



**Pursuant to ORS 182.472,  
A Report of the Work of the Board  
with focus on the  
2013-2015 Biennium**

Submitted by the

OREGON STATE  
BOARD OF  
GEOLOGIST EXAMINERS

to

**The Governor,  
The President of the Senate,  
The Speaker of the House of Representatives,  
And The Legislative Fiscal Officer**

April 1, 2016

## **ACKNOWLEDGEMENTS**

This report was prepared on behalf of the Board by Christine Valentine, Board Administrator with assistance from Marilou Arrobang, Board Registration Specialist and with input from Board members. Board staff may be contacted at [osbge.info@state.or.us](mailto:osbge.info@state.or.us) or 503-566-2837.

## **ACRONYMS**

The following list includes the most commonly used acronyms within this report.

ASBOG=National Association of State Boards of Geology  
CEG=Certified Engineering Geologist  
DAS = Oregon Department of Administrative Services  
GIT=Geologist-in-Training  
JCC=Joint Compliance Committee  
OAR = Oregon Administrative Rules  
OSBEELS-Oregon State Board of Examiners for Engineering & Land Surveying  
OSBGE= Oregon State Board of Geologist Examiners  
OSLAB= Oregon State Landscape Architect Board  
ORS=Oregon Revised Statutes  
RG=Registered Geologist

# Oregon State Board of Geologist Examiners Biennial Report, April 1, 2016

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# OREGON STATE BOARD OF GEOLOGIST’S EXAMINERS

## ORS 182.460 REPORT

to  
The Governor,  
The President of the Senate,  
The Co-Speakers of the House of Representatives,  
The Legislative Fiscal Office, and  
The Secretary of State’s Office

*April 1, 2016*

### I. INTRODUCTION

**Geology Practice:** Geology is defined in Oregon Revised Statute (ORS) 672.505(6) as “that science which treats of the earth in general; investigation of the earth’s crust and the rocks and other materials which compose it; and the applied science of utilizing knowledge of the earth and its constituent rocks, minerals, liquids, gases, and other materials for the benefit of humanity.” As this definition suggests, geology as a science is very diverse. However, the majority of geologists working in Oregon are believed to be practicing in the specialties of environmental geology, hydrogeology, engineering geology, geophysics, and economic geology. Practice in economic geology such as gas, oil, and mineral exploration is not as common in Oregon as some states, with more geologists working in the other disciplines listed.

Oregon is a state with a fascinating geologic past and landscapes shaped by numerous different geologic processes. Life on the edge of the Cascadia subduction zone also makes for an equally interesting geologic present and ongoing effort to understand what the future may hold in terms of how various geologic forces will continue to shape Oregon and impact Oregonians. While public knowledge of Oregon geology may be increasing over time, the average citizen likely does not think much about the importance of the work of geologists to Oregon. Yet, geologists contribute greatly to society through their professional contributions in areas such as environmental and resource conservation, land use and management, identification and use of mineral and energy resources, analysis of natural hazards and associated mitigation, and ecosystem research and restoration.

The public practice of geology is defined in ORS 672.505(7) as “the performance for another of geological service or work, such as consultation, investigation, surveys, evaluation, planning, mapping and inspection of geological work, that is related to public welfare or

safeguarding of life, health, property and the environment.” An individual generally must hold state registration to publicly practice geology or to offer such geological services for a fee or other compensation. An individual must not claim to the public to be a registered geologist without holding such registration.

**Regulation of Geology:** The Oregon State Board of Geologist Examiners (OSBGE or Board) is charged with regulating the public practice of geology within the State of Oregon through registration and regulatory oversight. The Board was established in 1977 to safeguard the health, safety, welfare and property of the people of Oregon with respect to geology practice. The Oregon Legislature identified these safeguards as related to engineering geology, ground water, land use planning, mineral exploration and development, geologic hazards, the further development of the science of geology, and other geologic matters of concern to Oregonians. (See ORS 672.515.)

Since Senate Bill 546 was passed by the 1997 Legislative Assembly and signed into law by Governor John A. Kitzhaber, MD on July 25, 1997, OSBGE has been carrying out its responsibilities as a semi-independent regulatory board. The Board operates in accordance with the semi-independence statutes (ORS 182.454-472), the practice statutes (ORS 672.505-705), Oregon Administrative Rules (OAR) Chapter 809, and its own operational policies and procedures.

Based on its statutory direction, the mission of OSBGE is to help assure the health, safety, and welfare of Oregonians with regard to the public practice of geology through:

- Licensing of those engaged in the public practice of geology;
- Response to complaints about geology practice from the public and members of the profession;
- Public education directed at appropriate regulatory communities;
- Cooperation with closely related boards and commissions;
- Attention to ethics; and
- Systematic outreach to counties, cities, and registrants.

OSBGE works to achieve this mission through focused efforts in all these areas. The public is best protected if the Board ensures that: (1) only individuals fully qualified by education, experience, and examination are publicly practicing geology in Oregon, (2) relevant laws and rules are regularly reviewed, with needed revisions promulgated expeditiously; (3) enforcement of regulatory laws and rules is pursued vigorously and impartially; and (4) information regarding the Board’s goals and activities is effectively available to registrants and the public.

**Board Organization:** An organization chart for OSBGE is located in **Appendix 1**. Organizational details and changes during the reporting period are described here.

OSBGE is a six member board, with four registrant members, one public member, and the Oregon State Geologist as an Ex Officio member. The State Geologist is the agency head for the Oregon Department of Geology and Mineral Industries (DOGAMI). The term of office

for all but the State Geologist is three (3) years. A member can apply to the Governor's Office for reappointment, but ORS 672.615(4) and Governor's Office policy limits members to two consecutive terms. All members other than the State Geologist are appointed by the Governor. The State Geologist is appointed by the governing board for DOGAMI.

During the reporting period, one registrant board member was reappointed for a second term, and three board members were appointed to first terms. Two of the new board members are registrant members, and the third is the public member. Another registrant board member was appointed in spring of 2013 so had attended only one meeting prior to the start of the reporting period. In addition, recent turnover in the State Geologist position meant that an Interim State Geologist participated in meetings and related efforts for most of 2015. A new State Geologist was appointed after the close of the reporting period in December 2015. The board member turnover during the reporting period was obviously significant, but the transitions went smoothly. OSBGE continues to be comprised of highly competent individuals driven to serve the profession and the citizens of Oregon. See **Appendix 2** for a current roster of Board members.

OSBGE annually appoints a Chair and Vice Chair. One duty of the Chair is to assign board members to various committees and coordinator roles. See **Appendix 3** for current committee and coordinator assignments. The Chair also provides fiduciary oversight and oversees performance of the Board Administrator.

OSBGE has six standing committees and establishes ad hoc committees as needed to address priority work items. Most committees are staffed by the Board Administrator, with the exception being that the Administrator serves as the lead member of the Budget Committee. The nature and timing of work by individual committees varies in relation to needs, as do the number of public meetings convened as part of committee work. The Rules Advisory Committee includes volunteer members from the registrant community. The Engineering Geology Examination Committee often meets jointly with a 'sister' committee with the State of Washington Geologist Licensing Board as the two states have jointly developed and maintain the current exam for this specialty certification. The Board also participates in a Joint Compliance Committee (JCC) with the Oregon State Board of Examiners for Engineers and Land Surveyors (OSBEELS) in accordance with a Memorandum of Understanding (MOU) between these boards. Outreach and Legislative Committees are active as needed.

OSBGE also has two coordinator roles filled by Board members – a Compliance Coordinator and Application Review Coordinator. The Board's public member has historically been assigned as the Compliance Coordinator. In this role, the public member, with assistance from the Administrator, oversees investigation of alleged infractions, helps prepare case reports, and helps to present investigative information to the Board. The public member may solicit assistance from the Board Chair and other Members as needed and is staffed by the Board Administrator. The Application Review Coordinator assists with the review of applications for examination and registration. Staff completes application reviews using statutes and rules as review standards and following applicable Board policies and procedures. The Applicant Review Coordinator is asked to provide an oversight review to

confirm the initial findings of staff on various applications. If an application appears to not meet Board standards, the application is presented to the Board for consideration.

During this reporting period, OSBGE scheduled quarterly Board meetings (4/year or 8/biennium) and convened additional special meetings as needed to carry out the responsibilities of the Board. See **Appendix 4** for a list of Board meetings held in the reporting period. The Board follows the Oregon Public Meetings Law in noticing, running, and documenting its meetings. Meeting minutes from 1999 to present are available on the Board's website.

OSBGE is served by a Board Administrator and Registration Specialist, each working half-time for the Board. There were no staffing changes during the reporting period or since 2011. As of the date of this report, the Administrator has been with the Board for five (5) years and the Registration Specialist for almost eleven (11) years. Staff also works half-time for the Oregon State Landscape Architect Board (OSLAB), providing contractual administrative services in accordance with an interagency agreement between the two boards. (See also discussion under Budget Information.) Due to the very small size of the agency, the Board Administrator serves many roles, for example agency director, human resources manager, office manager, rules coordinator, legislative coordinator, and customer service representative. The Registration Specialist also must take on a rather unique blend of duties ranging from executive assistant to customer service representative and accountant. The staff carries out the actions of the Board and attends to all other day-to-day business operations. Staff is kept very busy with a multitude of tasks and routinely overlapping deadlines and above all focuses on ensuring good customer service to the Board, registrants, and the public.

## **II. FINANCIAL REVIEW/OTHER RISK ASSESSMENT**

Pursuant to statutory direction and coordination with the Secretary of State's Office and the Legislative Fiscal Office, the Board contracted for a financial review for the reporting period. The contractor selected to perform the review was Pamela J. Stroebel-Powers, CPA of Powers CPA, LLC. The Secretary of State's Office reviewed the scope of work and agreed it met requirements before OSBGE entered into a contract for this work. The financial review occurred in fall 2015, and the report was completed in early 2016. A copy of the financial review report is in **Appendix 5** along with the Board response. The report includes one finding about the need to memorialize check writing practices in written procedures. The Board evaluated the recommendation and agreed with it. Staff has since prepared the written procedures.

OSBGE did not repeat the IT security assessment described in the prior biennial report (April 2014) as nothing significant had changed to warrant a new assessment. The Department of Administrative Services (DAS) Enterprise Security Office assisted OSBGE by conducting the IT assessment in 2013 with a final report to OSBGE in January 2014. That analysis addressed existing technology, technology-based applications, and IT security protocols. DAS found that OSBGE's data protection practices were good and only made a few recommendations for enhancements. Those enhancements were implemented with the help of the Board's primary IT contractor.

During the reporting period, the Administrator worked with OSBGE to review and update various Board policies and procedures and also on the development and adoption of new policies. The Board adopted updated policies for: electronic fund transfers, tribal relations, and delegation of authority. The Board adopted new policies for: diversity and inclusion, records management and retention, volunteer work, reserve fund management, and exam proctored reviews. Board counsel was engaged as necessary. The State Archivist also reviewed and approved the records management and retention policy prior to final adoption of that new policy. This work served to manage risks, memorialize and update business practices, and create a clear written record of Board policies for the benefit of future Board members and staff.

Also during the reporting period, OSBGE implemented examination and licensing application approval procedures that had been overhauled in early 2013 and formally adopted in May 2013. Staff and the Application Review Coordinator found the new procedures to work well, and only minor process adjustments were needed over the course of the reporting period.

### **III. BUDGET INFORMATION**

The following budget information is found in **Appendix 6**.

- Adopted budget for the 2013-2015 biennium;
- Actual (final) figures for the 2013-2015 biennium;
- Adopted budget for the 2015-2017 biennium;
- Balance sheet as of June 30, 2015 supporting the ending fund balance for the 2013-2015 biennium;
- Forecasted balance sheet for the 2015-2017 biennium, with estimated ending fund balance; and
- Fund analysis showing side-by-side comparison of the beginning and ending balances for two biennia.

**Income:** OSBGE operates entirely off fee-based revenues; the Board does not receive any general, lottery, federal, or other funds. The primary income for the Board comes from registration renewal fees paid annually by individual registrants. The Board does not register businesses. To a much lesser extent, the Board acquires income from application fees paid in association with geologist-in-training registrations, initial geologist and certified engineering geologist registrations, cooperative (reciprocity) registrations, and examinations.

OSBGE also collected examination fees for the national examinations administered through the Board office. These fees were passed on to the National Association of State Boards of Geology (ASBOG) and thus while listed as revenue in the budget did not constitute discretionary income. ASBOG is the organization responsible for the preparation, administration and scoring of national examinations for geologists. Candidates must pass two exam sections – Fundamentals of Geology and Practice of Geology. These examinations assess minimum competencies of applicants for geologist licensure to practice geology in a manner that protects the health, safety and welfare of the public. In addition to passing both

exam sections, prospective registrants must meet education and work experience standards to qualify for registration by OSBGE. Passage of the ASBOG exam is required for all new registrants, whether applying for initial or comity registration.

OSBGE also receives fees for engineering geologist specialty examinations, which is the state examination assessing minimum competency in engineering geology. Since there are not many applicants for that exam in any given year, this is a very modest income stream that is largely offset by costs associated with maintaining and proctoring the exams. This exam is held on the same day and at the same venue as the ASBOG exams.

OSBGE has the statutory authority to impose civil penalties as part of disciplinary proceedings but rarely reaches this point in its compliance investigations. The Board has a long history of approaching compliance first and foremost as an educational process where individuals are provided with guidance on how to improve practice or otherwise avoid future violations of the practice act. Therefore, civil penalties are not generally anticipated as a significant revenue source when formulating budget projections as can be seen in the budgets included in **Appendix 6**. (See **6.a** and **6.c** specifically.) The Board does pursue civil penalties or disciplinary actions where this is deemed necessary to address public health, safety and welfare concerns.

Because renewal income is the primary revenue source, renewal rates are closely monitored. OSBGE renewals are tied to month of initial registration, and the number of registrants renewing varies from month to month. This makes it difficult to project any income trends in just a one-quarter period in order to make projections for the biennium. Nonetheless, the Board monitors the quarterly renewal income at each Board meeting to determine if budget adjustments need to be made.

OSBGE registration revenue has been fairly steady with very modest growth for multiple biennia. Due to this, the 2013-2015 budget was built on 5 year averages with modest growth projected for year 2. But actual new revenues for the 2013-2015 biennium totaled ~\$21,000 less than projected when adjusted for the contingency reserve fund included in the projected budget. (See discussion below and under Expenses about reserve fund use.) This gap between projected and actual revenues was largely due to projections for registration renewal revenues being slightly too optimistic. OSBGE saw essentially no growth in registrations and renewals for year 2. OSBGE also needs to monitor the aging of the registrant pool more closely since registrants 70 years of age and older pay greatly reduced fees for annual renewal. The 2013-2015 budget did not adequately account for that impact on revenue. (See the Fees Section of this report for more on the OSBGE fee schedule.) The 2013-2015 budget outcomes led the Board to be more conservative in the projections for registration-related revenues in the 2015-2017 budget.

The 2013-2015 budget included increased revenue from the administrative services fee paid by OSLAB to OSBGE. This increase was necessary to offset rising personal services costs facing OSBGE in 2013-2015. The interagency agreement for temporary staffing services in 2013-2015 called for a 50/50 cost share on staffing expenses. OSBGE did see a reduction in this amount compared to what was initially budgeted as increases in employer rates for PERS

were reduced as a result of legislation passed after budget adoption. Also, employee insurance selections resulted in some savings. Therefore, the monthly amount paid by OSLAB was adjusted downward from what is shown in the adopted budget for much of the biennium to maintain the 50/50 cost share.

A key difference in the 2013-2015 budget compared to past budgets was the purposeful identification of reserve funds as a revenue source. OSBGE identified a gap between anticipated new revenues and expenses for the biennium. Upon review of its operating reserve, the Board determined that its reserve was sufficiently healthy and should be spent down to a targeted level before fee increases were considered. See the Funds Analysis included in **Appendix 6.g.** for details on the Board's reserve funds. OSBGE projected spending up to \$44,000 from reserves, which included approximately \$34,000 in funds carried over from the 2011-2013 biennium. This equated to ~8% of anticipated revenue for the 2013-2015 biennium. OSBGE ultimately used closer to \$13,000 from reserve as expenses did not reach projected levels. (See discussion under Expenses.) This equated to less than 3% of revenues expended in 2013-2015.

The 2015-2017 budget includes ~10.5% increase in revenues. New registration-related revenues are projected to be less than in the 2013-2015 budget and just slightly over the actual revenues from 2013-2015. The 2015-2017 projected revenue increase comes almost equally from administration fees and reserve fund. The administrative services payment for staffing was projected to increase by ~16% compared to the payment amount in the adopted 2013-2015 budget. OSBGE anticipates ~13% of revenue for 2015-2017 to be derived from reserves. However, the Board fully intends to carefully manage expenses, and actual use of reserve may be at a much lower level if expenses can be contained.

Prudent use of reserve funds as revenue provides OSBGE with flexibility in carrying out its business while still leaving the Board with a reasonable reserve. The Board reserve is shown in the Funds Analysis included in **Appendix 6.g.** The operating reserve includes funds in the Board savings account and investments. The reserve is necessary to provide the Board with the ability to address emergencies, unanticipated legal fees, unpredictable declines in revenue, or other unforeseeable issues. OSBGE, as a semi-independent agency, is not able to seek funding through the Legislative Emergency Board or full Legislature and also cannot expect the Executive Branch to cover Board expenses through provision of free services or other means. As part of its plan to maintain a reasonable reserve level, OSBGE is working towards a target reserve of 6 to 9 months of operating expenses. Use of reserve funds is again anticipated under the 2015-2017 budget. OSBGE has passed the point where new revenues cover operating expenses but has enough held in reserve to not yet be at a point of fee increases.

Except for the registration fee revenue shortfall discussed above, OSBGE did not encounter any significant, unanticipated decreases in projected revenues either in the 2013-2015 biennium or to date within the current biennium.

OSBGE continues to review budget to actual reports on a quarterly basis to monitor revenues so that planned expenditures can then be adjusted if necessary. The Board Administrator

discusses budget status with Board members at each quarterly meeting. The Board Chair works with staff between meetings to monitor financial matters as needed.

**Expenses:** As touched on above in relation to the renewal revenues, OSBGE expenses for the 2013-2015 biennium were less than projected. Actual 2013-2015 expenses were fortunately ~\$51,000 or 9% less than budgeted. OSBGE spent less than projected in most line items including travel, training, computer-related, professional services, and attorney fees. The biggest savings in actual expenses compared to budget projections came in personal services (see discussion under Revenues), travel-related (due to less travel than anticipated), legal fees (due to limited complaint cases and other legal issues), and government services (biennial charges were under estimates). The largest overage was relatively minor, i.e., approximately \$3,700 in the office supplies line item due to a need to purchase new filing cabinets. This purchase was not contemplated in the budget but became necessary due to malfunctions with the Board's old cabinets. Given that expenses in total were below projections, the use of reserve funds as revenue was also commensurately reduced.

OSBGE anticipates a few new expenses and changes in certain other expenses from 2013-2015 to 2015-2017 for ~10% overall increase in expenses compared to the 2013-2015 adopted budget. The largest area of increase is the personal services costs at ~14.5% above the 2013-2015 adopted budget. This reflects increased charges for employee benefits and modest increases in salaries such as through cost of living adjustments and merit step increases. OSBGE opted to again maintain comity with the State of Oregon employee compensation package. The budget was based on projections about the benefits package and then confirmed in late 2015 when the state benefits package as approved for non-represented employees was finalized. The personal services budget should start to stabilize at least in terms of staff salaries as existing staff are at or near the top of salary ranges due to tenure with the Board. However, increases related to PERS employer rates or other benefits may outstrip past increases in this budget area.

For 2015-2017, the increase in the supplies and services budget area is very small in comparison to personal services, at ~3% increase compared to the 2013-2015 adopted budget. Examples of line item increases are office rent, bank charges, and office supplies. A new expense is merchant (credit card) fees associated with the planned shift to online services. For the merchant fees, these will start accruing when online renewal and payment services become available. The timeline for the online project implementation was not settled when the budget was adopted so the Board opted to be cautious by including projected costs for the entire biennium.

An overall decrease of ~3% is projected for the professional services budget area total for 2015-2017 compared to the adopted budget for 2013-2015. Some line items in this budget area are projected to increase however, such as legal costs (due to increased hourly rate for AAG service), computer services (tied to contractor assistance implementing the shift to online services) and new payments to NIC USA for online transaction fees. For the NIC USA fees, these will start accruing when online renewal and payment services become

available. As stated above, the Board opted to be cautious by including projected costs for the entire biennium.

While expenses did not increase for 2013-2015 to the degree that was anticipated, actual expenses were ~\$58,000 or ~13 % higher than the actual expenses for the 2011-2013 biennium. OSBGE saw increases within the reporting period in all expense areas, i.e., personal services, professional services, and supplies and services with the greatest increases the first two expense areas. Most of the increases related to increased cost of doing business and not new or one-time expenses. For this reason, OSBGE applied a modest inflation factor to budget line items thought to be subject to inflation. As always, the projected expenditures also reflect a certain amount of contingency planning with respect to enforcement activities as a complicated compliance investigation or another complex legal matter could easily and quickly result in significant expense to the Board depending on the situation. Should expenses be less than projected during the 2015-2017 biennium and result in the Board having to use less from its reserve, this will be factored into the assessment of fees and budget management in the 2017-2019 biennium and beyond.

**Budget Hearing Process:** OSBGE's budget process generally starts in the fall prior to the year the new budget must be in place. Budget development is discussed at Board meetings during this budgeting period. Once Board members are comfortable with the proposed budget, OSBGE authorizes issuance of rulemaking notice. The Board adopts its budgets through the formal rulemaking process pursuant to ORS 182.462(2). The public rulemaking hearing dates and Board meeting dates when budget adoption occurred during this reporting period were as follows:

- May 22, 2015 hearing for the 2015-2017 budget, adopted May 29, 2015
- May 16, 2013 hearing for the 2013-2015 budget, adopted May 31, 2013

Rulemaking notices are routinely sent to all registrants plus to other interested parties on a list maintained in the Board office. Notices are sent by a combination of email and posted mail. OSBGE also posts all rulemaking notices and draft rules on the Board website. Despite efforts to broadly disseminate all rule notices, the Board does not generally receive a significant amount of public comment. But those limited comments received are generally helpful and are fully considered by the Board prior to final adoption of rules. OSBGE approves its draft budgets, associated rulemaking authorizations, and final budgets in public meetings through motion of the Board. No Budget rule amendments were required during the reporting period.

See also the Budget Hearing Reports included in **Appendix 7.a** and **Appendix 7.b** and the Rulemaking summary in **Appendix 9** for additional details including dates the budget rules were filed with the Secretary of State and Legislative Counsel. Budgets are filed to become effective on July 1 of the filing year.

**Investments:** OSBGE maintains limited investments as authorized by ORS 182.470(2) and ORS 294.035-145. The investments serve as reserve funds to cover emergencies and other unanticipated expenses or revenue declines. OSBGE has taken this prudent action in

realization of its need to operate without any general, lottery, federal, or other funds. In other words, the Board must have an operating reserve as it does not have a path to request assistance from the Legislative Emergency Board or the full Legislative body per ORS 182.462(1). OSBGE also cannot turn to the Executive Branch for free services or financial resources.

In the previous reporting period, OSBGE adopted an investment policy to memorialize business practices for management of investment accounts. Work started at that time on a formal reserves policy to provide more guidance on long-term management of operating reserves. The new reserves policy was adopted during this reporting period. OSBGE set its target for an operating reserve at six but no more than 9 months of operating expenses. OSBGE policy also allows for a designated reserve to be created for a particular long-term expense or project, but the Board has not opted to set a designated reserve at this time.

## **IV. FEES**

Board fees are listed in OAR 809-010-0001. Any revisions to the fee schedule must be processed through notice and a public rulemaking hearing in accordance with ORS 182.466(4). See **Appendix 8** for a copy of the current fee schedule.

During the reporting period, OSBGE did not increase any existing fees. The Board did adopt a new fee to cover a new, optional service called exam proctored review. See the discussion on proctored reviews in the Rulemaking Activities section of this report for more information. The Board expects any fees collected for proctored review services to be very minimal in terms of the overall Board budget.

The Board determined that it had sufficient revenue and reserves to avoid fee increases in the 2015-2017 biennium. Unless the budget picture changes substantially during the biennium, the Board is not likely to pursue major fee changes in the 2017-2019 biennium. However, the Board recognizes a need to monitor the fee situation closely as it begins to spend down its reserve to its target level. The Board will re-evaluate the budget picture after year one of the 2015-2017 biennium and again as it works in late 2016 through early 2017 to develop its budget for 2017-2019. Should developing information lead to a Board proposal for fee increases in 2017-2019, the Board would most likely look to package those increases with the rulemaking process for adoption of the new budget. It should be noted that Board fees for applications, registrations, and renewals have not increased since July 2007.

## **V. RULEMAKING ACTIVITIES**

In addition to the biennial budget adoption and fee rule change previously discussed, OSBGE completed work on six (6) rule revisions and deleted one (1) rule over the course of the 2013-2015 biennium. See **Appendix 9** and the following overview for details.

OSBGE finished work on 809-040-0021, a rule update which was started during the 2011-2013 biennium. This effort added an optional service for proctored exam review as a service available to examination candidates. A “proctored review” occurs when an

applicant who took an exam is provided an opportunity to review what questions on the exam were answered correctly and incorrectly. The applicant is not informed of what the correct answers are and is not or otherwise provided with confidential exam information. The Board also needed to add a new fee in 809-010-0001 to cover the costs to the Board of offering a proctored review to an examination candidate requesting this option. The proctored review fee only applies to those voluntarily requesting this optional service. The rule also informs the candidate that there is a separate fee charged by ASBOG for a proctored review of an ASBOG exam. The Board does not anticipate that many candidates will request proctored reviews but wanted to make this option available to those that feel it will help them in their continued quest for registration. The Board did not update its budget as it knew that any fees collected for proctored reviews would be very minimal.

OSBGE also updated several procedural rules. The Public Records Request rule, 809-001-0015, was updated to ensure full compliance with Public Records Law and to provide clear information on process and fees. The Required Application Information rule, 809-050-0050, was amended to provide more clarity to applicants and registrants about the legal basis for the Board requirement for Social Security Numbers to be on file for registrants. The Board also updated federal and state law citations within that rule. Finally, the Date of Application rule, 809-040-0001, was also updated to set a longer application deadline for examination candidates retaking a national examination section or the state specialty examination.

OSBGE took action to delete its outdated Roster rule, 809-050-0020. This rule referred to an annual publication of a registrant list. This rule no longer served a purpose as the Board now provides an online registration lookup tool that is updated daily. The Roster rule was a remnant from days before internet and websites.

OSBGE practice is to send nearly all proposals for rule revisions to its Rules Advisory Committee for review and comment. The Rules Advisory Committee worked diligently in providing review and input to rule revisions completed throughout the reporting period. The Board does not have any statutory or other mandates to utilize a rules committee but generally finds the process to be beneficial.

## **VI. CONSUMER PROTECTION**

OSBGE addresses consumer protection through a variety of means as described in this section:

**Website:** OSBGE maintains a website in the Oregon.gov system. The website contains information related to the regulation of the public practice of geology, including relevant laws, rules, applications, publications, and links to related organizations. OSBGE makes registrant data available via the website, allowing any person to check on registration status by individual name, geographic area or specialty. OSBGE has a complaint form and compliance process flowchart on its web site to assist the public in preparing complaints for the Board's consideration. There is also has a Consumer's Guide page targeted at the general

public and four guideline documents available to registrants and other interested parties. The address for the website is: <http://www.oregon.gov/osbge/Pages/index.aspx>.

**Newsletters:** OSBGE publishes and distributes quarterly newsletters. Starting in 2011, newsletters have been primarily distributed by e-mail with a limited quantity printed in hardcopy. The newsletter is used to communicate issues relevant to the regulation of the profession and has a wide readership, as they are issued to all registrants, all cities and counties, regional universities, and other interested parties. Board newsletters also serve as an informational resource for citizens and others considering the services of a geologist. Newsletters from 1999 to present are currently available on the Board's website at <http://www.oregon.gov/osbge/Pages/newsletters.aspx>.

**Universities:** OSBGE strives to hold one quarterly meeting per year on a university campus to facilitate communication with geology professors and students. During the reporting period, the Board was able to hold meetings at Western Oregon University (December 2014) and Oregon State University (May 2015). The Board encourages students and professors to join the Board's meeting and includes a luncheon presentation to inform guests about the regulation of the profession, including the importance of registration to the protection of public health, safety, and welfare and the requirements for becoming registered. A graphic poster covering *Ten Reasons for Becoming a Registered Geologist* is available for use as an outreach tool during campus visits and has been provided to all geology departments in Oregon for posting. The poster is also available via the Board's website.

Another way that OSBGE facilitates communication with university geology programs and students is to encourage university professors to maintain registration such that they are eligible to serve as Board members. OSBGE has worked with the Governor's Office over the years to encourage registrants working in the university system to consider service on the Board. Having a Board member familiar with the academic world helps the Board maintain the important connection to geology students, i.e. future registrants who will help protect the public health, safety and welfare through their work. In December 2014, the Governor appointed to OSBGE a registrant who is professor emeritus at Portland State University.

**Compliance/Complaint Investigations:** As part of regulating the public practice of geology, OSBGE long ago adopted a Code of Professional Conduct for its registrants in accordance with ORS 672.555. The Code is in administrative rule at Chapter 809 Division 20 and outlines the responsibilities all registrants have to the profession, employers, and the Board. OSBGE provides all new registrants with a copy of the Code and periodically reminds all registrants of the need to be familiar with and in compliance with the Code as they publicly practice geology. The Board newsletter is the preferred venue for these reminders.

OSBGE responds to complaints filed with the Board in accordance with ORS 672.665 and also can initiate complaints based on information that has otherwise come to the attention of the Board. Cases before the Board most often deal with accusations of unlicensed public practice of geology or violation of the practice act or Code of Professional Conduct by registrants.

OSBGE has authority to reprimand a registrant or suspend, revoke, or not renew a registrant's license upon finding evidence of violation as per ORS 672.675 or the Code of Professional Conduct. OSBGE can impose civil penalties on registrants and non-registrants for violations as authorized by ORS 672.690, up to \$1,000 per offense. Disciplinary actions and civil penalties are processed through contested case procedures per ORS 183. The Board has a long history of approaching compliance first and foremost as an educational process where individuals are provided with guidance on how to improve practice or otherwise avoid future violations of the practice act. Therefore, civil penalties are not generally anticipated as a significant revenue source when formulating budget projections. OSBGE does pursue civil penalties or disciplinary actions where this is deemed necessary to address public health, safety and welfare concerns.

OSBGE maintains a memorandum of understanding (MOU) with the Oregon State Board of Examiners for Engineering and Land Surveying (OSBEELS) that addresses the mutual goal of working cooperatively to address issues of practice overlap between engineering geology and geotechnical engineering. The primary mechanism for this is through a Joint Compliance Committee (JCC). The JCC convenes periodically to discuss and resolve complaints filed with either board and involving areas of potential overlap in practice. The use of the JCC has led to an increased understanding between the two boards about practice overlap and the need to work together to protect the public. While an MOU has been in place for many years, a new MOU was crafted during the reporting period to reflect current expectations and procedures.

For more details on compliance cases and associated actions taken by the Board during the reporting period, see the Enforcement Activities section of this report and **Appendix 10**.

## **VII. LICENSURE ACTIVITIES**

OSBGE administers three types of registrations: Geologist-in-Training, Registered Geologist, and Engineering Geologist. In addition, OSBGE administers the national geology examination, which is composed of Fundamentals of Geology and Practice of Geology sections, and the Oregon/Washington Engineering Geology examination each two times per year. See **Appendix 11 and Appendix 12** for a comparison of licensure activities over several biennia.

The total number of OSBGE registrants remained essentially flat in the reporting period compared to the 2011-2013 biennium. OSBGE did see a modest increase of about 12% in applications for registration. OSBGE also saw a healthy increase in exam applications, up by 40% compared to 2011-2013. This reverses a downward trend in exam candidates seen over the 2009-2011 and 2011-2013 biennia. This is thought to reflect growth potential in the geosciences field nationally, but the Board does not have any concrete way to be certain of this. It is also hard to know how many exam candidates will complete the exam process and ultimately seek registration in Oregon.

As discussed under the Budget section of this report, OSBGE did see a large increase in the number of registrants qualifying for a reduced registration fee. This segment of the registrant

pool increased by nearly 60% in the reporting period. This is significant because these more senior registrants pay greatly reduced annual fees, which impacts the Board’s overall budget. The Board recognized a need to more closely look at this issue when formulating the 2015-2017 budget and also has been looking into the demographics of the registrant pool in general to assess the potential impacts to registration and practice in Oregon. Following is a chart showing a November 2014 snapshot of the registrant pool by age:

<b>Age Groups</b>	<b>#Registrants</b>	<b>#Registrants-Active</b>	<b>%Total Registrants-Active</b>	<b>#Lapsed</b>	<b>% Total Registrants-Lapsed</b>
20-29	12	10	0.8	2	0.9
30-39	172	143	12.1	29	12.7
40-49	225	198	16.8	27	11.8
50-59	494	432	36.5	62	27.2
60-69	360	293	24.8	67	29.4
70+	147	106	9.0	41	18.0
<b>TOTALS:</b>	<b>1410</b>	<b>1182</b>	<b>100.0</b>	<b>228</b>	<b>100.0</b>

Figure 1: Registrant distribution by age, as of November 2014.

During the reporting period, OSBGE continued to administer exams on the schedule set by ASBOG, the national exam provider. Exams were offered twice per year, once in each the spring and fall. The Oregon-Washington Engineering Geology exam was offered on the same dates. Board staff, Board members, and past Board members served as proctors for the exams which were held in Salem, OR. Unlike many other licensure exams, the national exam and specialty exam have not been converted to a computer exam. The administration of paper exams and the need to follow the dates set by ASBOG limits the options available to exam candidates. However, exam schedule information is readily available to candidates via the Board’s website or by contacting Board staff. OSBGE also works with Oregon universities to get the word out to students about the exam schedule. Candidates can also make arrangements to sit for the national exam in a neighboring state, for example a candidate from Ontario, OR could be approved as an Oregon candidate to sit for exam with the Idaho geology board in Boise, Idaho. This cooperative proctoring can reduce travel times and costs for candidates.

## **VIII. ENFORCEMENT ACTIVITIES**

OSBGE opened four (4) and closed five (5) complaint cases in the 2013-2015 biennium. Of the cases closed in the biennium, one (1) was opened and put on hold in a previous biennium and four (4) were opened and closed within the 2013-2015 biennium. See the complaint case statistics included in **Appendix 10** for the average number of days for investigations and other case details.

While OSBGE has not historically had a huge complaint case load, the total number of complaint cases was notably low this biennium after also being low in the previous biennium. OSBGE is uncertain of the reasons for this continued lull in complaint cases. Registrants are periodically reminded about the duty to report potential violations to the Board. This is a requirement of the Code of Professional Conduct adopted by the Board in rule and therefore something that all registrants are responsible for doing. Registrants play a very important role in helping to police the profession. However, OSBGE suspects that the lack of statutory confidentiality associated with complaint cases and associated investigatory materials may increasingly act as a deterrent to registrant reporting. Various registrants have mentioned anecdotally over the years their concerns about getting dragged into investigations or facing retaliation from respondents since the respondent has access to the full complaint including name of the person filing it.

Even though OSBGE traditionally has not had a high complaint case load, it has always taken its compliance role seriously and continues to commit a substantial amount of staff and Board time to the processing of complaint cases. OSBGE continues to view the compliance process as not just about enforcement but also as an opportunity to educate individuals about the registration requirements and what constitutes the public practice of geology. As appropriate, individuals with the qualifications to become registered are often encouraged to apply instead of risk crossing a line and conducting the unlicensed practice of geology. Outreach letters and letters of concern are tools that often work well in this education process in lieu of civil penalties and disciplinary actions.

OSBGE can impose through the contested case process letters of reprimand, civil penalties, or even suspend, revoke or refusal to renew licenses. However, the Board has rarely imposed disciplinary actions or civil penalties based on complaint investigations, and this was true again in the 2013-2015 biennium. This reflects the Board's philosophy of education first and does not mean that OSBGE has shied away from imposition of disciplinary action and civil penalties where the actions of a respondent have potentially serious implications for the health, safety, and welfare of consumers and the general public or with repeat offenders. Evidence of this can be seen in OSBGE's defense of a compliance case that reached all the way to the Oregon Supreme Court. The Supreme Court's decision came on July 9, 2010, upholding the Board's 2006 revocation of a license and the Board's use of expert witnesses to establish standards of practice and support compliance findings. The Board uses its disciplinary and civil penalty authorities when investigatory findings suggest this is the most effective or necessary tool.

OSBGE is mindful of the need to keep cases moving and would like to further reduce the average time for complaint case reviews. However, the Board is challenged by not having a professional investigator on staff to prepare cases (case load has not warranted this extra staffing when costs are considered), only meeting quarterly, and a continuing reliance on registrants or Board members to volunteer time to serve as technical reviewers (i.e., outside experts). These factors conspire to extend the timeline of investigations.

## IX. OTHER ACTIONS

Following are descriptions of other actions taken by OSBGE during the reporting period that help to paint a picture of the important role the Board plays for registrants and Oregonians in general:

**ASBOG Participation:** Given that the primary regulatory examination administered by the OSBGE is developed by ASBOG through its Council of Examiners, the Board has maintained active participation in the ASBOG organization. Reliance on the ASBOG exam means that OSBGE must be diligent in monitoring how the exams are evaluated, administered, and updated. When the budget allows and a registrant member is available to attend, the Board sends a participant to the Council of Examiners meetings held in the spring and fall of each year. The fall Council of Examiners has historically been held in conjunction with the ASBOG annual meeting so the Board has generally opted to attend then when participation needs to be limited to once per year.

During the reporting period, OSBGE participated in ASBOG meetings as follows: (a) Fall 2013 – former Board member attended serving as proxy for the Board and (b) Fall 2014 – registrant member attended. OSBGE was not represented at spring meetings held by ASBOG during the reporting period due to not having a Board member or representative available to attend. OSBGE budgeted to send member representatives to ASBOG meetings in the 2015-2017 biennium.

**Board Best Practices, Policies, and Procedures:** With the assistance of the Board Administrator and in some instances also Board counsel, OSBGE continued to review and update its management practices, policies and procedures. A comprehensive overhaul was completed over the 2011-2013 and 2013-2015 biennia. This effort involved memorializing existing practices, revising out-of-date policies and procedures, and Board adoption of new policies in areas in need of Board direction. Areas addressed were broad ranging covering topics such as contracting and procurement, records management and retention, workplace policies, diversity and inclusion, delegation of authority, licensing processes, business continuity planning, and various financial management matters. Staff also worked on updates to desk manual procedures. By ensuring that management practices, policies and procedures are documented, these efforts should greatly help to ensure consistency in business practices and decision-making especially as Board members and staff change. (See also discussion under Financial Review/Other Risk Assessment Section.)

**Coordination with Other Licensing Boards - Oregon:** OSBGE continued to coordinate with the Oregon Board of Examiners for Engineering and Land Surveying (OSBEELS) on issues of practice overlap. As mentioned previously, these Boards also developed an updated MOU for the Joint Compliance Committee. The new MOU was signed early in the 2015-2017 biennium. OSBGE also entered into a renewed, temporary contractual relationship with OSLAB to provide that Board with staffing services. The Board Chairs worked cooperatively on oversight of the Administrator, including completion of annual performance reviews. These two Boards continued to find administrative

efficiencies and other benefits in this relationship and elected to enter into a new interagency agreement for temporary staffing services in the 2015-2017 biennium.

**Coordination with Other Licensing Boards – Washington & California:** For over a decade, OSBGE has engaged in a cooperative venture with the Washington Department of Licensing and Washington Geology Licensing Board to maintain and administer a joint exam for use in testing for minimum standards in engineering geology. Exam results are recognized regardless of whether the exam was taken in Oregon or Washington. Until 2015, the exam results were not recognized outside of the two states. But as of April 2015, OSBGE reached a new agreement with the California Board for Professional Engineers, Land Surveyors, and Geologists to have these exam results accepted in lieu of the California Engineering Geologist Exam. This means that an Oregon registrant who has passed the joint Oregon-Washington exam for engineering geologists will not need to sit for the California specialty exam in engineering geology. This will save registrants pursuing the specialty certification in California both time and money. Registrants can contact the OSBGE office to have exam results provided to the California Board in support of applications for either PG registration or Engineering Geologist certification in that state. It is understood between the OSBGE and the CA Board that an Oregon registrant will first need to obtain a Professional Geologist (PG) registration in California before applying for the specialty certification in that state. This process is the same in reverse, i.e. a California PG must first qualify as a Registered Geologist in Oregon before applying for the Certified Engineering Geologist specialty in Oregon.

**Online Services for Renewal and Payment:** In late spring of 2014, OSBGE decided to pursue new online renewal and payment processing services and specifically to do so by working through the state master contract in place between the Department of Administrative Services (DAS) and NIC USA. The Administrator proceeded to work with staff from DAS and NIC USA on scope development and work order contracts for these projects. The contract development process took much longer than anticipated with most of the delay related to development of contract language to address the semi-independent status of OSBGE. Available contract templates contemplated banking through the State Treasury whereas semi-independent agencies bank through private institutions. The contract language required amendment to ensure appropriate safeguards and practices would be provided for data exchanged via the online systems. Contracts were not finalized until the 2015-2017 biennium.

**Professional Practice/Report Guidelines:** During the reporting period, OSBGE completed updates to a series of Board guideline documents. Three guidelines address preparation, use and review of geology, hydrogeology, and engineering geology reports, respectively. The fourth is a professional practices guidance document. The report guidelines were previously published but then pulled due to concerns that they had become outdated. The professional practices guidance had never been finalized and was also pulled upon determination that an incomplete draft should no longer be circulated. OSBGE worked with a private contractor on the update to the engineering geology report guideline. For the other documents, Board members and staff tackled the revisions in-house. Although there was no requirement for public review as these documents are guidelines and not rules, the

Board solicited input from registrants and other interested parties. The comments received were appreciated by Board members and helpful to the revision process. OSBGE has posted all four documents at: <http://www.oregon.gov/osbge/Pages/publications.aspx>.

**Semi-Independent Boards Association (SIBA):** OSBGE continued to have its Administrator actively participate in SIBA. With a few exceptions, SIBA held meetings every other month during the report period. Through these meetings, the Administrator gathered information on business practices and lessons learned that could be shared with OSBGE and also requested feedback from other SIBA members on issues germane to OSBGE business operations.

**Strategic Priority – Outreach to State & Local Agencies:** During the reporting period, OSBGE determined that it should focus on systematic outreach to local and state government agencies in the near term. One reason for this decision was that the Board had not undertaken such directed outreach efforts for some time. OSBGE further prioritized to start with outreach to state agencies and began planning for outreach visits to be held with individual state agencies in the 2015-2017 biennium. Goals for the state agency visits are to share information about the regulation of geology practice and encourage dialogue with registrants and agency management to build towards solid working relationships. OSBGE anticipates these efforts will serve as a learning process and could ultimately result in identification of rule clarifications or additional guidelines to assist state agencies in their interfacing with the public practice of geology. OSBGE remains interested in outreach to cities and counties also but has not yet formulated a specific approach to this.

**Strategic Priority - Research into Continuing Education:** During the reporting period, OSBGE decided that evaluation of the feasibility of developing a continuing education program would be a strategic priority for the 2015-2017 biennium. OSBGE does not currently have statutory authority to require continuing education as part of geologist registration. But Board members feel strongly that continuing education be evaluated as possibly a reasonable and effective way to further the public health, safety and welfare mission and address consumer expectations that geologists working in Oregon are keeping up with scientific and technological changes affecting the profession. In setting this strategic priority, OSBGE noted that most technical and design professions have continuing education requirements as part of licensure. For example, professionals providing services in Oregon within the allied fields of architecture, engineering, land surveying, water rights examination, landscape architecture, landscape contracting, and construction contracting all must complete continuing education as part of license renewal. The Board agreed to start with development of a schedule for moving this priority forward. The schedule will address possible preparation of a legislative concept, stakeholder outreach, and development of an outline for a continuing education structure.

**Technical Assistance to Cities/Counties:** OSBGE periodically receives requests from local governments for advice on whether geologists or engineering geologists should be required to complete various types of reports required via local land use ordinances. Sometimes local governments also ask for clarification about the role of engineering geologists vs. engineers. The Board continued to offer assistance to jurisdictions interested

in updating ordinances to offer advice about qualifications to complete various report elements. The updated guideline documents described previously are also tools that can be helpful to local government officials.

**Other:** See **Appendix 12** for a summary table of Board operations data requested by the Legislative Fiscal Office.

# Oregon State Board of Geologist Examiners Biennial Report, April 1, 2016

## APPENDICES

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<b>Appendix 1</b>	<b>Board Organizational Chart</b>
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<b>Appendix 6.a.</b>	<b>2013-2015 Adopted Budget</b>
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<b>Appendix 11</b>	<b>Licensure Activities (5 biennia)</b>
<b>Appendix 12</b>	<b>Operations Data (5 biennia)</b>

# OR State Board of Geologist Examiners

## Organization Chart

Governor of  
Oregon



Board Chair & Board

6 members total:

4 Registered Geologists

1 Public Member

1 State Geologist (DOGAMI), Ex Officio



Administrator

(Exec. Director)



Registration

Specialist

## Appendix 2, Board Roster

### OREGON STATE BOARD OF GEOLOGIST EXAMINERS

707 13<sup>th</sup> Street SE, Suite 114, Salem, OR 97301

Phone (503) 566-2837

Fax (503) 485.2947

Email: [osbge.info@state.or.us](mailto:osbge.info@state.or.us)

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#### **Chair Peter L. Stroud, RG, CEG**

Tetra Tech

1020 SW Taylor Street, Suite 530

Portland, OR 97205

Phone: (503) 223-5388 ext. 106

Email: [peter.stroud@tetrattech.com](mailto:peter.stroud@tetrattech.com)

**Terms:** 12/5/2011 to 12/4/2014  
12/5/2014 to 12/4/2017

#### **Vice Chair Kenneth Thiessen, RG, CEG**

DEQ, Northwest Region

700 NE Multnomah Street, Suite 600

Portland, OR 97232

Phone: (503) 229-6015

E-mail: [thiessen.kenneth@deq.state.or.us](mailto:thiessen.kenneth@deq.state.or.us)

**Terms:** 03/01/2013 to 02/28/2016  
03/01/2016 to 03/01/2019

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#### **Hans Feige, RG**

Feige & Associates, Inc.

27001 NW Saint Helens Road

Scappoose, OR 97056

Phone: (503) 543-9700

Email: [hfeige@feige.us](mailto:hfeige@feige.us)

**Terms:** 03/01/2014 to 02/28/2017

#### **Brad Avy, State Geologist**

Department of Geology & Mineral Industries

800 NE Oregon Street, #965

Portland OR 97232

Phone: (971) 673-1550

Email: [brad.avy@state.or.us](mailto:brad.avy@state.or.us)

**Terms:** Ex-Officio (since 12/4/2015)

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#### **Scott F. Burns, RG, CEG**

Portland State University (Emeritus Professor)

Department of Geology

PO Box 751

Portland, OR 97207-0751

Phone: (503) 725-3389

Email: [burnss@pdx.edu](mailto:burnss@pdx.edu)

**Terms:** 12/5/2014 to 12/4/2017

#### **Stephen Tucker, Public Member**

Cascade Radon, Inc.

2761 NE Halsey Street

Portland, OR 97232

Phone: (503) 421-4813

Email: [steve@cascaderadon.com](mailto:steve@cascaderadon.com)

**Terms:** 02/15/2014 to 02/14/2017

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## Appendix 3: Board Officers, Committees, & Coordinators

# Oregon State Board of Geologist Examiners

## 2013-2015 Biennium

### **BOARD OFFICERS**

Peter Stroud, RG, CEG, Board Chair  
Kenneth Thiessen, RG, CEG, Board Vice Chair

### **BUDGET COMMITTEE**

Christine Valentine, Administrator (Committee Chair)  
Peter Stroud, RG, CEG, Board Chair  
Vicki McConnell, PhD, RG, Ex Officio Board Member (through 02/2015)  
Ian Madin, RG, Interim Ex Officio Board Member (through end of biennium)

### **ENGINEERING GEOLOGY EXAM COMMITTEE**

Kenneth Thiessen, RG, CEG, Board Member (Committee Chair)  
Peter Stroud, CEG, Board Chair

### **JOINT COMPLIANCE COMMITTEE [MOU/OSBEELS]**

Peter Stroud, RG, CEG, Board Vice Chair (Committee Co-Chair)  
Kenneth Thiessen, RG, CEG, Board Member (Committee Co-Chair)

### **LEGISLATIVE COMMITTEE**

Vicki McConnell, PhD, RG, Ex Officio Board Member (Committee Chair through end of 02/2015)  
Additional board member or registrants if/when needed

### **OUTREACH COMMITTEE**

Scott Burns, PhD, RG, CEG, Board Member (Committee Chair)  
Steve Taylor, PhD, RG, registrant (Appointed)

### **RULES COMMITTEE**

Hans Feige, Board Member (Committee Chair)  
Board registrants

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## **OTHER ASSIGMENTS**

### **COMPLAINT COORDINATOR**

Stephen Tucker, Board Member  
Registrant Technical Reviewers (engaged as needed on a case by case basis)

### **APPLICATION REVIEW COORDINATOR**

Vicki McConnell, PhD, RG, Ex Officio Board Member (through January 2015)  
Hans Feige, RG (through end of biennium)

## Appendix 4: Board Meetings

# Oregon State Board of Geologist Examiners

## Meeting Schedule\* July 1, 2013 – June 30, 2015

### 2013

09/20/2013

10/10/2013

12/13/2013

### 2014

03/21/2014

05/30/2014

09/12/2014

12/04/2014

12/18/2014

### 2015

03/19/2015

05/29/2015

\*=During this reporting period, the Board held two special meetings in addition to its regular, quarterly meetings. On 10/10/2013, the Board met jointly with the Oregon State Board of Examiners for Engineering and Land Surveying (OSBEELS). On 12/18/2014, the Board met to address personnel matters.



# OREGON STATE BOARD OF GEOLOGIST EXAMINERS

2013-2015 Biennium Agreed Upon Procedures  
Financial Review Report #AUP-2015-04



Issued by: Pamela J. Stroebel Powers, CPA, MBA, CIA, CRMA, CPM  
Powers CPA, LLC

Date: January 11, 2016

To: Christine Valentine, Administrator  
Oregon State Board of Geologist Examiners Members

From: Pamela J. Stroebel Powers, CPA, MBA, CIA, CRMA, CPM

Re: Independent Accountant's Report on Applying Agreed-Upon Procedures

**Executive Summary**

This report summarizes the results of the required Agreed-Upon Procedures Financial Review performed to evaluate controls in place over the Oregon State Board of Geologist Examiners (OSBGE) cash, accounting and licensing processes. Procedures were agreed to between Powers CPA, LLC and the Executive Director in a contract ratified April 7, 2015 and approved by the Audits Division of the Secretary of State.

The review was performed to assist the Board in evaluating the financial operations of the agency during the 2013-15 biennium. Generally, it appears adequate controls were in place over financial, accounting and licensing processes for the biennium. Procedures performed and a summary of the results are as follows:

1. **Reviewed internal controls related to handling cash, recording revenues and disbursements, and administering licensing activities:** Key controls in financial processes were identified, observed and after testing, determined to be operating as intended.
2. **Reviewed and evaluated cash controls:** Bank balances were confirmed as of June 30, 2015 and appear to be accurately reported.
3. **Revenue and expense verification:** Generally, revenue and expense transactions reviewed were supported, approved, and appeared to further the business of the state.
4. **Budget to actual comparison:** OSBGE operated at a loss for the 2013-2015 biennium after budgeting for a slight profit, however expenditures were lower than budgeted as were revenues. Explanations for accounts where overages occurred are included in Attachment A.
5. **Follow-up on Prior Audit Findings:** In report #09-13 issued October 23, 2013 four recommendations were made for improvements to financial procedures and controls at the OSBGE. In this review we found evidence that corrective action had been taken on three of the recommendations and partial corrective action had been taken on the fourth. Details of the prior findings and action taken to date can be found in Attachment B.

This report, as well as minor opportunities for improvements to financial and licensing procedures to strengthen existing controls and provide for improved efficiencies and effectiveness, were discussed with the Administrator on November 17, 2015. Management generally agrees with the findings and recommendations included in this report and a full response including planned corrective action is attached. I appreciated the cooperation of the Administrator and the Registration Specialist by providing information to assist with the review process.

  
Pamela J. Stroebel Powers, CPA, MBA, CIA, CRMA, CPM  
Owner/Managing Member - Powers CPA, LLC

  
Date

cc: Secretary of State, Division of Audits  
OSBGE Registration Specialist

## **Background**

The Oregon State Board of Geologist Examiners (OSBGE) is a semi-independent agency of the State of Oregon that operates under Chapters 672 and 182 of the Oregon Revised Statutes. The Board was established in 1977 to safeguard the health, welfare and property of Oregonians affected by the geologic fields of ground water, land-use planning, mineral exploration and development, geologic hazards and the further development of the science of geology through the regulation of professional practice. The Board accomplishes its mission through: 1) Licensing those engaged in the public practice of geology; 2) Responding to complaints; 3) Educating the public through regulatory communities; 4) Cooperating with other Boards and Commissions; 5) Paying attention to ethics; and 6) Systematic outreach to counties, cities and registrants. More than 1000 geologists are registered in Oregon and nearly 250 also hold an engineering geology certification.

The Board is composed of five members, four geologists and one public representative, appointed by the Governor to serve three-year terms. The State Geologist from the Department of Geology and Mineral Industries also serves on the Board in an ex-officio capacity. In addition to the Board the agency currently operates with a staff of one half-time Administrator and one half-time employee. The Administrator has been with the agency since 2011 and the Registration Specialist since 2005.

Through an Interagency Agreement signed by both Board Chairs, OSBGE provides office space and staff resources to the Oregon State Landscape Architect Board. This agreement has been renewed each biennium since 2004 and outlines duties of staff and parameters around sharing office space to operate each Board. During the 2015-2017 biennium the Boards will be assessing the experience with shared administrative services and considering options for the future.

## **Objectives, Scope and Methodology**

Oregon Revised Statute 182.464 requires the agency to undergo a financial review according to schedules agreed to with the Secretary of State's Division of Audits. We performed the procedures, as described below, which were agreed to by the Agency and the Secretary of State for the two years ending June 30, 2015. The OSBGE is responsible for the establishment of and compliance with its financial and licensing processes and internal controls. The procedures agreed to were solely to assist management and the Secretary of State in evaluating the financial and licensing operations of the OSBGE. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is the sole responsibility of those individuals specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below.

The following procedures were performed:

1. Internal controls relating to handling cash, recording revenues and disbursements, and administering licensing activities were reviewed and evaluated. Agency policies, procedures, and desk manuals related to (1) receiving, recording, and reporting transactions; (2) handling cash; and (3) licensing processes were obtained and reviewed for adequacy. Interviews with key staff were conducted and process walk-throughs were performed to determine compliance with procedures and perform testing as determined necessary.
2. Additional cash controls were reviewed and evaluated: bank and investment balances were confirmed with financial institutions; and bank reconciliations were reviewed, as well as other related cash controls.
3. Revenue and expense verification: accounting and subsidiary records related to revenues and expenses were obtained and reviewed. A sample of transactions was judgmentally selected based on risk factors and supporting documentation was evaluated to determine if transactions were appropriate and properly approved, classified, and recorded.

4. Budget to actual comparison: budgeted revenues and expenditures were compared to actual revenues and expenditures.
5. Follow-up was performed and analyzed on findings and recommendations from the prior Agreed-Upon Procedures Financial Review Report issued October 23, 2013.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the adequacy of financial operations or compliance with laws, rules, regulations or standards. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported. This report is intended solely for the information and use of the OSBGE and the Secretary of State and is not intended to be and should not be used by anyone other than the specified parties.

### **Results of Procedures**

Generally it appears that adequate controls were in place over financial, accounting and licensing processes for the biennium. However, some opportunities previously recommended to the Board to strengthen controls have not yet been implemented and are summarized in the sections that follow.

1. **Internal Controls Related to Cash and Recording Revenues and Disbursements:** Generally, internal controls established within cash handling and processes to record revenues and disbursements appeared to be well designed and appropriately implemented. Key controls in the cash receipts and disbursements processes were identified and, after testing, were determined to be operating as intended by management. The agency directs most of its registration applications and renewals to a lock box and has a scanner for checks received at the office; no cash is received in the office. Processes are in place for the Administrator to approve financial transactions and documentation of approvals was observed for most verified transactions. The Accounting Policy was updated during the biennium, and although it wasn't approved until just after the close of the biennium, process walkthroughs and transaction testing indicated it was being followed to process financial transactions during the biennium.

The 2011-2013 Financial Review provided two recommendations for improving controls related to cash and recording revenues and disbursements. Since the 2013 review the Board has updated its Accounting Policy to include a requirement for the Administrator's review of journal entries to be documented and during our review we did find evidence of this review occurring. The procedures manual has not been updated to include the procedure for the Board Treasurer to sign checks made payable to the Administrator, however evidence was available to show that this practice is occurring. The full schedule of prior recommendations and the current status of corrective action can be seen in Attachment B.

**We recommend** that management continue to pursue action toward the remaining recommendation made in the 2013 review to document in its accounting policies or procedures practices that are being followed such as having the Board Chair sign checks payable to or printed by the Administrator.

**Internal Controls Related to Licensing:** Individuals practicing geology in the state of Oregon must qualify before the OSBGE and obtain a certificate of registration. Certificates are renewed every year during the anniversary month of the initial date of issuance. The registration process appears to be well designed and generally includes adequate internal controls, considering the small staff available to process applications and renewals. A receipts report from the agency's registration database was able to be reconciled to revenues reported in QuickBooks (the agency's accounting software.)

2. **Cash Controls:** The OSBGE reported a checking account balance of \$221,796.97, a money market account balance of \$25,225.05 and CD investments to mature at balances of \$99,000.00 as of June 30, 2015. Cash account balances were confirmed directly with the bank and matched the agency's accounting

records. The balances appear to be properly recorded in the accounting records dated June 30, 2015. Good controls over the general checking account were identified and observed including monthly documented reconciliations approved by both the Administrator and Board Chair.

The 2011-2013 Financial Review provided recommendations for improving controls related to bank account reconciliations and the policy for electronic funds transfers. The current Accounting Policy and desk procedures include timelines for the preparation and review of reconciliations as well as a requirement for the Board Chair to review cleared checks and supporting documentation as part of the monthly reconciliation review. Documentation was also available to show the Board Chair has been reviewing bank account reconciliations and those reviewed appeared to be done timely. As amended, the electronic funds transfer policy includes a stipulation for the Board Chair to sign letters to the bank authorizing such transfers. The full schedule of prior recommendations and the current status of corrective action can be seen in Attachment B.

- 3. Revenue and expense verification:** The review of revenues and expenditures found that transactions tested were generally appropriate, complete and properly classified in the accounting records. Additionally a sample of license files was reviewed and appropriate documentation was included and supported financial transactions per licensee.

To conclude on revenue transactions, supporting documentation was reviewed from six of the various renewal, application and exam accounts as well as rent. Testing of these transactions found that generally deposits were made timely, revenues appeared to be appropriately classified in the accounting records and registration renewal criteria were met.

To conclude on expenses, supporting documentation was reviewed from six general business accounts including Office Supplies, Photocopies, Out-of-State Air Transportation, Instate Miscellaneous Travel Expense, Contract Services and Personal Computer Hardware. All charges reviewed appeared to be appropriate to further the business of the state and were generally processed in accordance with OSBGE's financial policies and procedures. The OSBGE does not have a credit card. By extending the controls the agency has in place over regular purchases, such as having a Board member review documentation of the Administrator's purchases, it is possible that using a credit card for some purchases could provide some efficiencies; especially on-line purchases such as airline tickets for Board member travel. A detailed review of payroll for April 2015 was performed as well as reviews of several payroll accounts and no exceptions to policy or procedure were noted.

Because there are only two staff in the office it is difficult to apply complete segregation of duties, for example, the majority of the time the Administrator is signing purchase documentation as both the purchaser and approver while the Licensing Specialist is processing payments. The Board has some compensating controls in place, however it disagreed with the 2013 review's recommendation to require Board approval for purchases over \$2000. All transactions for the biennium were reviewed for dollar amounts and any over that amount were tested; evidence was available of the Administrator using Purchase Orders or State Price Agreements for large and in-ordinary purchases examined, which appears to be an adequate compensating control. The Board's Contracting and Procurement policy also sets parameters for Board review and documentation. No further action appears necessary on this prior recommendation.

- 4. Budget to actual comparison:** Budgeted revenues and expenditures were compared to actual amounts as reported for the two years ending June 30, 2015. OSBGE operated within its budget for the biennium. Although it did ultimately operate at a loss for the biennium it does have reserve balances and had a process in place to use some of its reserves this biennium, but did not need the extra resources to the extent anticipated. Management provided reasonable explanations for variances (details are provided on

Attachment A) and Board meeting minutes reflect regular discussions about variances. The Board appears to have monitoring controls in place as the Board reviews quarterly budget reports at its meetings.

The agency initially budgeted for net income of \$374 but ended the biennium at a loss of \$13,111. The OSBGE operated within its approved budget as actual expenditures of \$505,928 were less than budgeted at \$557,160; but actual revenues of \$491,392 were also less than budgeted revenues of \$556,334, resulting in a net loss for the biennium. In anticipation of performing some large projects during the biennium it was anticipated that the agency may operate at a deficit of normal revenues, therefore they included some money from reserves in their initial budget. However, during the biennium decisions were made to not move forward with those projects, therefore ultimately the majority of the reserve balance wasn't used. Without the addition of the reserve for the biennium, actual revenues of \$491,392 could be compared to budgeted revenues of \$512,334. Variances reviewed appear reasonable and are explained in detail in Attachment A to this report.

Other minor best practices the OSBGE might consider to improve efficiency and effectiveness of its financial processes and procedures were discussed with the Administrator and Licensing Specialist.

ATTACHMENT A

Oregon State Board of Geologists Examiners  
Budget to Actual Variance Analysis for the Biennium Ending June 30, 2015

Account	Actual	Budget	Amount Over (Under) Budget	Explanation as provided by Administrator
<b>REVENUES:</b>	<b>\$ 491,312</b>	<b>\$ 556,334</b>	<b>\$ (65,022)</b>	
Carryover/Other Cash Reserves		\$ 44,000	\$ (44,000)	The agency was anticipating operating at a deficit for the biennium so planned to use some reserves as revenue to offset. However, the agency ended up spending less than projected and not needing to use the reserves to the extent anticipated.
<b>Revenues without Reserves</b>	<b>\$ 491,312</b>	<b>\$ 512,334</b>	<b>\$ (21,022)</b>	
RPG & CEG Fees Income	\$ 302,845	\$ 319,484	\$ (16,639)	The agency estimated renewal incomes based on 5 year averages but also included growth in year 2. The registrant pool remained flat. More conservative revenue estimates for renewals have been built into the 2015-2017 budget.
<b>EXPENSES:</b>	<b>\$ 505,928</b>	<b>\$ 557,160</b>	<b>\$ (51,232)</b>	
Staff Salary, health ins., PERS	\$ 351,925	\$ 366,709	\$ (14,784)	The budget was created based on best available information about potential increases to personal services costs. This included large increases in employer rates for PERS that were to take effect July 1, 2013. As a result of legislation late in the 2013 session, PERS reduced the employer rate increase which reduced the actual personal services costs. In addition, staff health insurance selections during the biennium resulted in savings compared to what those costs would have been if staff had selected other available benefit choices. Per terms of the IAA with the Oregon State Landscape Architect Board, the monthly payment for staff services was reduced at the beginning of the biennium from the initially projected amount to the actual 50% amount and then adjusted several times during the biennium to maintain the 50/50 cost share.
OS Travel Expenses	\$ 2,189	\$ 10,658	\$ (8,469)	The Board budgeted for maximum participation in meetings of the national exam provider. The adopted budget therefore covered the projected costs for sending 2 board members to the fall meeting and 1 board member to the spring meeting each year of the biennium. The reality was that Board members were not able to travel to this extent for the Board, and the Board also reassessed the need to attend to the budgeted level based on actual meeting agendas and emerging issues.
Attorney General Legal Fees	\$ 23,760.00	\$ 35,000.00	\$ (11,240.00)	The Board had a light compliance case load during the biennium and did not need to undertake much rule writing. These factors helped to reduce the actual need for legal services.

Finding/Recommendations	Rec. #	Original Response	Responsible	Current Status 2015
<b>1 – Internal Controls Related to Cash and Recording Revenues and Expenses</b>				
<b>Administrator Reimbursement Checks</b>				
Checks made payable to the Administrator or printed by the Administrator be signed by the Board Chair to improve segregation of duties.	2a	The Board agrees that the additional step of requiring a designated Board member to sign checks payable to the Administrator is a reasonable addition to the existing controls. The Board will also adopt the recommended procedures for Administrator prepared checks.	Board	<b>PARTIALLY IMPLEMENTED:</b> The stipulation for the Board Chair to sign checks payable to or printed by the Administrator was not specified in the Accounting Policy or desk procedure however evidence of this process occurring was examined.
The agency should establish a threshold over which checks must be signed by the Board Chair.	2b	The Board feels that it already has numerous checks and balances in place related to check issuance and is concerned that setting a specific, across-the-board dollar limitation on the Administrator's ability to sign checks may create inefficiency in business practices without a commensurate increase in risk reduction.	Board	<b>NOT IMPLEMENTED:</b> The Board's contracting and procurement policy establishes the Board Administrator as the designated contract and procurement officer for OSBGE and set conditions and limits related to procuring goods or entering into contracts for goods or services. General office supplies are treated differently than unique purchases. Procedures for coordination with either the Board Chair or full Board are specified in the policy. Some purchases were included in transaction testing and documentation was available to show quotes were obtained as well as state price agreements were utilized.
<b>Administrator Review of Journal Entries</b>				
Ensure all journal entries are reviewed and approved by the Administrator and that the review is documented. The requirement for this review should be included in the financial policies.	1	Staff will prepare revised procedures to require that all journal entries are reviewed and approved in a timely manner with approval documented.	Administrator	<b>IMPLEMENTED:</b> Evidence of general journal entries being reviewed by the Administrator was available for the biennium under review. This procedure is also documented in the updated Accounting Policy which was officially adopted in September 2015.
<b>2. Review and Evaluation of Cash Controls</b>				
<b>Board Review of Bank Reconciliations and Cleared Checks</b>				
The Board should formalize in policy its timelines for the preparation and review of bank reconciliations.	3a	Staff will prepare written procedures to memorialize current practices regarding preparation, review, and timeframes for bank reconciliations and add these to the desk manual.	Administrator	<b>IMPLEMENTED:</b> The Accounting Policy includes a requirement for the Administrator to prepare the bank reconciliation for the Board Chair's review and the reconciliation procedure includes specifics related to timelines and items of review for the Administrator and Board Chair.
Develop and document a process for the Board Director's review of cleared checks, including comparison of payee names listed on the check to payee names listed on the detailed bank reconciliation.	3b	Staff will return to this former procedure of including copies of cancelled checks with the bank reconciliation materials provided to the Board Chair. This will be included in the desk manual procedures.	Administrator	<b>IMPLEMENTED:</b> The Accounting Policy includes a requirement for the Administrator to prepare the bank reconciliation for the Board Chair's review and the reconciliation procedure includes specifics related to timelines and items of review for the Administrator and Board Chair.
<b>Authorization of Electronic Funds Transfers</b>				
The Board revise its' Electronic Funds Transfer Policy to require the Board Chair or another Board member to authorize the bank to set up electronic funds transfers.	4	The Board's policy addressing the use of electronic fund transfers will be updated to specify how the Board Chair signs the instruction letter to the bank establishing a new electronic fund transfer.	Administrator	<b>IMPLEMENTED:</b> The Electronic Funds Transfer policy, last updated in December 2013 includes a requirement for the Board Administrator to consult with the Board Chair about transfers, and for the Board Chair to sign a letter to the bank to approve transfers.



# Oregon

Kate Brown, Governor

## Board of Geologist Examiners

707 13th Street SE Suite 114

Salem, OR 97301-4036

Phone: 503-566-2837 Fax: 503-485-2947

Email: [osbge.info@state.or.us](mailto:osbge.info@state.or.us)

Web: [www.oregon.gov/OSBGE](http://www.oregon.gov/OSBGE)

January 15, 2016

V. Dale Bond, CPA, CISA, CFE, Audit Manager  
Secretary of State - Audits Division  
255 Capitol St NE, Suite 500  
Salem, OR 97310

Re: **Oregon State Board of Geologist Examiners**  
2013-2015 Financial Review

Dear Ms. Bond,

At the December 4, 2015 meeting of the Oregon State Board of Geologist Examiners (Board), Board members and staff reviewed the outcomes of the financial review conducted for the 2013-2015 biennium. The financial review report has since been finalized, and a copy has separately been forwarded to you. This letter provides the Board's response to the report.

The Board is pleased to have received a very positive review and generally had no concerns with the review process or final report from Powers CPA, LLC. The Board accepted the one finding presented in the report, and staff has already addressed the finding through updates to written operating procedures. The check signing procedures in question were implemented during the 2013-2015 biennium but had not been memorialized in writing as noted in the review finding.

For the record, please note that the Board and staff made adjustments to various policies and procedures in response to the financial reviews conducted for the prior two bienniums (i.e., 2009-2011 and 2011-2013). Implementation of these previous changes has been positive from both business practice and risk management standpoints. This past work also resulted in fewer issues being raised in the most recent financial review.

One change recommended in the 2011-2013 financial review report but not implemented by the Board is the establishment of a check signing limit for the Administrator (Executive Director). The Board determined that it already had numerous checks and balances in place related to check signing and monitoring of check payments. The Board further noted its reliance on the Administrator's ability to sign checks timely for all outstanding bills, including monthly payroll payments to the Department of Administrative Services that would exceed any likely threshold. The Board concluded that a check signing limit would create inefficiency in business practices without a commensurate increase in risk reduction. This issue was again discussed as part of the most recent review and is addressed in the final report.

In closing, I would be happy to discuss the Board's latest financial review or related matters with you if you have questions or need additional information. I can be reached at [christine.valentine@state.or.us](mailto:christine.valentine@state.or.us) or 503-566-2837.

Sincerely,

Christine Valentine  
Board Administrator

cc. Peter Stroud, RG/CEG, Board Chair  
Pamela Powers, CPA



# Appendix 6.a., OSBGE 2013-2015 Budget

Oregon State Board of Geologist Examiners  
Adopted 2013-2015 Budget

(using COLA-1 Step Personnel Expenses Option)

Date: March 2013

***NO FEE INCREASES PROPOSED***				
Line #	REVENUE	Projected Year 1	Projected Year 2	TOTALS Biennium
0	Carryover Balance/Reserve Funds	\$ 22,000	\$ 22,000	\$ 44,000
1	Application Fee, Registration	\$ 3,225	\$ 3,225	\$ 6,450
2	Application Fee, Examination	\$ 3,600	\$ 3,600	\$ 7,200
3	Examination Fee, Fundamental	\$ 5,075	\$ 5,075	\$ 10,150
4	Examination Fee, Practice	\$ 5,225	\$ 5,225	\$ 10,450
5	Examination Fee, CEG	\$ 1,000	\$ 1,000	\$ 2,000
6	RG Renewals (Includes Initial+Renewals)	\$ 112,900	\$ 112,900	\$ 225,800
7	Over 70 RG Renewal	\$ 975	\$ 975	\$ 1,950
8	Over 70 CEG Renewal	\$ 465	\$ 465	\$ 930
9	CEG Renewals (Includes Initial+Renewals)	\$ 20,067	\$ 20,067	\$ 40,134
10	GIT Renewals (Includes Initial+Renewals)	\$ 3,310	\$ 3,310	\$ 6,620
11	Restoration Fee	\$ 3,900	\$ 3,900	\$ 7,800
12	Other penalty/sales income	\$ 300	\$ 300	\$ 600
13	Bank Account Interest	\$ 125	\$ 125	\$ 250
14	<b>Revenue subtotal</b>	<b>\$ 182,167</b>	<b>\$ 182,167</b>	<b>\$ 364,334</b>
15	OSLAB Contract (estimated @\$8000/month)	\$ 96,000	\$ 96,000	\$ 192,000
16	<b>Total Revenue</b>	<b>\$ 278,167</b>	<b>\$ 278,167</b>	<b>\$ 556,334</b>
17				
18	<b>EXPENSES</b>			
19	<b>Personal Services</b>			
20	Staff salary, health insurance benefits, PERS	\$ 179,668	\$ 187,041	\$ 366,709
21	PERS Bond repayment to DAS	\$ 8,020	\$ 8,340	\$ 16,360
22	Board Member Stipends	\$ 4,500	\$ 4,500	\$ 9,000
23	<b>Subtotal Personal Services</b>	<b>\$ 192,188</b>	<b>\$ 199,881</b>	<b>\$ 392,069</b>
24				
25	<b>Services and Supplies</b>			
26	ASBOG Examination Expense	\$ 10,300	\$ 10,300	\$ 20,600
27	ASBOG Mtg. Registration Fee	\$ 1,500	\$ 1,545	\$ 3,045
28	Bank Charges	\$ 1,500	\$ 1,545	\$ 3,045
29	Communication (Phone, Internet, Fax)	\$ 1,800	\$ 1,854	\$ 3,654
30	Computer Software Upgrades	\$ 300	\$ 350	\$ 650
31	Computer Hardware Upgrades	\$ 300	\$ 350	\$ 650
32	Instate Meals and Lodging	\$ 750	\$ 773	\$ 1,523
33	Instate Ground Transportation	\$ 1,700	\$ 1,751	\$ 3,451
34	Out of State Meals, Lodging, Misc	\$ 3,000	\$ 3,090	\$ 6,090
35	Out of State Transportation	\$ 2,250	\$ 2,318	\$ 4,568
36	Office Supplies (+postage, copying, e-newsletter, freight)	\$ 4,000	\$ 4,120	\$ 8,120
37	Rental, Office space	\$ 7,884	\$ 8,076	\$ 15,960
38	Rental, Exam Site	\$ 300	\$ 350	\$ 650
39	<b>Subtotal Services and Supplies</b>	<b>\$ 35,584</b>	<b>\$ 36,421</b>	<b>\$ 72,005</b>
40				
41	<b>Professional Services</b>			
42	AG Fees	\$ 17,500	\$ 17,500	\$ 35,000
43	ASBOG Membership Dues	\$ 4,500	\$ 4,635	\$ 9,135
44	Computer Database Support (Filemaker)	\$ 1,200	\$ 1,200	\$ 2,400
45	Computer System Support (Server/Desktop/Laptop/Website)	\$ 2,500	\$ 2,500	\$ 5,000
46	Government Services (financial review, Risk, SOS, Ethics, etc.)	\$ 10,000	\$ 2,800	\$ 12,800
47	Professional Services (ADP, BHS, facilitator, temp., etc.)	\$ 14,000	\$ 14,000	\$ 28,000
48	Training (Board/Staff)	\$ 350	\$ 400	\$ 750
50	<b>Subtotal Professional Services</b>	<b>\$ 50,050</b>	<b>\$ 43,035</b>	<b>\$ 93,085</b>
51				
52	<b>TOTAL EXPENSES</b>	<b>\$ 277,822</b>	<b>\$ 279,337</b>	<b>\$ 557,159</b>
53	<b>TOTAL REVENUES</b>	<b>\$ 278,167</b>	<b>\$ 278,167</b>	<b>\$ 556,334</b>
54	<b>Interest on CD</b>	<b>\$ 600</b>	<b>\$ 600</b>	<b>\$ 1,200</b>
55	<b>Net</b>	<b>\$ 945</b>	<b>\$ (570)</b>	<b>\$ 375</b>

**COLOR CODING KEY**

Fiscal Year Estimates
Biennium Estimates
Subject to Final Negotiation

## Appendix 6.b, 2013-2015 Biennial Budget Vs. Actual ending 6.30.2015

		Year I					Year 2		
		Approved Budget	1st Year (07/01/2013 to 06/30/2014)			2nd Year (07-01-14 to 06-30-15)			
			Actual	1st Yr. Budget	Actual	Difference	2nd Yr. Budget	Actual	Difference
		2013-2015	2013-2015	7/1/13 - 6/30/14	7/1/13 - 06/30/14	Over/(Under)	7/1/14 - 6/30/15	7/1/14 -06/15	Over/(Under)
<b><i>Income:</i></b>									
	Carry Over Balance/Reserve Funds	\$ 44,000.00	\$ -	\$ 22,000.00	0.00	\$ 22,000.00	\$ 22,000.00		\$ (22,000.00)
	Administration Fee	\$ 192,000.00	\$ 186,700.00	\$ 96,000.00	\$ 91,200.00	(4,800.00)	\$ 96,000.00	\$ 95,500.00	(500.00)
	RPG & CEG Fees Income	\$ 319,484.00	\$ 302,845.00	159,742.00	154,480.00	(5,262.00)	159,742.00	148,365.00	(11,377.00)
	Civil Penalties	\$ 600.00	\$ -	300.00	0.00	(300.00)	300.00		(300.00)
	Interest, Checking Acct.	\$ 250.00	\$ 902.21	125.00	455.27	330.27	125.00	446.94	321.94
	Miscellaneous Cash Receipts	0.00	\$ 197.50	0.00	50.00	50.00	0.00	147.50	147.50
	Rental Income	0.00	\$ 2,500.00	0.00	1,200.00	1,200.00	0.00	1,300.00	1,300.00
	Fee Refunds	0.00	\$ (1,832.47)	0.00	(1,613.30)	(1,613.30)	0.00	(219.17)	(219.17)
	<b>Total Income</b>	<b>\$ 556,334.00</b>	<b>\$ 491,312.24</b>	<b>\$ 278,167.00</b>	<b>\$ 245,771.97</b>	<b>\$ 11,604.97</b>	<b>\$ 278,167.00</b>	<b>245,540.27</b>	<b>\$ (32,626.73)</b>
<b><i>Expense:</i></b>									
<b><i>Personal Services:</i></b>									
	Staff Salary, health ins., PERS	\$ 366,709.00	\$ 351,924.93	\$ 179,668.00	\$ 163,893.69	(15,774.31)	\$ 187,041.00	\$ 188,031.24	\$ 990.24
	PERS Bond Repayment to DAS	16,360.00	\$ 18,365.92	8,020.00	8,659.23	639.23	8,340.00	9,706.69	1,366.69
	Board Member Stipend	9,000.00	\$ 3,850.00	4,500.00	1,450.00	(3,050.00)	4,500.00	2,400.00	(2,100.00)
	<b>Total Personal Services</b>	<b>\$ 392,069.00</b>	<b>\$ 374,140.85</b>	<b>\$ 192,188.00</b>	<b>\$ 174,002.92</b>	<b>\$ (18,185.08)</b>	<b>\$ 199,881.00</b>	<b>\$ 200,137.93</b>	<b>\$ 256.93</b>
<b><i>Services and Supplies:</i></b>									
	ASBOG Examination Expense	\$ 20,600.00	\$ 15,925.00	\$ 10,300.00	\$ 9,025.00	\$ (1,275.00)	\$ 10,300.00	\$ 6,900.00	\$ (3,400.00)
	ASBOG Registration Fee	3,045.00	\$ 900.00	1,500.00	450.00	(1,050.00)	1,545.00	450.00	(1,095.00)
	Bank Charges	3,045.00	\$ 3,027.45	1,500.00	1,509.00	9.00	1,545.00	1,518.45	(26.55)
	Telephone-related Services	3,654.00	\$ 3,078.46	1,800.00	1,648.97	(151.03)	1,854.00	1,429.49	(424.51)
	Computer Software Upgrade	650.00	\$ 347.20	300.00	177.70	(122.30)	350.00	169.50	(180.50)
	Computer Hardware Upgrade	650.00	\$ 386.75	300.00	386.75	86.75	350.00	0.00	(350.00)
	Instate Meals and Lodging	1,523.00	\$ 1,626.82	750.00	948.63	198.63	773.00	678.19	(94.81)
	Instate Ground Transportation	3,451.00	\$ 3,005.33	1,700.00	1,381.98	(318.02)	1,751.00	1,623.35	(127.65)
	OS Travel Expenses	10,658.00	\$ 2,189.37	5,250.00	0.00	(5,250.00)	5,408.00	2,189.37	(3,218.63)

## Appendix 6.b, 2013-2015 Biennial Budget Vs. Actual ending 6.30.2015

		Year I					Year 2		
		Approved Budget	1st Year (07/01/2013 to 06/30/2014)			2nd Year (07-01-14 to 06-30-15)			
			Actual	1st Yr. Budget	Actual	Difference	2nd Yr. Budget	Actual	Difference
		2013-2015	2013-2015	7/1/13 - 6/30/14	7/1/13 - 06/30/14	Over/(Under)	7/1/14 - 6/30/15	7/1/14 - 06/15	Over/(Under)
	Office Supplies	8,120.00	\$ 11,769.99	4,000.00	7,419.49	3,419.49	4,120.00	4,350.50	230.50
	Rent, Office Space	15,960.00	\$ 15,972.00	7,884.00	7,884.00	0.00	8,076.00	8,088.00	12.00
	Rent, Exam Site	650.00	\$ 1,000.00	300.00	500.00	200.00	350.00	500.00	150.00
	<b>Total Services and Supplies</b>	<b>\$ 72,006.00</b>	<b>\$ 59,228.37</b>	<b>\$ 35,584.00</b>	<b>\$ 31,331.52</b>	<b>\$ (4,252.48)</b>	<b>\$ 36,422.00</b>	<b>\$ 27,896.85</b>	<b>\$ (8,525.15)</b>
<b>Professional Services:</b>									
	Attorney General Legal Fees	\$ 35,000.00	\$ 23,759.50	\$ 17,500.00	\$ 12,788.50	\$ (4,711.50)	\$ 17,500.00	\$ 10,971.00	\$ (6,529.00)
	ASBOG Membership Dues	9,135.00	\$ 9,000.00	4,500.00	4,500.00	0.00	4,635.00	4,500.00	\$ (135.00)
	Computer Database Support (NetForest)	2,400.00	\$ 1,450.00	1,200.00	950.00	(250.00)	1,200.00	500.00	\$ (700.00)
	Computer System Support (Confuzer)	5,000.00	\$ 3,425.00	2,500.00	1,625.00	(875.00)	2,500.00	1,800.00	\$ (700.00)
	Gov Services	12,800.00	\$ 9,739.89	10,000.00	8,394.00	(1,606.00)	2,800.00	1,345.89	\$ (1,454.11)
	Professional Services	28,000.00	\$ 24,879.44	14,000.00	20,193.89	6,193.89	14,000.00	4,685.55	\$ (9,314.45)
	Training (Board/Staff)	750.00	\$ 305.00	350.00	90.00	(260.00)	400.00	215.00	\$ (185.00)
	<b>Total Professional Services</b>	<b>\$ 93,085.00</b>	<b>\$ 72,558.83</b>	<b>\$ 50,050.00</b>	<b>\$ 48,541.39</b>	<b>(1,508.61)</b>	<b>\$ 43,035.00</b>	<b>\$ 24,017.44</b>	<b>\$ (19,017.56)</b>
						0.00			
	<b>Total Expense</b>	<b>\$ 557,160.00</b>	<b>\$ 505,928.05</b>	<b>\$ 277,822.00</b>	<b>\$ 253,875.83</b>	<b>(23,946.17)</b>	<b>\$ 279,338.00</b>	<b>\$ 252,052.22</b>	<b>\$ (27,285.78)</b>
	<b>Net Ordinary Income</b>	<b>\$ (826.00)</b>	<b>\$ (14,615.81)</b>	<b>\$ 345.00</b>	<b>\$ (8,103.86)</b>	<b>(8,448.86)</b>	<b>\$ (1,171.00)</b>	<b>\$ (6,511.95)</b>	<b>\$ (5,340.95)</b>
<b>Other Income</b>									
	Interest on CDs	\$ 1,200.00	\$ 1,504.87	\$ 600.00	\$ 941.00	341.00	\$ 600.00	563.87	\$ (36.13)
	<b>Net Income/Loss before Reserve</b>	<b>\$ 374.00</b>	<b>\$ (13,110.94)</b>	<b>\$ 945.00</b>	<b>\$ (7,162.86)</b>	<b>(8,107.86)</b>	<b>\$ (571.00)</b>	<b>\$ (5,948.08)</b>	<b>\$ (5,377.08)</b>
	Reserve Funds Applied*	\$0.00	\$ 13,110.94	\$0.00	\$ 7,162.86	\$ 7,162.86	\$0.00	5,948.08	0.00
	<b>Net Income after Reserve Funds</b>	<b>\$ 374.00</b>	<b>\$ 0.00</b>	<b>\$945.00</b>	<b>(\$0.00)</b>	<b>\$ (945.00)</b>	<b>\$571.00</b>	<b>(\$0.00)</b>	<b>\$571.00</b>

# Appendix 6.c., OSBGE 2015-2017 Budget

## Oregon State Board of Geologist Examiners Budget for 2015-2017 Biennium

(Incorporating Board Decisions of 12/2014, Approved 03/2015, Rule Effective 7/1/2015)

Date: December 2014

***NO FEE INCREASES PROPOSED***						Projected	Projected	TOTALS
Line #	REVENUE	\$	#/yr. 1	#/yr. 2		Year 1	Year 2	Biennium
0	Carryover Balance/Reserve Funds					\$ 39,000	\$ 39,000	\$ 78,000
1	Application Fee, Registration	75	59	59		\$ 4,425	\$ 4,425	\$ 8,850
2	Application Fee, Examination	75	53	53		\$ 3,975	\$ 3,975	\$ 7,950
3	Examination Fee, Fundamental	150	30	30		\$ 4,500	\$ 4,500	\$ 9,000
4	Examination Fee, Practice	250	18	18		\$ 4,500	\$ 4,500	\$ 9,000
5	Examination Fee, CEG	200	5	5		\$ 1,000	\$ 1,000	\$ 2,000
6	RG Renewals (Includes Initial+Renewals)	100	1080	1100		\$ 108,000	\$ 110,000	\$ 218,000
7	Over 70 RG Renewal	15	120	129		\$ 1,800	\$ 1,935	\$ 3,735
8	Over 70 CEG Renewal	15	53	63		\$ 795	\$ 945	\$ 1,740
9	CEG Renewals (Includes Initial+Renewals)	75	216	221		\$ 16,200	\$ 16,575	\$ 32,775
10	GIT Renewals (Includes Initial+Renewals)	50	62	62		\$ 3,100	\$ 3,100	\$ 6,200
11	Restoration Fee	var.	n/a	n/a		\$ 3,900	\$ 3,900	\$ 7,800
12	Other penalty/sales income	var.	n/a	n/a		\$ 300	\$ 300	\$ 600
13	Bank Account/Investment Interest	var.	n/a	n/a		\$ 1,400	\$ 1,400	\$ 2,800
14	Sublease Rental Income	100	12	12		\$ 1,200	\$ 1,200	\$ 2,400
15	<b>Revenue subtotal</b>					<b>\$ 194,095</b>	<b>\$ 196,755</b>	<b>\$ 390,850</b>
16	OSLAB Contract (estimated @\$9300/month)				See Pers Serv. Detail	\$ 111,600	\$ 111,600	\$ 223,200
17	<b>Total Revenue</b>					<b>\$ 305,695</b>	<b>\$ 308,355</b>	<b>\$ 614,050</b>
18								
19	<b>EXPENSES</b>					<b>Projected</b>	<b>Projected</b>	<b>TOTALS</b>
20	<b>Personal Services</b>					<b>Year 1</b>	<b>Year 2</b>	<b>Biennium</b>
21	Staff salary, health insurance benefits, PERS				See Pers Serv. Detail	\$ 208,217	\$ 214,099	\$ 422,316
22	PERS Bond repayment to DAS				See Pers Serv. Detail	\$ 10,206	\$ 10,525	\$ 20,731
23	Board Member Stipends	100	30	30		\$ 3,000	\$ 3,000	\$ 6,000
24	<b>Subtotal Personal Services</b>					<b>\$ 221,423</b>	<b>\$ 227,624</b>	<b>\$ 449,047</b>
25								
26	<b>Services and Supplies</b>					<b>Year 1</b>	<b>Year 2</b>	<b>Biennium</b>
27	ASBOG Examination Expense				See Rev. Lines 3-4	\$ 9,000	\$ 9,000	\$ 18,000
28	ASBOG Mtg. Registration Fee	500	2	2		\$ 1,000	\$ 1,000	\$ 2,000
29	Bank Charges	130	12	12		\$ 1,560	\$ 1,560	\$ 3,120
30	Merchant Fees (Online Payments)		50%	75%		\$ 2,250	\$ 3,350	\$ 5,600
31	Communication (Phone, Internet, Fax)	150	12	12		\$ 1,800	\$ 1,800	\$ 3,600
32	Computer Software Upgrades				contingency	\$ 300	\$ 350	\$ 650
33	Computer Hardware Upgrades				contingency	\$ 800	\$ 800	\$ 1,600
34	Instate Meals and Lodging	varies				\$ 1,000	\$ 1,000	\$ 2,000
35	Instate Ground Transportation	0.565/mile		2655		\$ 1,500	\$ 1,500	\$ 3,000
36	Out of State Meals, Lodging, Misc	varies				\$ 2,000	\$ 2,000	\$ 4,000
37	Out of State Transportation	varies				\$ 1,500	\$ 1,500	\$ 3,000
38	Office Supplies (+postage, copying, e-newsletter, freight)	varies				\$ 5,000	\$ 5,000	\$ 10,000
39	Rental, Office space	694-71	12	12		\$ 8,328	\$ 8,580	\$ 16,908
40	Rental, Exam Site	250	2	2		\$ 500	\$ 500	\$ 1,000
41	<b>Subtotal Services and Supplies</b>					<b>\$ 36,538</b>	<b>\$ 37,940</b>	<b>\$ 74,478</b>
42								
43	<b>Professional Services</b>					<b>Year 1</b>	<b>Year 2</b>	<b>Biennium</b>
44	AG Fees	192	100	100		\$ 19,200	\$ 19,200	\$ 38,400
45	ASBOG Membership Dues				no incr. planned	\$ 4,500	\$ 4,500	\$ 9,000
46	Computer Database Support (Filemaker)				doubled	\$ 2,500	\$ 2,500	\$ 5,000
47	Computer System Support (Server/Desk/Laptop/Website)				doubled	\$ 5,000	\$ 5,000	\$ 10,000
48	Govt. Services (\$ review, Risk, SOS, Ethics, ERB, LC, etc.)				most exp. due yr. 1	\$ 12,500	\$ 2,500	\$ 15,000
50	Prof. Services (payroll, benefits admin., temp., etc.)				standard exp. only	\$ 3,000	\$ 3,100	\$ 6,100
51	Prof. Services (NIC online renewal/payment portal)		50%	75%		\$ 2,250	\$ 3,350	\$ 5,600
52	Training (Board/Staff)	varies				\$ 500	\$ 500	\$ 1,000
53	<b>Subtotal Professional Services</b>					<b>\$ 49,450</b>	<b>\$ 40,650</b>	<b>\$ 90,100</b>
54								
55	<b>TOTAL EXPENSE</b>					<b>\$ 307,411</b>	<b>\$ 306,214</b>	<b>\$ 613,625</b>
56	<b>TOTAL REVENUE</b>					<b>\$ 305,695</b>	<b>\$ 308,355</b>	<b>\$ 614,050</b>
57	<b>Net</b>					<b>\$ (1,716)</b>	<b>\$ 2,141</b>	<b>\$ 425</b>

## Appendix 6.d., Balance Sheet, 06.30.2015

	June 30, 2015	June 30, 2014	\$ Change	% Change
<b>ASSETS</b>				
Current Assets				
Checking/Savings				
Pioneer Trust Bank	\$ 221,796.97	\$ 225,374.55	\$ (3,577.58)	-1.59%
Total Checking/Savings	\$ 221,796.97	\$ 225,374.55	\$ (3,577.58)	-1.59%
Accounts Receivable				
Accounts Receivable	\$ -	\$ 54.20	\$ (54.20)	-100.0%
Total Accounts Receivable	\$ -	\$ 54.20	\$ (54.20)	-100.0%
Total Current Assets	\$ 221,796.97	\$ 225,428.75	\$ (3,631.78)	-1.61%
Other Assets				
Cash & Money Market	\$ 25,225.05	\$ 25,565.87	\$ (340.82)	-1.33%
CD's	\$ 99,000.00	\$ 98,095.31	\$ 904.69	0.92%
Total Other Assets	\$ 124,225.05	\$ 123,661.18	\$ 563.87	0.46%
<b>TOTAL ASSETS</b>	<b>\$ 346,022.02</b>	<b>\$ 349,089.93</b>	<b>\$ (3,067.91)</b>	<b>-0.88%</b>
<b>LIABILITIES &amp; EQUITY</b>				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	\$ 19,770.09	\$ 19,930.39	\$ (160.30)	-0.8%
Total Accounts Payable	\$ 19,770.09	\$ 19,930.39	\$ (160.30)	-0.8%
Other Current Liabilities				
Payroll Liabilities	\$ -	\$ 349.69	\$ (349.69)	-100.0%
Accrued Vacation	\$ 10,225.05	\$ 6,834.89	\$ 3,390.16	49.6%
Total Other Current Liabilities	\$ 10,225.05	\$ 7,184.58	\$ 3,040.47	42.32%
Total Current Liabilities	\$ 29,995.14	\$ 27,114.97	\$ 2,880.17	10.62%
Total Liabilities	\$ 29,995.14	\$ 27,114.97	\$ 2,880.17	10.62%
Equity				
Operating Equity	\$ 110,000.00	\$ 110,000.00	\$ -	0.0%
Retained Earnings	\$ 211,974.96	\$ 219,137.82	\$ (7,162.86)	-3.27%
Net Income	\$ (5,948.08)	\$ (7,162.86)	\$ 1,214.78	16.96%
Total Equity	\$ 316,026.88	\$ 321,974.96	\$ (5,948.08)	-1.85%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 346,022.02</b>	<b>\$ 349,089.93</b>	<b>\$ (3,067.91)</b>	<b>-0.88%</b>

# Appendix 6.e., OSBGE Forecasted Balance Sheet, 06.30.2017

## Oregon State Board of Geologist Examiners Forecasted Balance Sheet, 6/30/2017

	30-Jun-15	30-Jun-17 Forecasted
<b>ASSETS</b>		
Current Assets		
Checking/Savings		
1001 · Pioneer Trust Bank	\$ 221,796.97	\$ 192,226.83
Total Current Assets	221,796.97	192,226.83
Other Assets		
1540 · Cash & Money Market	25,225.05	0.00
1500 · CD's		
1592 · 18 Mo. CD - Goldman Sach 8/16	26,000.00	26,000.00
1532 · 18 Mo. CD - Goldman Sach, 4/16	25,000.00	25,000.00
1952 · 18 Mo. CD - Goldman Sachs, 2/8/16	25,000.00	25,000.00
1593. Pioneer Trust Bank CD	0.00	25,225.05
1591 · 18 Month CD -Bank of N.A., 2/2016	23,000.00	23,000.00
Total 1500 · CD's	99,000.00	124,225.05
Total Other Assets	124,225.05	124,225.05
<b>TOTAL ASSETS</b>	<b>\$ 346,022.02</b>	<b>\$ 316,451.88</b>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	\$ 19,770.09	\$0.00
Total Accounts Payable	19,770.09	0.00
Other Current Liabilities		
2150 · Accrued Vacation	10,225.05	0.00
Total Other Current Liabilities	\$ 10,225.05	0.00
Total Current Liabilities	29,995.14	0.00
Total Liabilities	\$ 29,995.14	0.00
Equity		
3100 · Operating Equity		
3110 · Six-Month Operating Equity	\$ 60,000.00	\$ 60,000.00
3120 · Compliance Equity	50,000.00	50,000.00
Total 3100 · Operating Equity	\$ 110,000.00	\$ 110,000.00
3900 · Retained Earnings	\$ 211,974.96	\$ 316,026.88
Net Income/Loss	(5,948.08)	425.00
Total Equity	\$ 316,026.88	\$ 316,451.88
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 346,022.02</b>	<b>\$ 316,451.88</b>

# Appendix 6.f., Fund Analysis

## Oregon State Board of Geologist Examiners Fund Analysis

Source	2011-2013 Biennium Actual	2013-2015 Biennium Actual	2015-2017 Biennium Adopted Budget
Beginning Fund Balance	\$ 292,626.26	\$ 329,137.95	\$ 316,027.01
Total Revenue	484,035.11	492,817.11	536,050.00
Total Funds Available	<u>776,661.37</u>	<u>821,955.06</u>	<u>\$ 852,077.01</u>
Total Expenditure	447,523.42	505,928.05	557,160.00
Ending Fund Balance	<u>\$ 329,137.95</u>	<u>\$ 316,027.01</u>	<u>\$ 294,917.01</u>

\*See Notes Below

**\*Notes**

For funds analysis, projected use of reserve funds must be removed from the revenue total to arrive at the correct projection for ending fund balance.

\$ 614,050.00	All Rev. Projected, including interest
<u>\$ 78,000.00</u>	Projected Rev.-Reserves
\$ 536,050.00	Projected New Rev.

## **Administrator's Report to Board on 2013-2015 Budget Rulemaking Hearing & Public Comments**

**Date:** May 20, 2013  
**To:** Members of Oregon State Board of Geologist Examiners  
**From:** Christine Valentine, Board Administrator  
**Subject:** Report on 2013-2015 Budget Rulemaking Hearing

Hearing Date: May 16, 2013  
Hearing Location: Association Center, 707 13<sup>th</sup> St. SE, Conference Room A, Salem, Oregon  
Title of Proposed Rules: OAR 809-010-0025, Operating Budget  
Staff Present: Christine Valentine, Board Administrator  
Guests Present: *None present*

The rulemaking hearing on OAR 809-010-0025, Operating Budget convened at 9:05 AM and was closed at 9:07 AM. A copy of the hearing script is maintained in the Board's office, with a hard copy in the rule file and an electronic copy in the OSBGE computer files for administrative rules.

### **Summary of Hearing and Public Comments**

The purpose of this hearing was to provide an opportunity for public comment on the Board's budget for the 2013-2015 biennium approved by the Board at the March 22, 2013 quarterly meeting. The budget will become effective July 1, 2013.

Notification about the hearing was sent to interested parties, including all registrants, on April 26, 2013. Notice was also published in the May 2013 Oregon Bulletin and posted on the Board's website. All notices explained that oral and written comments would be accepted at the hearing and that written comments could be submitted through 5:00 PM on May 16, 2013. Registrants were also reminded of the opportunity to comment through an article in the Spring 2013 newsletter which was issued on May 1, 2013.

For the record, no one other than staff attended the hearing; thus no oral or written comments about the budget rule were received at the hearing. Prior to the hearing, the Board Office did not receive any comments on the proposed budget or budget rule revisions. No additional written comments were received by the close of business on May 16. In summary, no public comments were received regarding the budget rule amendment.

Respectfully submitted,

Christine Valentine  
Board Administrator

## **Administrator's Report to Board on 2015-2017 Budget Rulemaking Hearing & Public Comments**

### **Administrator's Report to Board on 2015-2017 Budget Rulemaking Hearing & Public Comments**

**Date:** May 22, 2015  
**To:** Members of Oregon State Board of Geologist Examiners  
**From:** Christine Valentine, Board Administrator  
**Subject:** Report on 2015-2017 Budget Rulemaking Hearing

Hearing Date: May 21, 2015  
Hearing Location: Association Center, 707 13<sup>th</sup> St. SE, Salem, OR  
Title of Proposed Rules: OAR 809-010-0025, Operating Budget  
Staff Present: Christine Valentine, Board Administrator  
Guests Present: *None present*

The rulemaking hearing on OAR 809-010-0025, Operating Budget convened at 9:05 AM and was closed at 9:07 AM. A copy of the hearing script is maintained in the Board's office, with a hard copy in the rule file and an electronic copy in the OSBGE computer files for administrative rules.

#### **Summary of Hearing and Public Comments**

The purpose of this hearing was to provide an opportunity for public comment on the Board's budget for the 2015-2017 biennium approved by the Board at the March 19, 2015 quarterly meeting. The budget will become effective July 1, 2015.

Notification about the hearing was sent to interested parties, including all registrants, on May 1, 2015. Notice was also published in the May 2015 [Oregon Bulletin](#) and posted on the Board's website. All notices explained that oral and written comments would be accepted at the hearing and that written comments could be submitted through 5:00 PM on May 21, 2015. Registrants were also reminded of the opportunity to comment through an article in the Spring 2015 newsletter which was issued on May 1, 2015.

For the record, no one other than staff attended the hearing; thus no oral or written comments about the budget rule were received at the hearing. Prior to the hearing, the Board Office did not receive any comments on the proposed budget or budget rule revisions. No additional written comments were received by the close of business on May 21. In summary, no public comments were received regarding the budget rule amendment or the 2015-2017 budget that the amendment adopts.

Respectfully submitted,

Christine Valentine  
Board Administrator

## Appendix 8, Board Fees

### **OSBGE Fees (OAR 809-010-0001)**

#### **Examinations**

- (1) Fundamental Section of the national examination for Geologist registration — an amount equal to the actual cost of purchasing this portion of the exam from ASBOG.
- (2) Practice Section of the national examination for Geologist registration — an amount equal to the actual cost of purchasing this portion of the exam from ASBOG.
- (3) Examination for Engineering Geologist certification — \$200.00.
- (4) Manual rescoring or proctored review:\*

  - (a) For ASBOG manual rescoring request only — an amount equal to the actual cost charged by ASBOG for this service;
  - (b) For ASBOG proctored review request only — an amount equal to the actual cost charged by ASBOG for this service; and
  - (c) In addition to (a) & (b) and for all Certified Engineering Geology exam-related requests, an amount payable to the Board for the actual administrative costs of providing the service, including any costs for staff or Board member time, copies, postage, and other processing costs, up to a maximum of \$100.00 payable to the Board per request.

#### **Registration and Renewal**

- (5) Geologist-in-Training initial registration and annual renewal — \$50.00.
- (6) Geologist initial registration and annual renewal — \$100.00.
- (7) Engineering Geologist initial certification and annual renewal — \$75.00. Engineering Geologist must have a current Geologist registration.
- (8) Duplicate or replacement of lost, destroyed, or mutilated registration card — \$25.00; duplicate or replacement of lost, destroyed, or mutilated wall certificate — \$25.00.
- (9) Restoration fee if postmarked:
  - (a) One to ninety days after due date: \$25.00;
  - (b) Ninety-one to one-hundred seventy-nine days after due date: \$50;
  - (c) Over one-hundred seventy-nine days after due date: \$100.

Continued on next page

\*= New fee added during the reporting period. See report narrative and Appendix 9 for details.

## Appendix 8, Board Fees

(10) Renewal of registration by Geologist, if applicant is 70 years of age or over by renewal date — \$15.00.

(11) Renewal of certification by Engineering Geologist, if applicant is 70 years of age or over by renewal date — \$15.00.

### **Miscellaneous**

(12) Application Fee — \$75.00. This fee is to accompany any application for registration or examination and any reapplication for examination.

(13) Temporary Permit Fee — \$100.00. This fee is to accompany any notification per 672.545(3)(b).

(14) File Maintenance Fee — \$25.00 per request. This fee is to cover maintaining examination files for passing examinees who do not register in Oregon.

(15) Fee for a list of all registrants — \$50.00.

## Appendix 9: Summary of Completed Rulemaking - 07/01/2013 – 06/30/2015

<b>Oregon State Board of Geologist Examiners</b>								
<b>Administrative Rule Amendments Adopted 07/01/2013-6/30/2015<sup>+</sup></b>								
#	OAR #	Rule Title & Description of Rule Change	Type (Perm, Temp, Delete)	Notice in OR Bulletin	Board Public Hearing Date	Board Adoption Date	SOS Filing Date	LC Filing Date
1	809-010-0025	Budget Adopt biennial budget for 2013-2015	Perm	05/2013	05/16/2013	05/31/2013	06/03/2013	06/05/2013
		<u>Budget</u> : Adopted biennial budget for 2015-2017 by updating maximum expenditure amount in rule.	Perm	05/2015	05/21/2015	05/29/2015	06/01/2015	06/04/2015
2	809-001-0015	<u>Public Records Requests</u> : Amended to ensure full compliance with Public Records Law and to provide clear information on process and fees.	Perm	10/2014	10/24/2014	12/04/2014	12/05/2014	12/11/2014
3	809-010-0001	<u>Fees</u> : Amended to add a fee for newly available proctored review service for examination candidates (See below for more on this.)	Perm	06/2013	07/18/2013	09/20/2013	09/24/2013	09/25/2013
4	809-040-0001	<u>Date of Application</u> : Amended to set a shorter application deadline for examination candidates retaking a national examination section or the state specialty examination.	Perm	10/2014	10/24/2014	12/04/2014	12/05/2014	12/11/2014
5	809-040-0021	<u>Proctored Review &amp; Manual Rescoring</u> : Amended to add proctored review as new service accessible by examination candidates. This is a service to assist candidates that fail national exam sections with evaluation of weak areas. (See also 809-010-0001 Fees)	Perm	06/2013	07/18/2013	09/20/2013	09/24/2013	09/25/2013
6	809-050-0020	<u>Roster</u> : This rule was no longer needed as the Board now provides an online registration lookup tool that is updated daily. The old rule called for annual publication of a written roster which was a remnant from days before internet and websites.	Delete	10/2014	10/24/2014	12/04/2014	12/05/2014	12/11/2014
7	809-050-0050	<u>Required Application Information</u> : Amended to provide more clarity to applicants and registrants about legal	Perm Temp	10/2014 N/A	10/24/2014 N/A	12/04/2014 09/12/2014	12/05/2014 09/25/2014	12/11/2014 09/19/2014

## Appendix 9: Summary of Completed Rulemaking - 07/01/2013 – 06/30/2015

		basis for Board requirement for Social Security Numbers to be on file for registrants. Also updated federal and state law citations within rule.						
<sup>+</sup> OSBGE did not adopt any new rules and deleted 1 rule (#6) during the reporting period. All other rule actions were amendments to existing rules.								

## Appendix 10: Enforcement Activities

ORS 182.472 Section 5 (e)-(i)

Compliant Cases: 07/01/2013-06/30/2015

	Biennium in Which Cases Were Closed			Biennium in Which Cases Considered in 2013-2015 Were Initially Opened		Cases Opened July - Dec. 2015
	2013-2015 Total Closed	7/1/2015-12/31/15 Total Closed		Opened 7/1/2011 to 6/30/2013	Opened 7/1/2013 to 6/30/2015	Opened 7/1/2015 to 12/31/2015
<b>ORS 182.472(5)</b>						
<b>(e)-(f) # of complaints received &amp; investigations conducted;</b>						
# of Total involving unregistered individuals	4	0		3	1	0
# of Total involving Registered Geologist (RG)	3*	0		0	3*	1
# of Total involving Cert. Engineering Geologist (CEG)	0	0		0	0	0
<b>(f) Types of investigations conducted;</b>						
Gross Negligence, Negligence, Incompetence, or Misconduct by a Registrant	1	0		0	1	1
Unprofessional Practices or Reports (including questions of practice overlap with engineering)	2	0		0	2	0
Unlicensed Public Practice of Geology	4	0		3	0	0
Improper or Fraudulent Use of Geologist Stamp	0	0		0	0	0
<b>(g)-(h) #/types of resolutions &amp; sanctions imposed</b>						
Letters of Concern (no sanctions)	5	0		3	2	N/A
No Action (no sanctions)	2	0		0	2	N/A
<b>(i) # of days for investigations</b>						
Average Timeframe for All Reported	350	N/A		612	154	N/A

\* = 2 cases involving same RG. RG passed away during investigations and thus cases were closed with no action.

1 additional case dealt with by Board during 2013-2015. This was an old case on hold for a long period due to inability to serve the final order to a former registrant. The Board tried one more time to locate this individual without success. The case was then closed without successful implementation of civil penalties.

# Appendix 11, Licensure Activities 2013-2015

## Per ORS 182.472 (5) (a-d)

2011-2013 vs. 2013-2015

ORS 182.472 (5)	7/1/2005 - 6/30/2007	7/1/2007 - 6/30/2009	7/1/2009 - 6/30/2011	7/1/2011 - 6/30/2013	7/1/2013 - 6/30/2015	Total # Change	% Change (Rounded)
<b>Total registrations**</b>	unavailable	2,407	2,460	2,392	2,382	-10	-0.42%
Renewing, Geologists and Engineering Geologists	unavailable	2,183	2,202	2,162	2,084	-78	-3.61%
Renewing Reduced-Fee Geologists and Engineering Geologists	unavailable	108	154	121	193	72	59.50%
Renewing Geologists-in-Training	unavailable	116	105	109	105	-4	-3.67%
Total Registrants - Close of Biennium	1,240	1,234	1,197	1,202	1,194	-8	-0.67%
<b>(a) The number of license applications;</b>	136	114	92	95	106	11	11.58%
Geologists-in-Training	36	27	22	24	28	4	16.67%
Registered Geologist	87	80	63	62	67	5	8.06%
Certified Engineering Geologist	13	7	7	9	11	2	22.22%
<b>(b) Total new number of licenses issued</b>	134	113	89	91	105	14	15.38%
New Geologists-in-Training	36	27	22	24	28	4	16.67%
New Registered Geologist	85	79	62	58	66	8	13.79%
New Certified Engineering Geologist	13	7	5	9	11	2	22.22%
<b>(c) The number of examinations held;</b>	8	8	8	8	8	0	0.00%
<b>the number of examination candidates</b>	135	128	85	65	91	26	40.00%
ASBOG Fundamental candidates	76	71	44	35	55	20	57.14%
ASBOG Practice candidates	46	48	32	22	29	7	31.82%
Engineering Geologist candidates	13	9	9	8	7	-1	-12.50%
<b>(d) The average time between application &amp; issuance;</b>	2 weeks (w/complete applic.)	2 -3 weeks (w/complete applic.)	2 -3 weeks (w/complete applic.)	3-4 weeks (w/ complete applic.)	3-4 weeks (w/ complete applic.)	N/A	N/A

\*\* Total is the total # of registrations issued by OSBGE during the biennium, which is more than the total # of registrants at the end of the biennium given that registrations must be renewed annually. The registrant count as of 6/30/15 was 1194 registered individuals.

## Oregon State Board of Geologist Examiners

Biennia	Positions	FTE	Board Meetings	Approximate # Registrants on June 30 (close of biennium)		Board Stipend	Director Salary \$/Month on 6/30 (close of biennium)
				Individuals	Firms/ Business		
2005-2007	*2	2.00	10	1,246	N/A	\$30/a day	\$4,705
2007-2009	*2	2.00	12	1,234	N/A	\$100/ full day \$50/ half day	\$5,772
2009-2011	*2	2.00	12	1,197	N/A	\$100/ full day \$50/ half day	\$6,046 <i>(change of Admin. 3/2011)</i>
2011-2013	*2	2.00	8	1,202	N/A	\$100/ full day \$50/ half day	\$6,435 <i>(1/2 merit step annually and COLAs in effect)</i>
2013-2015	*2	2.00	8	1,194	N/A	\$100/ full day \$50/ half day	\$7,333 <i>(merit steps, COLAs &amp; shifted to MEAH per consult. w/ DAS)</i>
<i>(estimated)</i> 2015-2017	*2	2.00	8	1,291	N/A	\$100/ full day \$50/ half day	\$8,144 <i>(At top step, COLAs)</i>

*\*Provides staffing services by contract for Oregon State Landscape Architect Board (1 FTE per board)*