
MEMORANDUM

Legislative Fiscal Office
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To: General Government Subcommittee

From: Kim To, Legislative Fiscal Office
(503) 986-1830

Date: May 7, 2013

Subject: House Bill 5001 – Oregon Board of Accountancy
Work Session Recommendations

Oregon Board of Accountancy – Agency Totals

	2009-11 Actual	2011-13 Legislatively Approved	2013-15 Current Service Level	2013-15 LFO Recommended
Other Funds	1,557,481	2,048,572	1,952,934	2,089,479
Total Funds	\$1,557,481	\$2,048,572	\$1,952,934	\$2,089,479
Positions	7	7	7	8
FTE	7.00	7.00	7.00	8.00

The 2013-15 LFO recommended budget for the Oregon Board of Accountancy is 8 positions (8.00 FTE), and \$2,089,479 Other Funds. This is a 2.0% increase from 2011-13 Legislatively Approved Budget. Attached are the recommendations from the Legislative Fiscal Office for the Oregon Board of Accountancy. It contains the following:

Adjustments to Current Service Level:

See attached "Work Session Presentation Report" dated 4/26/2013.

- Package 091 Statewide Administrative Savings (\$3,489)
This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor's 2013-15 recommended budget. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.
- Package 092 PERS Tax Policy (\$2,810)
This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

- Package 093 Other PERS Adjustments (\$22,450)

This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 100 Fee Ratification \$83,650

This package reflects fee changes that were approved by the Department of Administrative Services during the the 2011-13 biennium. (1) Late Firm Registration from \$35 to \$175; (2) Late Active Fee from \$50 to \$160; (3) Late inactive fee from \$35 to \$50. Establish new fees: (1) Municipal Auditor Application Fee \$100; (2) Municipal Auditor Late Fee \$100; (3) Retired Renewal Fee \$25; (4) Retired Late Fee \$25; (5) Reinstatement Application Fee \$150. These rules amendment were published for public comment and administrative rule hearings were held. No opposition to these fee changes was received.

- Package 811 Limited Duration Financial Investigator \$165,294

This package reflects the establishment of a Limited Duration Financial Investigator position starting July 1, 2013. This position will allow the Board to prepare for the retirement of the Board's current Financial Investigator, and to handle the increase in number and complexity of complaints. The Board has sufficient resources based on operating income and ending balance to fund this request without additional fee increases.

Motion on the LFO Budget Recommendations:

Senator/Representative _____ move that the General Government Subcommittee approve the LFO recommendations to HB 5001.

Amendment to Appropriation Bill:

LFO recommends amending House Bill 5001 by the following changes:

Line 6 Delete [\$1,924,185] and insert "\$2,089,479"

Motion on the Amendment:

Senator/Representative _____ move the dash 1 amendment to HB 5001.

Performance Measures

See attached "Legislatively Proposed 2013-15 Key Performance Measures" form.

Motion on the LFO Key Performance Measure Recommendations:

Senator/Representative _____ move that the General Government approve the LFO Key Performance Measures recommendations.

HB 5001 Final Subcommittee Action:

Final Motion:

Senator/Representative _____ move that the General Government Subcommittee move HB 5001 as amended to the Full Joint Committee on Ways and Means with a "do pass" recommendation.

Assignment of Carriers:

Full: Senator/Representative _____

House: Senator/Representative _____

Senate: Senator/Representative _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	2,048,572	-	-	-	2,048,572	7	7.00
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	2,048,572	-	-	-	2,048,572	7	7.00
2011-13 Leg Approved Budget (Base)	-	-	2,048,572	-	-	-	2,048,572	7	7.00
Summary of Base Adjustments	-	-	55,382	-	-	-	55,382	-	-
2013-15 Base Budget	-	-	2,103,954	-	-	-	2,103,954	7	7.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	4,760	-	-	-	4,760	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(250,000)	-	-	-	(250,000)	-	-
030: Inflation & Price List Adjustments	-	-	94,220	-	-	-	94,220	-	-
2013-15 Current Service Level	-	-	1,952,934	-	-	-	1,952,934	7	7.00
Adjusted 2013-15 Current Service Level	-	-	1,952,934	-	-	-	1,952,934	7	7.00
Total LFO Recommended Packages	-	-	136,545	-	-	-	136,545	1	1.00
2013-15 Legislative Actions	-	-	2,089,479	-	-	-	2,089,479	8	8.00
Net change from 2011-13 Leg Approved Budget	-	-	40,907	-	-	-	40,907	1	1.00
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	2.0%	14.3%	14.3%
Net change from 2013-15 Current Service Level	-	-	136,545	-	-	-	136,545	1	1.00
Percent change from 2013-15 Current Service Level	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	7.0%	14.3%	14.3%

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2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	2,048,572	-	-	-	2,048,572	7	7.00
2011-13 Leg Approved Budget (Base)	-	-	2,048,572	-	-	-	2,048,572	7	7.00
Summary of Base Adjustments	-	-	55,382	-	-	-	55,382	-	-
2013-15 Base Budget	-	-	2,103,954	-	-	-	2,103,954	7	7.00
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2013-15 Current Service Level	-	-	1,952,934	-	-	-	1,952,934	7	7.00
Adjusted 2013-15 Current Service Level	-	-	1,952,934	-	-	-	1,952,934	7	7.00
Total LFO Recommended Packages	-	-	136,545	-	-	-	136,545	1	1.00
2013-15 Legislative Actions	-	-	2,089,479	-	-	-	2,089,479	8	8.00
Net change from 2011-13 Leg Approved Budget	-	-	40,907	-	-	-	40,907	1	1.00
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	2.0%	14.3%	14.3%
Net change from 2013-15 Current Service Level	-	-	136,545	-	-	-	136,545	1	1.00
Percent change from 2013-15 Current Service Level	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	7.0%	14.3%	14.3%

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Package 091 Statewide Administrative Savings

Package Description This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor's 2013-15 recommended budget. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

LFO Recommendation Recommend approval of package.

LFO Recommended	-	-	(3,489)	-	-	-	(3,489)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 092 PERS Taxation Policy

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Recommend approval of package.

LFO Recommended	-	-	(2,810)	-	-	-	(2,810)	-	-
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Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Recommend approval of package.

LFO Recommended	-	-	(22,450)	-	-	-	(22,450)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 100 Fee Increases

Package Description ORS 291.055(1)(e) requires all new state agency fees or fee increases adopted after July 1 of any odd-numbered year to be rescinded on July 1 unless authorized by enabling legislation setting forth the approved fees. This package reflects the fees adopted through Administrative Rule by the Oregon Board of Accountancy during the 2011-13 interim. The Board modified, by rule, the following fees: (1) Late Firm Registration from \$35 to \$175; (2) Late Active Fee from \$50 to \$160; (3) Late inactive fee from \$35 to \$50. Establish new fees: (1) Municipal Auditor Application Fee \$100; (2) Municipal Auditor Late Fee \$100; (3) Retired Renewal Fee \$25; (4) Retired Late Fee \$25; (5) Reinstatement Application Fee \$150. These rules amendment were published for public comment and administrative rule hearings were held. No opposition to these fee changes was received.

LFO Recommendation Recommend approval of package.

LFO Recommended	-	-	-	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 811 Limited Duration Financial Investigator

Package Description This package reflects the establishment of a Limited Duration Financial Investigator position starting July 1, 2013. This position will allow the Board to prepare for the retirement of the Board's current Financial Investigator, and to handle the increase in number and complexity of complaints. The Board has sufficient resources based on operating income and ending balance to fund this request without additional fee increases.

LFO Recommendation Recommend approval of package.

LFO Recommended	-	-	165,294	-	-	-	165,294	1	1.00
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Legislatively Proposed 2013-2015 Key Performance Measures

Agency: ACCOUNTANCY, STATE BOARD OF

Mission: The Board of Accountancy protects the public by regulating the practice and performance of all services provided by licensed accountants.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - CUSTOMER SATISFACTION - Percent of customers rating satisfaction with agency services as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	94.00	95.00	95.00
1 - CUSTOMER SATISFACTION - Percent of customers rating satisfaction with agency services as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	86.00	95.00	95.00
1 - CUSTOMER SATISFACTION - Percent of customers rating satisfaction with agency services as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	97.00	95.00	95.00
1 - CUSTOMER SATISFACTION - Percent of customers rating satisfaction with agency services as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	95.00	95.00	95.00
1 - CUSTOMER SATISFACTION - Percent of customers rating satisfaction with agency services as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	95.00	95.00	95.00
1 - CUSTOMER SATISFACTION - Percent of customers rating satisfaction with agency services as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	96.00	95.00	95.00
2 - Number of days from date of Complaints Committee recommendation to date of preliminary Board determination		Approved KPM	31.00	30.00	30.00
3 - Number of days from date of letter advising parties that an investigation has begun to completion of investigative report		Approved KPM	155.00	155.00	155.00

Agency: ACCOUNTANCY, STATE BOARD OF

Mission: The Board of Accountancy protects the public by regulating the practice and performance of all services provided by licensed accountants.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
4 - Percentage of complaints dismissed or moved to contested case hearing within 270 days of initiation of investigation.		Approved KPM	81.00	80.00	80.00
5 - Percentage of complaints wherein letters advising the parties of whether or not an investigation will be initiated are mailed within five business days of the receipt of the complaint		Approved KPM	72.00	95.00	95.00
6 - Percent of contested cases resolved by consent agreement prior to formal hearing		Approved KPM	87.00	75.00	75.00
7 - BEST PRACTICES - Percent of total best practices met by the Board.		Approved KPM	73.00	100.00	100.00

LFO Recommendation:

Recommend approval of KPM and targets as presented.

Sub-Committee Action:

HB 5001-1
(LC 9001)
4/29/13 (DH/ps)

**PROPOSED AMENDMENTS TO
HOUSE BILL 5001**

1 In line 6 of the printed bill, delete "\$1,924,185" and insert "\$2,089,479".

2

House Bill 5001

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Oregon Department of Administrative Services)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Limits biennial expenditures from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by Oregon Board of Accountancy.

Declares emergency, effective July 1, 2013.

A BILL FOR AN ACT

1
2 Relating to the financial administration of the Oregon Board of Accountancy; limiting expenditures;
3 and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Notwithstanding any other law limiting expenditures, the amount of**
6 **\$1,924,185 is established for the biennium beginning July 1, 2013, as the maximum limit for**
7 **payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts,**
8 **but excluding lottery funds and federal funds, collected or received by the Oregon Board of**
9 **Accountancy.**

10 **SECTION 2. This 2013 Act being necessary for the immediate preservation of the public**
11 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
12 **July 1, 2013.**
13

Note: For budget, see 2013-2015 Biennial Budget

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.