72,478,712 to \$77,132,018 due to higher than anticipated transient lodging tax revenue and other revenue sources. Projected revenues totaled \$74,446,406, with the difference funded using \$245,000 from the operating reserve and \$2,440,612 from the prior fund balance. The budget approved by OTC only includes ongoing grant programs, and not one-time funding received in the 2021-23 biennium for Outfitters and Guides Grants, and from the U.S. Department of Commerce.

ORS 284.126 requires OTC to file copies of the agency's adopted or modified budget and financial statements with the Legislative Fiscal Officer not later than five business days after these documents are prepared or adopted. For this review cycle, OTC submitted:

- 2022 and 2023 Annual Reports
- 2021-23 and 2023-25 Adopted and Amended Budgets
- 2021-23 Financial Review
- 2023-25 Strategic Plan
- SB 5561 Outfitter Guide Grant Report

Operations

The agency's five departments carry out its mission to inspire travel that drives community enhancement and economic development as outlined below.

As a result of the COVID-19 pandemic in 2020, OTC reduced staffing by 30%, equivalent to 22 positions. For the past two biennia, OTC has operated with around 46 positions. The agency plans to increase staffing to 77 positions in the 2023-25 biennium. This will include hiring for positions that have been vacant since the pandemic, as well as increasing staff in other areas.

Global Strategic Partnerships

The Global Strategic Partnerships (GSP) department administers the Wine Country License Plates, Regional Cooperative Tourism Program, and Competitive Grants programs. In addition, the team convenes an annual Oregon Governor's Conference on Tourism; develops partnerships with local businesses and international organizations by leveraging state resources to improve consumer reach and marketing channels; and offers industry partners training in public relations, online content development, social media strategies, and increasing international tourism.

For the 2021-23 biennium, GSP allocated 51% of its total budget for the Regional Cooperative Tourism Program, 26% for grants, 19% for sponsorships and partnerships, and 4% to payroll.

Global Marketing

The Global Marketing (GM) department develops advertising campaigns to inspire travel using consumer research and market trends. GM teams are clustered around creative services, communications, integrated and digital content, marketing insights, research, and visitor services. The

team oversees the traveloregon.com website, consumer communications and public relations, and the eight State Welcome Centers. The GM budget includes 47% for consumer advertising campaigns, including production and media buys, 2% to support the World Athletics Championships (Oregon22), and 19% goes to payroll. The remaining 32% goes to other unspecified programs.

Administration and Operations

The Administration and Operations department includes accounting, human resources, facilities management, procurement, contracting, public affairs, industry communications, general organizational support, and agency leadership.

For the 2021-23 biennium, the Administration and Operations division allocated 46% of its total budget for payroll; 24% for strategy, public affairs, and industry communications; and the remaining 30% for facilities, IT and other general organizational administration.

Global Sales

The Global Sales department works with international tour operators and media to increase international travel to Oregon. This includes activities to increase shoulder and low season visitation, and monitoring growth in emerging markets. The Global Sales division allocates 33% of its total budget to payroll and 67% to in-country representation, promotions, business development opportunities, and other program expenses.

Destination Development

The Destination Development department serves to create robust, sustainable destinations and tourism economies that preserve, enhance, and celebrate the local landscape and culture. Destination Development allocates 38% of the budget to payroll with the remainder for implementation of other destination development projects and programs.

OTC Transient Lodging Tax Revenues and Expenditures

ORS 284.148 requires OTC to submit a report to LFO annually by October 1 that identifies funds received by OTC from state lodging tax. OTC must also identify the awards and commitments approved by OTC that use transient lodging tax funds, as well as additional information regarding any grants of \$2 million or more.

OTC is required to spend transient lodging tax revenue as follows:

- 65% or more must be used to fund state tourism programs.
- 20% must be used to implement a regional cooperative tourism program using a regional allocation formula that distributes revenue to regions in proportion to the amount of lodging tax revenue collected in each region.
- 10% must be used for a competitive grant program which may include tourism-related facilities and tourism-generating events, including sporting events.

Transient Lodging Tax Revenue

OTC reported the following actual and projected revenue from the state lodging tax. Amounts are presented using fiscal year (FY) which encompasses July of the previous year through June of the following year (for example, FY 2021 includes July 2020 through June 2021).

Transient Lodging Tax Receipts by Fiscal Year (FY)							
Region	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual
North, Central, & South Coast	6,540,296	8,138,605	9,031,970	9,075,792	8,251,525	11,549,186	11,992,401
Willamette Valley	3,995,979	4,492,279	5,105,357	4,830,997	2,473,876	4,891,866	5,729,061
Portland Metro	13,014,571	15,204,673	16,777,408	15,518,226	4,075,245	8,408,697	11,257,631
Southern Oregon	2,620,852	3,209,402	3,568,502	3,381,531	2,426,124	3,549,343	3,536,182
Central Oregon	3,185,032	3,802,917	4,284,473	4,425,516	3,750,038	5,410,979	5,645,020
Mount Hood & Columbia River Gorge	1,116,979	1,437,465	1,618,716	1,557,987	1,088,705	1,737,709	1,829,437
Eastern Oregon	986,748	1,360,544	1,317,131	1,376,331	986,410	1,773,443	1,838,959
DOR Administrative Fees	(734,827)	(387,731)	(351,495)	(736,098)	(503,258)	(688,471)	(860,434)
Accruals & Other Adjustments	703,148	758,932	(772,365)	283,843	937,922	(846,446)	(179,342)
Total Transient Lodging Tax	\$31,428,778	\$38,017,086	\$40,579,697	\$39,714,125	\$23,486,589	\$35,786,302	\$40,788,915

Regional Cooperative Tourism Program Expenditures

As part of the Regional Cooperative Tourism Program (RCTP), OTC disbursed funding to several regions. As stated above, 20% of transient lodging tax revenue must go to implement RCTPs using an allocation formula that distributes revenue in proportion to the amount of lodging tax revenue collected in each region during the prior calendar year. OTC determines RCTP grant awards based on prior calendar year transient lodging tax collections and disburses the state lodging tax during the following fiscal year, as shown in the chart below.

During the 2021-23 biennium, OTC disbursed 23.6% of transient lodging tax funds for the RCTP. An additional 1.7% of transient lodging tax funds were spent on administration of RCTP. OTC includes administrative costs when determining what percentage of transient lodging tax funds have been obligated for RCTP.

ORS 284.131 does not specifically state whether the percentage of transient lodging tax funds that must be dedicated to RCTP is inclusive of administrative costs. The inclusion of administrative costs brings the total RCTP percentage to 25.4%.

Transient Lodging Tax Receipts by Calendar Year (CY)							
CY (funds collected)	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
FY (funds distributed)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
TOTAL Transient Lodging Tax	\$37,988,750	\$39,673,864	\$41,262,070	\$26,424,100	\$32,775,106	\$39,782,726	\$40,045,910

Regional Cooperative Tourism Program Expenditures by Fiscal Year (FY)							
Region	Total 2017-2019 Actuals	FY 2020 Actuals	FY 2021 Actuals	Total 2019-2021 Actuals	FY 2022 Actuals	FY 2023 Actuals ¹	Total 2021-2023 Actuals
North, Central, & South Coast	2,540,845	1,638,100	1,781,300	3,419,400	1,344,700	4,162,630	5,507,330
Willamette Valley	1,477,583	907,900	931,900	1,839,800	1,298,460	988,510	2,286,970
Portland Metro	4,851,769	3,037,400	3,143,500	6,180,900	1,385,360	1,216,620	2,601,980
Southern Oregon	1,014,278	644,500	660,400	1,304,900	1,053,290	0	1,053,290
Central Oregon	1,218,340	776,300	854,500	1,630,800	1,554,130	0	1,554,130
Mount Hood & Columbia River Gorge	600,000	300,000	309,100	609,100	194,210	300,000	494,210
Eastern Oregon	600,000	300,000	300,000	600,000	489,510	0	489,510
TOTAL RCTP Distribution²	\$12,302,815	\$7,604,200	\$7,980,700	\$15,584,900	\$7,319,660	\$6,667,760	\$13,987,420
Percentage of transient lodging tax funds	20.0%	19.2%	19.3%	19.3%	27.7%	20.3%	23.6%
Administrative costs	\$614,035			\$946,930			\$1,033,779
Percentage of transient lodging tax funds	1.0%			1.2%			1.7%
Percentage of transient lodging tax funds (distributions + administration)	21.0%			20.4%**			25.4%**

1. Regions with no fund distribution in fiscal year 2023 received their calendar year 2021 distribution in fiscal year 2022 and had not requested their calendar year 2022 distribution before June 30, 2023. Funds are held by OTC.

2. Number does not foot due to rounding.

Competitive Grants Program

As stated above, OTC must use 10% of transient lodging tax revenue on its competitive grant program. OTC has established a program to make grant awards “to eligible applicants for projects that contribute to the development and improvement of communities throughout the state by means of the enhancement, expansion and promotion of the visitor industry.”

Grant funds may be awarded and disbursed in different years. In general, grants are fully disbursed within 13 months of award. Grantees occasionally submit requests to extend the grant period, which would result in disbursements in the following biennium. These requests became especially prevalent during the COVID-19 pandemic due to numerous project barriers. If the grantee does not complete disbursement requirements, the remaining funds are added to a subsequent grant cycle.

OTC determines the amount to allocate to grant awards based on prior fiscal year transient lodging tax collections. During the 2021-23 biennium, OTC awarded funds totaling 1.8% of transient lodging tax revenues. OTC reserves 10% of transient lodging tax revenues for the purposes of the Competitive Grants Program and notes that the amount of transient lodging tax revenues expended for this program are not tracked by a particular time period, but rather average out to 10% spent on the Competitive Grants Program over time.

No competitive grants were awarded in the first year of the 2021-23 biennium. During this year, the OTC grants team instead worked on distribution of one-time relief funding for outfitters and guides as directed by SB 5561 (2021), which is discussed in more detail below. In the second year, OTC budgeted \$3.8 million for the competitive grants program, with \$1.5 million allocated to capacity and small project grants. Of the funding awarded, OTC holds 10% in reserve until grantees complete the project and submit final documentation to OTC.

OTC announces grant opportunities on its website and promotes this information through its industry email list of approximately 5,000 subscribers. Applications for the grant programs are submitted through an online portal found on the Travel Oregon website. A formal review of applications is conducted by a review committee which selects grants to move forward and provides feedback to unsuccessful applicants on how the application could be improved to be more competitive in a future funding cycle.

The grant review committee varies dependent upon the program. Competitive Small Grants have used an internal review committee composed OTC staff members across the agency that have familiarity in specific disciplines. The Competitive Medium Grants used an external review committee composed of a cross-section of industry stakeholders, such as the Oregon Business Development Department, Oregon Destination Association, Oregon Restaurant and Lodging Association, and State Parks, among others. Selection for these two programs is based on area of expertise and a commitment and desire to participate in the often time-consuming process. The Competitive Large Grant can be opened only under the direction of OTC and the review committee is composed of Commission members appointed to serve.

At a minimum, following receipt of a grant, grantees must submit either a Final Accomplishment Report (for programs before the COVID-19 pandemic) or a Project Status Report (for programs from 2020 to present). This report includes a final project budget, receipts to show proof of usage of funds, a written account of how the grant funds were used and the impact of the grant dollars.

The following is a description of the grant categories and grant program activities in the 2021-23 biennium that were funded by the transient lodging tax as statutorily required.

Competitive grant applications and awards by grant type, 2019-21						
	Funds awarded	Funds disbursed for 2019-21 grants	Funds disbursed-prior biennia grants	Total funds disbursed	Number of applications received	Number of grants awarded
Small Grants	\$470,997	\$398,909	\$177,317	\$576,226	154	30
Mid-Sized Grants	N/A	N/A	\$286,382	\$286,382	N/A	N/A
Rural Tourism Studio	N/A	N/A	\$37,500	\$37,500	N/A	N/A
Large Grants ¹	N/A	\$4,500,000	\$0	\$4,500,000	N/A	N/A
COVID-19 Emergency Response Grants	\$800,225	\$800,225	N/A	\$800,225	332	121
COVID-19 Recovery Grants	\$1,064,825	\$957,885	N/A	\$957,885	419	39
TOTAL AWARDED/DISBURSED	\$2,336,047	\$6,657,019	\$501,199	\$7,158,218	905	190
Percentage transient lodging tax funds	3.7%	10.5%	0.8%	11.3%		
Administrative costs²	\$580,150					
Percentage of transient lodging tax funds	0.7%					

1. OTC awarded a grant totaling \$10 million to Oregon22 in December 2017, with half distributed in the 2017-19 biennium and the other half earmarked for distribution in the 2019-21 biennium. This chart shows no new Large Grants awarded in 2019-21 but does show a Large Grant distribution for 2019-21 grants for this reason.

2. Based on administrative costs incurred in FY 2020 and 2021. OTC calculations of competitive grant program expenditure requirements for each FY use administrative costs incurred in the prior FY (FY 2019 and 2020).

Competitive grant applications and awards by grant type, 2021-23						
	Funds awarded	Funds disbursed for 2021-23 grants	Funds disbursed-prior biennia grants	Total funds disbursed	Number of applications received	Number of grants awarded
Small Grants	N/A	N/A	\$43,028	\$43,028	N/A	N/A
Mid-Sized Grants	N/A	N/A	\$32,665	\$32,665	N/A	N/A
Large Grants ¹	N/A	N/A	\$500,000	\$500,000	N/A	N/A
Capacity and Small Project Grants	\$1,405,623	\$1,142,397	N/A	\$1,142,397	48	45
COVID-19 Recovery Grants	N/A	N/A	\$50,833	\$50,833	N/A	N/A
TOTAL AWARDED/DISBURSED	\$1,405,623	\$1,142,397	\$626,525	\$1,768,921	48	45
Percentage transient lodging tax funds	1.8%	1.5%	0.8%	2.3%		
Administrative costs²	\$652,167					
Percentage of transient lodging tax funds	0.9%					

1. OTC awarded a grant totaling \$10 million to Oregon22 in December 2017, with half distributed in the 2017-19 biennium and the other half earmarked for distribution in the 2019-21 biennium, with the final amount disbursed in the 2021-23 biennium.

2. Based on administrative costs incurred in FY 2022 and 2023. OTC calculations of competitive grant program expenditure requirements for each FY use administrative costs incurred in the prior FY (FY 2021 and 2022).

Small Grants: During the 2019-21 biennium, due to redistribution of grant funding to emergency COVID-19 grant programs, the small grants program at OTC only awarded funds in 2019-20. Recipients include small cities, counties, museums, theaters, trail building organizations, and other entities, with amounts

ranging from \$1,700 to \$25,000. For the 2021-23 biennium, the Small Grants program was replaced by the Capacity and Small Project Grants program.

Mid-Sized Grants: Due to redistribution of grant funding to emergency COVID-19 grant programs, no mid-sized grants were awarded in the 2019-21 biennium. For the 2021-23 biennium, the Mid-Sized Grants program was partially replaced by the Capacity and Small Project Grants program.

Large Grants: Competitive Large Grant applications are for grants greater than \$100,000 and must demonstrate at least a 50% cash match. Large grant awards are intended to create statewide impacts or impact multiple regions. Eligible projects must provide for the improvement or expansion of the tourism economy in Oregon by showcasing the state on a national or global stage or as a world-class asset. Eligible projects may be funded over more than one biennium. OTC Competitive Large Grants are only made eligible at the discretion of the Oregon Tourism Commission.

Large Grants in recent years have supported the International Association of Athletics Federation (IAAF) World Championships, a 10-day world competition for track and field originally scheduled for 2021. Due to the pandemic, the event was delayed and renamed the 2022 World Athletics Championships. OTC has awarded grants totaling \$20 million to Oregon22, the local organizing committee for the event. This includes \$10 million in 2017 from Competitive Grants funding that was disbursed as follows: \$5 million in the 2017-19 biennium, \$4.5 million in the 2019-21 biennium, and \$500,000 in the 2021-23 biennium. The remaining \$10 million awarded to Oregon22 was from marketing funds, which are discussed in more detail below.

Capacity and Small Project Grants: During the second year of the 2021-23 biennium, OTC created a new grant category to support operational capacity in the tourism industry or to support small projects. This category includes grant awards of up to \$50,000, and replaces the Small Grants category (generally grants of up to \$20,000) and some of the Mid-Sized Grants category (generally grants of \$20,000 to \$100,000). At total of \$1.5 million in funds were available to Oregon's Federally recognized tribes and to Oregon Destination Marketing/Management Organizations that receive transient lodging tax from an Oregon city, county, region, or state entity. There were 48 applications received with 45 funded, totaling \$1.4 million in grants, with projects to be completed by the end of 2023.

Rural Tourism Studio (RTS) Grants: RTS Grants are awarded to communities who qualify for Travel Oregon's Rural Tourism Studio. The Rural Tourism Studio is a training program designed to help rural communities develop and offer high-value, authentic experiences to travelers. Participating communities build a team committed to tourism and create a shared tourism vision; the teams receive training and ongoing coaching, and the opportunity to apply for a grant from OTC to support the implementation of priority projects. To be eligible for this program, communities must be prepared to make a significant and long-term commitment to leadership and participation. This program varies from year to year based on community needs.

COVID-19 Emergency Response Grants: OTC implemented a COVID-19 Emergency Response grant program in May 2020 to help local small businesses retain employment and recover from the impacts of the pandemic. OTC developed and administered these grants in a one-month period with grants ranging from \$2,500 to \$10,000 each. Recipients included Chambers of Commerce, tourism-based businesses such as outfitters and guides, tourist lodging, and other entities impacted by the pandemic.

COVID-19 Recovery Grants: In May 2021, OTC opened a Competitive and Recovery Grant Program to support economic recovery by investing in infrastructure to create or provide for a COVID-19 appropriate visitor experiences. OTC received more than 400 applications with requests totaling more than \$18 million, with \$3,150,000 in available funds. Grant awards ranged from \$2,500 to close to \$100,000. Recipients included cities, tourist destinations and events, and tourism-based businesses such as arts venues.

Other Transient-Lodging Tax Funded Grant Programs

In addition to the statutorily required competitive grants, OTC also disburses funds to other grant programs, as listed in the tables below.

Other grant applications and awards by grant type, 2019-21						
	Funds awarded	Funds disbursed for 2019-21 grants	Funds disbursed-prior biennia grants	Total funds disbursed	Number of applications received	Number of grants awarded
Destination Ready	\$979,681	\$881,283	N/A	\$881,283	135	34
Marketing Grants	\$8,020,000	\$520,000	\$0	\$520,000	2	2
Rural Tourism Studio	N/A	N/A	\$6,693	\$6,693	N/A	N/A
<i>COVID-19 Recovery Grants</i>	\$1,337,800	\$1,204,177	N/A	\$1,204,177	419	21
TOTAL AWARDED/DISBURSED	\$10,337,481	\$2,605,460	\$6,693	\$2,612,153	137	58
Percentage of 2019-21 transient lodging tax funds	16.4%	4.1%	0.0%	4.1%		

Other grant applications and awards by grant type, 2021-23						
	Funds awarded	Funds disbursed for 2021-23 grants	Funds disbursed-prior biennia grants	Total funds disbursed	Number of applications received	Number of grants awarded
Destination Ready	N/A	N/A	\$64,661	\$64,661	N/A	N/A
Marketing Grants	N/A	N/A	\$7,500,000	\$7,500,000	N/A	N/A
Regional Destination Management Organization Recovery and Stability Funding ¹	N/A	N/A	\$1,500,003	\$1,500,003	N/A	N/A
Network Manager Grant	\$25,000	\$25,000	N/A	\$25,000	1	1
Oregon Trails Fund Capacity Grants	\$438,977	\$329,233	N/A	\$329,233	11	11
Oregon Trails Fund Signature Trails Grants	\$217,500	\$163,125	N/A	\$163,125	3	3
TOTAL AWARDED/DISBURSED	\$681,477	\$517,358	\$9,064,664	\$9,582,022	15	15
Percentage of 2021-23 transient lodging tax funds	0.9%	0.7%	11.8%	12.5%		

1. Funds for this non-competitive award category were approved in the 2019-21 biennium but planned for disbursement in the 2021-23 biennium.

The following is a description of the grant categories and grant program activities in the 2021-23 biennium that were funded by the transient lodging tax, outside of statutory requirements.

Destination Ready: Destination Ready is a direct investment and technical assistance program focused on the development, enhancement, and stewardship of COVID-19 appropriate visitor experiences. Originally announced as a \$250,000 opportunity, OTC received more than \$4 million in requests. In response to this high demand, the agency reallocated resources to increase the award amount. Funding went to organizations such as cities, visitors' associations, and outdoor recreation organizations.

Marketing Grants: OTC distributed Marketing Grants totaling \$7.5 million. A total of \$10 million in marketing funds has been awarded to Oregon22, split between a \$2 million allocation in May 2017, and an \$8 million grant awarded in August 2020. From the \$8 million grant, OTC disbursed \$500,000 in the 2019-21 biennium, \$6 million was distributed to Oregon22 in July 2021, with the remaining \$1.5 million distributed in August 2022.

Regional Destination Management Organization (RDMO) Recovery and Stability Funding: A total of \$1.5 million was distributed to the seven RDMOs for programming, investments, and product development that was delayed due to the COVID-19 pandemic. Of this amount, \$500,000 was equally split between the seven regions while the remaining \$1 million was divided based on the impact of decreased funding in each region in calendar years 2019 and 2020 (fiscal years 2021 and 2022). Funding was approved during the 2019-21 biennium but planned for distribution in the 2021-23 biennium.

Network Manager Grant: A total of \$25,000 was granted to the Oregon Coast Visitors Association to help address complex tourism development and management issues through learning networks. This model helps to share responsibility for destination management among different stakeholder groups.

Oregon Trails Fund Capacity Grants: This grant program was developed in partnership with the U.S. Forest Service (USFS) for projects located in U.S. National Forests, National Scenic Areas, or Grasslands. Projects were required to be led by Oregon-based non-profits that already actively collaborate with USFS on trail stewardship projects. A total of \$438,977 was awarded to 11 organizations for trail stewardship projects on USFS trails, as well as to provide trail ambassador programs to enrich trail experiences in certain national forests.

Oregon Trails Fund Signature Trails Grants: This grant program was also developed in partnership with the USFS to provide planning, design, construction, and signage for Oregon's "signature" trails, including the Gorge Towns to Trails, Blue Mountains Trail, and the Oregon Timber Trail. Projects were to be led by non-profit organizations that are actively advancing signature trails and collaborating with the USFS in Oregon. A total of \$217,500 was awarded to three organizations.

For the Oregon Trails Fund grants, OTC was responsible for 52.6% of funding and USFS contributed 47.4% of funding.

Grants Funded from Other Sources

Outfitters and Guides Grants: SB 5561 (2022) appropriated \$10 million General Fund to the Oregon Business Development Department (OBDD) to distribute to OTC. Funding was to be used as grants for Oregon outfitters and guides that were registered with the Oregon State Marine Board and showed financial impacts due to the COVID-19 pandemic, drought, or wildfire. Awardees with 0-2 employees received 80% of their total revenue loss, while those with three or more employees received 65% of

their total revenue loss. A total of \$5,669,134 was distributed to 166 outfitters and guides in mid-2022. OTC retained \$23,243 for administrative costs with the remainder of the funds (\$4.3 million) returned to OBDD.

U.S. Economic Development Administration State Tourism Grant: During the 2021-23 biennium, the U.S. Department of Commerce's Economic Development Administration (EDA) awarded Oregon \$9,151,632 in State Tourism Grant funds. OTC disbursed \$9,005,000 for sponsorship of the Oregon22 World Athletics Championships, with the remainder held by EDA for agency use pending EDA approval.

Wine Country License Plates Program: SB 442 (2011) created the Wine Country License Plates. After the Oregon Department of Transportation (ODOT) collects payment for the cost of production of the wine country registration plates, including administrative marketing expenses, the balance of all sales for each month is transferred to OTC. OTC is directed to distribute the funds as follows:

- Half of funds are to be used for a matching grant program to tourism promotion agencies to promote wine and culinary tourism.
- Half of funds are to be distributed to tourism promotion agencies in proportion to the amount of acreage in each region used for wine grape production.

OTC determines award amounts based on proceeds received from ODOT in the prior calendar year. OTC administers the Wine Country License Plates Program separate from its budget and retains no administrative payment or costs relative to administering the Wine Country License Plates Program, so these amounts are not reflected in the table at the beginning of this section.

Over the course of the 2019-21 biennium, OTC awarded eight grants totaling \$243,000 and disbursed \$215,053 from awarded grants; and distributed \$341,926, inclusive of current and prior year proceeds, to tourism promotion agencies.

OTC did not offer matching grant awards in fiscal year 2021 due to complications from the COVID-19 pandemic that left the agency short-staffed, a focus on providing COVID-19 recovery grant funds, delays in implementation of projects previously awarded grant funds, and a decision to hold on promoting tourism activities during the pandemic. Wine Country license plates revenue totaled \$835,645, which means a total of \$278,666 was not distributed in the 2019-21 biennium.

During the 2021-23 biennium, there were 49 grant applications, resulting in 32 awards and \$681,408 in awarded funds. From this amount, a total of \$287,583 was distributed, with an additional \$258,040 distributed from prior award years. OTC also distributed \$340,737 to tourism promotion agencies, with additional funds to be distributed in the 2023-25 biennium due to plans that were submitted late in 2023. Wine Country license plates revenue totaled \$894,849 and a total of \$886,361 was distributed.

APPENDIX C

SAMPLE OF LICENSING AND ENFORCEMENT ACTIVITY SPREADSHEET

	Licensing and Enforcement Data												
	June 2017	June 2019	Change	% Change	June 2021	Change	% Change	June 2023	Change	% Change	June 2025	Change	% Change
*Reporting periods should be through June 30 of the indicated year. If different please note in the analysis.													
Active licenses													
Actively licensed individuals	1,138	1,198	60	5.27%	1,204	6	0.50%	1,271	67	5.58%	1,280	-11	-0.87%
Actively licensed firms	1,201	1,260	89	7.41%	1,291	1	0.08%	1,307	16	1.24%	1,280	-27	-2.07%
Total active licenses	2,339	2,458	149	6.37%	2,495	7	0.28%	2,578	83	3.33%	2,540	-38	-1.47%
Number of new license applications													
Individuals	182	194	12	6.59%	190	-4	-2.06%	201	11	5.79%	196	-5	-2.49%
Firms	104	171	7	4.27%	178	7	4.09%	184	6	3.37%	145	-39	-21.20%
Total license applications	346	365	19	5.49%	368	3	0.82%	385	17	4.62%	341	-44	-11.43%
Number of new licenses issued													
Individuals	180	170	-10	-5.56%	170	0	0.00%	182	12	7.06%	169	-13	-7.14%
Firms	154	145	-9	-5.84%	165	20	13.76%	134	-31	-18.78%	134	0	0.00%
Total licenses issued	334	315	-19	-5.69%	314	-1	-0.32%	352	38	12.10%	301	-51	-14.49%
Number of examinations conducted													
Examination type one	47	52	5	10.64%	36	-16	-30.77%	45	9	25.00%	72	27	60.00%
Examination type two	13	12	-1	-7.69%	10	-2	-16.67%	7	-3	-30.00%	21	14	200.00%
Total examinations conducted	60	64	4	6.67%	46	-18	-28.13%	52	6	13.04%	93	41	78.85%
Average number of days to process a license													
Individuals - new	27	24	-3	-11.11%	31	7	20.17%	29	-2	-6.45%	40	11	37.93%
Firms - new	102	151	49	48.04%	142	-9	-5.96%	135	-7	-4.93%	170	35	25.93%
Individuals - renewal	3	4	1	33.33%	6	2	50.00%	3	-3	-50.00%	9	6	200.00%
Firms - renewal	7	8	1	14.29%	13	5	82.50%	9	-4	-30.77%	20	11	122.22%
Complaints received													
Practicing without a license	14	2	-12	-85.71%	8	6	300.00%	6	6	-25.00%	17	11	183.33%
Continuing education compliance	3	4	1	33.33%	2	-2	-50.00%	7	5	250.00%	5	-2	-28.57%
Criminal conviction	6	1	-5	-83.33%	5	4	400.00%	8	3	60.00%	4	-4	-50.00%
Ethics	10	4	-6	-60.00%	10	6	150.00%	4	-6	-60.00%	6	2	50.00%
Documentation	42	31	-11	-26.19%	37	6	19.35%	54	17	45.95%	21	-33	-81.11%
Total complaints received	75	42	-33	-44.00%	62	-20	-47.62%	79	17	27.42%	63	-26	-32.91%
Types of investigations conducted													
(1) Full investigation opened	74	81	7	9.46%	90	9	11.11%	92	2	2.22%	76	-16	-17.39%
(2) Resolved	31	29	-2	-6.45%	32	3	10.34%	41	9	28.13%	19	-22	-53.66%
(3) Open pending further review	37	41	4	10.81%	28	-13	-31.71%	17	-11	-39.29%	41	24	141.18%
(4) Open and under investigation	82	60	-22	-26.83%	81	21	35.00%	107	26	32.10%	69	-8	-7.48%
Types of resolutions of complaints													
Closed without action/no jurisdiction/no violation	9	11	2	22.22%	7	-4	-36.36%	9	2	28.57%	15	6	66.67%
Letter of concern	1	4	3	300.00%	2	-2	-50.00%	6	4	200.00%	5	-1	-16.67%
Sanction imposed	31	40	9	29.03%	33	7	21.61%	47	14	42.42%	39	-8	-16.67%
Other	3	4	1	33.33%	7	3	75.00%	5	-2	-28.57%	6	1	20.00%
Total complaints resolved	44	59	15	34.09%	49	-10	-16.86%	67	18	36.73%	62	-5	-7.46%
Types of sanctions imposed													
License restrictions	1	1	0	0.00%	4	3	300.00%	2	-2	-50.00%	4	2	100.00%
Probation	2	1	-1	-50.00%	3	2	200.00%	5	2	66.67%	4	-1	-20.00%
License suspension	4	2	-2	-50.00%	3	1	50.00%	7	4	133.33%	5	-1	-14.29%
License revocation	1	0	-1	-100.00%	2	1	100.00%	5	3	150.00%	2	-3	-60.00%
Stipulations/commitments, not including civil penalty	8	16	8	100.00%	13	-3	-18.75%	14	1	7.69%	8	-6	-42.86%
Civil penalty	12	16	4	33.33%	8	-4	-50.00%	9	1	12.50%	9	1	12.50%
Other	3	1	-2	-66.67%	2	-1	-50.00%	6	4	200.00%	3	-3	-50.00%
Number of sanctions imposed	31	40	9	29.03%	33	-7	-17.50%	47	14	42.42%	36	-11	-23.40%
Average number of days between beginning an investigation and reaching a resolution													
Cases aging	197	174	-23	-11.68%	199	25	14.37%	178	-21	-10.55%	247	69	38.76%
Cases open longer than 60 days	15	6	-6	-40.00%	17	8	88.89%	13	-4	-23.53%	16	3	23.08%
Cases open longer than 180 days	10	12	2	20.00%	11	-1	-9.09%	13	2	18.18%	7	-6	-45.45%
Cases open longer than 365 days	4	8	4	100.00%	2	-6	-75.00%	4	2	100.00%	3	-1	-25.00%

APPENDIX D

REPORTING GUIDELINES 2026

Please see below for a checklist and detailed descriptions of information to include in each section of the 2026 semi-independent agency report.

Report Overview

Report Format

Agencies should submit their biennial reports as a searchable PDF and include any relevant backup information or Excel documents to support the information provided.

Reporting time period

The report due on April 1, 2026 should include actual data for the 2023-25 biennium, and projected revenues, the adopted budget, and proposed fee change information for the 2025-27 biennium.

Contacts

Questions about this information can be directed to Haylee Morse-Miller at haylee.morsemiller@oregonlegislature.gov or Emily Coates at emily.coates@oregonlegislature.gov

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*

Section I: Copy of Audit or Financial Review

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. For the 2026 reporting period, LFO requests that agencies provide a copy of the audit or review for the biennium ended June 30, 2025, along with copies of management letters referenced in the audit or review.

The financial review should confirm that when agencies developed their budgets, the specific dollar value of total approved budgeted revenues and expenses was provided to the board, and is specified in the board minutes.

LFO recommends that the financial statements that are to be submitted by agencies to both the financial reviewer and to LFO be included as final documents as part of the financial review. By requiring them as final documents, this will ensure that the numbers provided by the financial review match what is included in the agency report to LFO.

For agencies that rely on third parties for products and services, including functions like technology or bookkeeping, LFO recommends that the agency financial review include a periodic review of contracts to ensure compliance.

Section II: Budget Comparison

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. 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.*

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 the report due in 2026 should include actual numbers for the 2023-25 biennium and the adopted budget for the 2025-27 biennium.

Agencies should include copies of the following documents:

- 1) Balance sheet for the 2023-25 biennium
- 2) Forecasted balance sheet for the 2025-27 biennium
- 3) A table that includes the following, with **percentage change to two decimal places**:
 - a. Line item comparison of budget to actual revenues and expenditures for 2023-25 biennium
 - b. Projected/adopted budget forecast for the 2025-27 biennium
 - c. Line item comparison of material changes between 2023-25 and 2025-27 budgets

Example: Line-Item comparison of revenues and expenditures

	2023-25 Adopted Budget	2023-25 Adjusted (Approved) Budget	2023-25 Actual	\$ Change Adopted to Approved Budget	% Change Adopted to Approved Budget	\$ Change Adopted to Actual Budget	% Change Adopted to Actual Budget	\$ Change Approved to Actual Budget	% Change Approved to Actual Budget	2025-27 Adopted Budget	\$ Change 2023- 25 Final Budget to 2025-27 Adopted	% Change 2023- 25 Final Budget to 2025-27 Adopted	\$ Change 2023- 25 Actual to 2025-27 Adopted	% Change 2023- 25 Actual to 2025-27 Adopted
Revenue														
Example	\$ 10,000	\$ 15,000	\$ 12,500	\$ 5,000	50.00%	\$ 2,500	25.00%	\$ (2,500)	-16.67%	\$ 20,000	\$ 5,000	33.33%	\$ 7,500	60.00%
Licensing Fees														
Other Fees														
Total Revenue														
Expenses														
Payroll														
Services and Supplies														
Travel														
Telecommunications														
Professional Development														
Attorney General Fee														
Audit Charges														
Facilities Rent														
Total Expenses														
Positions														
FTE														

Example line-item budget comparison for section 2 of report. Line items shown are examples only, please add additional rows as needed. Include columns C, E, F, I, and J only if your agency's budget was modified during the 2023-25 biennium.

In addition, agencies should include the following material:

a) 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 discussion of material changes between budget and actual beginning balance, revenues, expenditures, and ending balance for the 2023-25 biennium (including any budget adjustments).
- A discussion of material changes between 2023-25 Approved Budget and 2025-27 Adopted Budget.

b) A description of current fees and proposed changes, and information supporting the changes

Agencies should include a list of all current fees, any fee 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

Fee Type	Fee as of 6/30/21	Fee as of 6/30/23	Fee as of 6/30/25	Anticipated Fee 6/30/27
<i>List of all fee types</i>				

In addition to including a list of fees, the agency should provide 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:

- Are changes in the operating environment negatively impacting future revenues and expenditures?
- What actions did the agency take to mitigate any 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 shortfall?

c) Beginning and ending balances for two biennia

Beginning and ending balances represent the amount of monies carried over from one biennium to the next. LFO recognizes 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

Beginning and Ending Balances	2023-25 Actual/Reported	2025-27 Projected/Adopted
Beginning Balance (previous biennia carry-over)	200,000	220,000
Net Income/Loss	20,000	15,000
Ending Balance	\$220,000	\$235,000
<i>*Include a discussion of any variances here</i>		

LFO will confirm that audited values for the past biennium and actual numbers reported by the agency are the same. Variances may occur for a number of legitimate reasons, many of which are related to accounting timing.

Please discuss any amendments to the budget, and/or any other variances that have resulted in changes to the ending balance from the last reporting period. Please also provide detail as needed related to biennium close out procedures and any variances such as those related to liabilities, items expensed and paid in different biennia, etc.

Agencies should also include a brief description of their target ending balance- that is, the amount of funds the agency tries to have saved in case of any unanticipated expenses. This should be presented as a dollar figure and in terms of months of operating expenses. For example, an agency might report that they try to maintain reserves of \$350,000, which would be sufficient to pay for six months of normal operating costs, due to licensing renewal timelines and the potential for unanticipated legal costs.

Semi-independent agencies that do not conduct licensing

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

Section III: Rule Making Activities

ORS 182.472 (3) A description of all temporary and permanent rules adopted by the board during the prior biennium.

The statute requests that agencies report all rules adopted by the board during the prior biennium. LFO suggests that agencies use a table format to present this information.

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, including a summary of the rule proposal/change and why it was needed
- Public notification and hearing dates (if applicable)
- Board action date
- Filing dates

Example: Table of Administrative Rules

OAR Number(s)	Description of Change	Public Notification and Hearing Dates	Board Action Date	SOS Filing Date
<i>Number</i>	<i>Change...</i> <i>Repeal...</i> <i>New...</i> <i>Temporary Rule</i>	<i>Dates</i> <i>N/A</i>	<i>Date</i>	<i>Date</i>

Please include detailed information on the process to establish/modify 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.
- The exact amount of the adopted budget as it is listed in the relevant OAR.

Section IV: Consumer Protection

ORS 182.472 (4) A description of board actions promoting consumer protection that were taken during the prior biennium.

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, and to describe how your agency tracks the outcomes of these activities, as well as how these activities fulfill the agency's mission.

LFO has provided a suggested format to use to describe consumer protection activities (*examples of how to fill out the form are provided in italics*):

Activity category	Type of activity	Details of activity	Metric used to track success
Process or service delivery improvement	1. Website improvements 2. Licensing process improvements 3. Surveys of the public or licensees 4. Other relevant activities	1. <i>Updated xx pages and gave consumers ability to report licensees using online form</i> 2. <i>Implemented new database</i> 3. <i>Administered biennial survey of customer service satisfaction</i>	1. <i>Lowered case processing time by X% due receiving all information when case reported</i> 2. <i>Lowered license processing time by X days due to new database</i> 3. <i>Saw decrease in customer service satisfaction by X% due to difficulties with new licensing process</i>
Public and industry outreach	1. Newsletters 2. Social media 3. Events attended 4. Work with professional organizations 5. Other relevant activities	1. <i>Sent quarterly newsletter to all licensees</i> 2. <i>Started Instagram account and posted average of X times/week</i> 3. <i>Attended X trade shows</i> 4. <i>Presented at annual industry conference</i>	1. <i>Number of people reached</i> 2. <i>Percent of followers who viewed post</i> 3. <i>Number of people who stopped at booth</i> 4. <i>Number in attendance</i>

Education programs	1. Presentations made 2. Other relevant activities	<i>Gave presentations on [dates] at [university name]</i>	<i>Number of people who attended</i>
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Semi-independent agencies that do not conduct licensing

For agencies that do not have consumer protection as part of their mission, please include copies of annual performance reports that are prepared for industry stakeholders and other key constituents.

Section V: Licensing Activities and Disciplinary Actions

ORS 182.472 (5) If the board issues licenses, a description of the board's licensing activities performed during the prior biennium 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;*
- (i) The number of days between beginning an investigation and reaching a resolution and*
- (j) The number of cases open longer than 90, 180, and 365 days*

Agencies should discuss their licensing processes. This should include information such as licensing types issued, requirements for initial and continuing licensure (such as tests, required education, CE, etc.) and the general licensing process, including if licenses can be applied for/renewed online and how payment is collected.

LFO has provided a standardized template for reporting licensing and compliance data in **Appendix C**. Agencies should include multiple years of data (10 years or 5 biennia). The report for 2026 should include actual licensing data for the 2015-17, 2017-19, 2019-21, 2021-23, and 2023-25 biennia.

Agencies should include a narrative that discusses performance trends and potential issues such as case backlogs, which facilitates LFO's efforts to evaluate the board's performance of licensing and enforcement responsibilities.

Understandably, data collection and processing methods may change over time. To prevent faulty analysis resulting from these types of changes, LFO recommends that agencies include a detailed description of their data collection process, wherein you:

- Document the procedures used to ensure that data are accurate and internally consistent.
- Are clear about the date or time period of collected data.
- Provide a glossary of terms. For example, define each type and status of licensing/certification, exams conducted, complaints, investigations, sanctions.

- Ensure that definitions of data elements are consistent from biennium to biennium. Any deviations in data collection process or definition of terms should be explained.

Semi-independent agencies that do not conduct licensing

The Oregon Patient Safety Commission, Oregon Wine Board, and Citizens' Initiative Review Commission are not licensing entities. In lieu of licensing and enforcement data, LFO recommends that the Oregon Patient Safety Commission and Oregon Wine Board submit a copy of their latest Annual Reports along with other information that illustrate performance results achieved during the reporting period.

Section VI: Other Board Activities

ORS 182.472 (6) A description of all other actions taken during the prior biennium in the performance of the board's statutory responsibilities that is adequate to allow evaluation of the board's performance.

Please include the following information:

- 1) An organizational chart which includes number of positions and FTE
- 2) A brief narrative of any change in positions and FTE, or major staffing changes
- 3) The following table (template provided by LFO)
- 4) Board Best Practices self-assessment including number of Board members responding and how and when the survey was administered (template provided by LFO)

Biennium	Positions	FTE	Board Members - Industry	Board Members - Public	Board Meetings	Licensees - Individuals*	Licensees - Firms/ Business*	Director Salary \$/per Month
<i>Example</i>	5	4.50	5	2	12	2,777	589	\$4,937
2015-2017								
2017-2019								
2019-2021								
2021-2023								
2023-2025								
2025-2027 (Proposed)								

**Approximate number as of close of biennium (June 30)*

In addition, agencies should include additional comments about actions taken during the prior biennium which might include agency accomplishments and performance results. Examples include results from customer service surveys, improvements made or planned, etc.

Semi-independent agencies that do not conduct licensing

Because the Oregon Patient Safety Commission, Oregon Wine Board, and Citizens' Initiative Review Commission are not licensing entities, they should 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 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.