
MEMORANDUM

Legislative Fiscal Office
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To: General Government Subcommittee

From: Kim To, Legislative Fiscal Office
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Date: April 16, 2015

Subject: Senate Bill 5501 – Oregon Board of Accountancy
Work Session Recommendations

Oregon Board of Accountancy – Agency Totals

| | 2011-13 Actual | 2013-15 Legislatively Approved | 2015-17 Current Service Level | 2015-17 LFO Recommended |
|--------------------|--------------------|--------------------------------------|-------------------------------------|-------------------------------|
| Other Funds | 1,833,249 | 2,304,122 | 2,165,759 | 2,471,473 |
| Total Funds | \$1,833,249 | \$2,304,122 | \$2,165,759 | \$2,471,473 |
| Positions | 7 | 8 | 7 | 8 |
| FTE | 7.00 | 8.00 | 7.00 | 8.00 |

The 2015-17 LFO recommended budget for the Oregon Board of Accountancy is 8 positions (8.00 FTE), and \$2,471,473 Other Funds. This is a 7.3% increase from the 2013-15 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 4/3/2015.

- Package 100 Financial Investigator Position – \$205,714
This package makes permanent a limited duration Financial Investigator position established in the 2013-15 biennium to allow the Board to handle an increase in number and complexity of complaints.
- Package 101 Contract Investigators & Attorney General – \$100,000
This package would provide the Board with contract investigators and Department of Justice resources to help reduce the backlog of 87 cases.

Motion on the LFO Budget Recommendations:

Senator/Representative _____ move that the General Government Subcommittee approve the LFO recommendations to SB 5501.

Amendment to Appropriation Bill:

LFO recommends amending House Bill 5001 by the following changes:

Line 6 Delete [\$2,469,720] and insert "\$2,471,473"

Motion on the Amendment:

Senator/Representative _____ move the dash 1 amendment to SB 5501.

Performance Measures

See attached "Legislatively Proposed 2015-17 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 to SB 5501.

HB 5001 Final Subcommittee Action:

Final Motion:

Senator/Representative _____ move that the General Government Subcommittee move SB 5501 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 _____

LFO102 - Work Session Presentation Report
2015-17 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 12000-000-00-00-00000
Accountancy, Board of

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|------------------|---------------|------------------------|--------------------------|------------------|-----------|----------------------------|
| 2013-15 Agy. Leg. Adopted | - | - | 2,073,326 | - | - | - | 2,073,326 | 8 | 8.00 |
| 2013-15 Ebds, SS & Admin Act | - | - | 230,796 | - | - | - | 230,796 | - | - |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2013-15 Leg Approved Budget | - | - | 2,304,122 | - | - | - | 2,304,122 | 8 | 8.00 |
| 2013-15 Leg Approved Budget (Base) | - | - | 2,104,122 | - | - | - | 2,104,122 | 8 | 8.00 |
| Summary of Base Adjustments | - | - | (106,496) | - | - | - | (106,496) | (1) | (1.00) |
| 2015-17 Base Budget | - | - | 1,997,626 | - | - | - | 1,997,626 | 7 | 7.00 |
| 010: Non-PICS Pers Svc/Vacancy Factor | - | - | (1,713) | - | - | - | (1,713) | - | - |
| 020: Phase In / Out Pgm & One-time Cost | - | - | (17,420) | - | - | - | (17,420) | - | - |
| 030: Inflation & Price List Adjustments | - | - | 187,266 | - | - | - | 187,266 | - | - |
| 2015-17 Current Service Level | - | - | 2,165,759 | - | - | - | 2,165,759 | 7 | 7.00 |
| Adjusted 2015-17 Current Service Level | - | - | 2,165,759 | - | - | - | 2,165,759 | 7 | 7.00 |
| Total LFO Recommended Packages | - | - | 305,714 | - | - | - | 305,714 | 1 | 1.00 |
| 2015-17 Legislative Actions | - | - | 2,471,473 | - | - | - | 2,471,473 | 8 | 8.00 |
| Net change from 2013-15 Leg Approved Budget | - | - | 167,351 | - | - | - | 167,351 | - | - |
| Percent change from 2013-15 Leg Approved Budget | 0.0% | 0.0% | 7.3% | 0.0% | 0.0% | 0.0% | 7.3% | 0.0% | 0.0% |
| Net change from 2015-17 Current Service Level | - | - | 305,714 | - | - | - | 305,714 | 1 | 1.00 |
| Percent change from 2015-17 Current Service Level | 0.0% | 0.0% | 14.1% | 0.0% | 0.0% | 0.0% | 14.1% | 14.3% | 14.3% |

LFO102 - Work Session Presentation Report
2015-17 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 12000-001-00-00-00000
Accountancy, Board of

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|------------------|---------------|------------------------|--------------------------|------------------|-----------|----------------------------|
| 2013-15 Agy. Leg. Adopted | - | - | 2,073,326 | - | - | - | 2,073,326 | 8 | 8.00 |
| 2013-15 Ebds, SS & Admin Act | - | - | 230,796 | - | - | - | 230,796 | - | - |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2013-15 Leg Approved Budget | - | - | 2,304,122 | - | - | - | 2,304,122 | 8 | 8.00 |
| 2013-15 Leg Approved Budget (Base) | - | - | 2,104,122 | - | - | - | 2,104,122 | 8 | 8.00 |
| Summary of Base Adjustments | - | - | (106,496) | - | - | - | (106,496) | (1) | (1.00) |
| 2015-17 Base Budget | - | - | 1,997,626 | - | - | - | 1,997,626 | 7 | 7.00 |
| 010: Non-PICS Pers Svc/Vacancy Factor | - | - | (1,713) | - | - | - | (1,713) | - | - |
| 020: Phase In / Out Pgm & One-time Cost | - | - | (17,420) | - | - | - | (17,420) | - | - |
| 030: Inflation & Price List Adjustments | - | - | 187,266 | - | - | - | 187,266 | - | - |
| 2015-17 Current Service Level | - | - | 2,165,759 | - | - | - | 2,165,759 | 7 | 7.00 |
| Adjusted 2015-17 Current Service Level | - | - | 2,165,759 | - | - | - | 2,165,759 | 7 | 7.00 |
| Total LFO Recommended Packages | - | - | 305,714 | - | - | - | 305,714 | 1 | 1.00 |
| 2015-17 Legislative Actions | - | - | 2,471,473 | - | - | - | 2,471,473 | 8 | 8.00 |
| Net change from 2013-15 Leg Approved Budget | - | - | 167,351 | - | - | - | 167,351 | - | - |
| Percent change from 2013-15 Leg Approved Budget | 0.0% | 0.0% | 7.3% | 0.0% | 0.0% | 0.0% | 7.3% | 0.0% | 0.0% |
| Net change from 2015-17 Current Service Level | - | - | 305,714 | - | - | - | 305,714 | 1 | 1.00 |
| Percent change from 2015-17 Current Service Level | 0.0% | 0.0% | 14.1% | 0.0% | 0.0% | 0.0% | 14.1% | 14.3% | 14.3% |

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 100 Investigator-Second Position Continuation

Package Description This package makes permanent a limited duration Financial Investigator position established in the 2013-15 biennium to allow the Board to handle an increase in number and complexity of complaints. This second Financial Investigator position will help the Board address the sustained average of 60+ complaints filed per year with the Board, measured over the past four years. This load is well above what can be handled by a single investigator.

LFO Recommendation Recommend approval of package.

| | | | | | | | | | |
|-----------------|---|---|---------|---|---|---|---------|---|------|
| LFO Recommended | - | - | 205,714 | - | - | - | 205,714 | 1 | 1.00 |
|-----------------|---|---|---------|---|---|---|---------|---|------|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 101 Compliance Resources Policy Package

Package Description This package provides the Board with contract investigators and Department of Justice resources to reduce the backlog of 87 cases.

LFO Recommendation Recommend approval of package.

| | | | | | | | | | |
|-----------------|---|---|---------|---|---|---|---------|---|---|
| LFO Recommended | - | - | 100,000 | - | - | - | 100,000 | - | - |
|-----------------|---|---|---------|---|---|---|---------|---|---|

Legislatively Proposed 2015-2017 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 2016 | Target 2017 |
|---|-----------------------------|----------------|---------------------|-------------|-------------|
| 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 | 79.00 | 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 | 77.00 | 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 | 79.00 | 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 | 82.00 | 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 | 85.00 | 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 | 79.00 | 95.00 | 95.00 |
| 2 - Number of days from date of Complaints Committee recommendation to date of preliminary Board determination | | Approved KPM | 28.00 | 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 | 350.00 | 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 2016 | Target 2017 |
|---|----------------------------------|-----------------------|----------------------------|--------------------|--------------------|
| 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 | 39.00 | 95.00 | 95.00 |
| 7 - BEST PRACTICES - Percent of total best practices met by the Board. | | Approved KPM | 100.00 | 100.00 | 100.00 |

LFO Recommendation:

Recommend approval of KPM and targets as presented.

Sub-Committee Action:

Senate Bill 5501

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (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, 2015.

A BILL FOR AN ACT

1
2 Relating to the financial administration of the Oregon Board of Accountancy; and declaring an
3 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 **\$2,469,720 is established for the biennium beginning July 1, 2015, 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 2015 Act being necessary for the immediate preservation of the public**
11 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
12 **July 1, 2015.**

13

Note: For budget, see 2015-2017 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.

SB 5501-1
(LC 9501)
4/7/15 (TR/ps)

**PROPOSED AMENDMENTS TO
SENATE BILL 5501**

1 In line 6 of the printed bill, delete "\$2,469,720" and insert "\$2,471,473".

2
