

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: HB 5001-A

**Carrier – House: Rep. Gomberg
Carrier – Senate: Sen. Steiner Hayward**

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 18 – 7 – 1

House

Yeas: Barker, Buckley, Frederick, Jenson, Komp, Nathanson, Read, Smith, Tomei, Williamson

Nays: Freeman, Hanna, Huffman, McLane, Richardson

Exc:

Senate

Yeas: Burdick, Devlin, Edwards, Girod, Hansell, Rosenbaum, Steiner Hayward, Winters

Nays: Thomsen, Whitsett

Exc: Johnson

Prepared By: Janet Savarro, Department of Administrative Services

Reviewed By: Kim To, Legislative Fiscal Office

Meeting Date: May 17, 2013

Agency

Board of Accountancy

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$ Change	% Change
Other Funds	\$2,048,572	\$1,952,934	\$2,089,479	\$40,907	2.0%
Total	\$2,048,572	\$1,952,934	\$2,089,479	\$40,907	2.0%

Position Summary

Authorized Positions	7	7	8	1
Full-time Equivalent (FTE) positions	7.00	7.00	8.00	1.00

⁽¹⁾ Includes adjustments through December 2012

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Board is financed with Other Fund revenues derived almost exclusively from fees paid for professional licenses and examinations. The proposed ending balance of \$1.5 million is the equivalent of 17 months of operating expenditures.

The Subcommittee approved the following recommendation:

- Package 100, Fee Ratification, generates \$83,650 in Other Funds revenues. House Bill 5051-A ratifies fee changes that were approved by the Department of Administrative Services during the 2011-13 biennium. The fee increases are Late Firm registration from \$35 to \$175, Late Active fee from \$50 to \$160 and Late Inactive fee from \$35 to \$50; and established new fees are Municipal Auditor Application fee \$100, Municipal Auditor Late fee \$100, Retired Renewal fee \$25, and Reinstatement Application fee \$150. These rule amendments were published for public comment and administrative rule hearings were held. No opposition to these fee changes was received.

Summary of General Government Subcommittee Action

The Subcommittee approved a budget of \$2,089,479 Other Funds and 8.00 full-time equivalent positions for 2013-15, which is 2.0 percent increase from the 2011-13 legislatively approved spending level.

The Subcommittee approved the following recommendations:

- Package 091, Statewide Administrative Savings, eliminates \$3,489 Other Funds expenditure limitation. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. 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, eliminates \$2,810 Other Funds expenditure limitation. 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 percent.
- Package 093, Other PERS Adjustments, eliminates \$22,450 Other Funds expenditure limitation. 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 percent.

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 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

- Package 811, Limited Duration Financial Investigator, provides \$165,294 Other Funds expenditure limitation for the establishment of a limited duration Financial Investigator position (1.00 FTE). This position will allow the Board to handle the increase in number and complexity of complaints, while also preparing for the retirement of the Board's current Financial Investigator. The Board has sufficient resources based in operating income and ending balance to fund this request without additional fee increases.

Summary of Performance Measure Action

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5001-A

Board of Accountancy
Janet Savarro -- 503-373-7607

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 0	\$ 0	\$ 2,048,572	\$ 0	\$ 0	\$ 0	\$ 2,048,572	7	7.00
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 0	\$ 0	\$ 1,952,934	\$ 0	\$ 0	\$ 0	\$ 1,952,934	7	7.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 001 - Board of Accountancy									
Package 091: Stawee ide Administrative Savings									
Services and Supplies	\$ 0	\$ 0	\$ (3,489)	\$ 0	\$ 0	\$ 0	\$ (3,489)	0	0.00
Package 092: PERS Tax Policy									
Personal Services	\$ 0	\$ 0	\$ (2,810)	\$ 0	\$ 0	\$ 0	\$ (2,810)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ 0	\$ 0	\$ (22,450)	\$ 0	\$ 0	\$ 0	\$ (22,450)	0	0.00
Package 811: limited Duration Financial Investigator									
Personal Services	\$ 0	\$ 0	\$ 147,874	\$ 0	\$ 0	\$ 0	\$ 147,874	1	1.00
Services and Supplies	\$ 0	\$ 0	\$ 17,420	\$ 0	\$ 0	\$ 0	\$ 17,420		
TOTAL ADJUSTMENTS	\$ 0	\$ 0	\$ 136,545	\$ 0	\$ 0	\$ 0	\$ 136,545	1	1.00
SUBCOMMITTEE RECOMMENDATION *	\$ 0	\$ 0	\$ 2,089,479	\$ 0	\$ 0	\$ 0	\$ 2,089,479	8	8.00

% Change from 2011-13 Leg Approved Budget	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	2.0%
% Change from 2013-15 Current Service Level	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	7.0%

Legislatively Approved 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:

The Subcommittee approved the LFO KPM recommendation.