

# OREGON BOARD OF PHYSICAL THERAPY

## BOARD MEETING AGENDA

March 17, 2023 8:30 am - until end of business

Meeting by web conference

*Members of the public may attend this meeting remotely by registering via the link posted on our website at: <https://www.oregon.gov/pt/Pages/meetings.aspx>*

### I Call to Order -- Public Session

**A Board Motions** - Board actions as result of Executive Session.

**B Consent Agenda Items** – *These items are being presented as a consent agenda; the Board members review the consent agenda items ahead of the meeting and will adopt the items as a single motion unless specific items are flagged for discussion and/or individual motion.*

- 1 Board Meeting Minutes, Draft—Jan 18/20, 2023.
- 2 Ratification of PT/PTA Licenses & Temp Permits issued Jan 1<sup>st</sup>, 2023 – Feb 28<sup>th</sup>, 2023.
- 3 Executive Director’s Report for March 2023.
- 4 [Letter: Governor Expectations and Deadlines for Agencies](#)
- 5 [LFO Report: Semi-Independent Agencies for 19-21 Biennium](#)

### C Public Comments

*The Board welcomes public comments. At this point in the meeting, the Board Chair will ask if anyone attending would like to make comment—speakers will be asked to identify themselves for the record when speaking.*

### D Board Member/Committee/Delegate Reports

- 1 PT Compact Commission and FSBPT Delegate Updates
- 2 Rule Advisory Committee Progress Update
- 3 Strategic Plan Progress Review
- 4 Open Roundtable

### E Board General Discussion & Action Items

- 1 **Rulemaking relating to [OAR 848-010-0015 \(5\)](#)**—*The Board will review public input on the proposed rulemaking process to clarify NPTE 90-day rule and consider adoption of the proposed rule amendment.*
- 2 **Rulemaking relating to [OAR 848-055-0001](#)**—*The Board will review public input on the proposed rulemaking process related to adoption of the most recent Compact Commission Rules and consider adoption of the proposed rule amendment.*
- 3 **[ORS 688.055](#) PTA Licensure Requirements: Graduation** – *Board will discuss the current statutory language relating to PTA licensure and impacts to graduates from non-CAPTE accredited PTA programs.*
- 4 **Proposed 23-25 Budget** – *The Board will review and adopt a proposed budget for the 23-25 biennium. The Board will also initiate the public administrative rulemaking process for public input on the proposed budget pursuant to [OAR 848-005-0010](#).*
- 5 **Data Presentation**—*Staff will present data on case tracking by type of complaint with a focus on historical trends in Boundary Violation and Sexual Misconduct Cases.*
- 6 **2023 Legislative Session Update** – *Staff will provide an update on bills currently being tracked.*

### F Other Business

## II Adjournment

This proposed agenda subject to last minute changes without prior notice. A request for an interpreter or other accommodations for persons with disabilities should be made at least 48 hours before the meeting to 971-673-0200 or [physical.therapy@oregon.gov](mailto:physical.therapy@oregon.gov)

**Oregon Board of Physical Therapy**  
**Board Meeting Minutes**  
**Jan 18 and Jan 20, 2023**  
**DRAFT**

**Wednesday, January 18, 2023:**

**Board Members Present:** Phil Haworth, PT, Chair; Erica Shanahan, PTA, Vice Chair; Sandra Hahn; Andrea Muzikant; Hoku Okumura, PT; Becca Reisch, PT; Michael Rennick, PT; Susan Reynolds, PT.

**Board Members Absent:** None.

**Staff:** Michelle Sigmund-Gaines, Executive Director; Sherri Paru, PT, Clinical Advisor/Investigator; Gayla Goodwin, Licensing Coordinator, Sarah Casey, Operations and Policy Analyst.

**Legal Counsel:** Angie Hunt, AAG.

**PUBLIC (OPEN) SESSION**

Chair Haworth convened the Board into Public Session at 4:01 PM for the purpose of roll call. No members of the public were present.

**EXECUTIVE (CLOSED) SESSION**

After roll call, the meeting was convened into Executive Session at 4:03 PM pursuant to ORS 192.660(2)(f) and ORS 192.660(2)(L).

At 8:23 PM, Chair Haworth adjourned Executive Session.

**Friday, January 20, 2023:**

**PUBLIC (OPEN) SESSION**

Chair Haworth convened the Board into Public Session at 8:33 AM.

**Board Members Present:** Phil Haworth, PT, Chair; Erica Shanahan, PTA, Vice Chair; Sandra Hahn; Andrea Muzikant; Hoku Okumura, PT; Becca Reisch, PT; Michael Rennick, PT; Susan Reynolds, PT.

**Board Members Absent:** None.

**Staff:** Michelle Sigmund-Gaines, Executive Director; Sherri Paru, PT, Clinical Advisor/Investigator; Gayla Goodwin, Licensing Coordinator, Sarah Casey, Operations and Policy Analyst.

**Legal Counsel:** Angie Hunt, AAG.

**Members of the Public Present:** Ruggie Canizares, PT; Jeremy Hilliard, PT.

**Board Motions:**

**Case PT 783-11/22**

Motion by Member Reynolds to enter into interim agreement not to practice.

Motion seconded by Member Okumura.

Motion passed unanimously by a vote of 8-0.

**Case PT 784-11/22**

Motion by Member Reynolds of finding of sufficient evidence of violation of ORS 688.140(2)(a) and OAR 848-045-0020(2)(i)(s).

Motion seconded by Member Okumura.

Motion passed unanimously by a vote of 8-0.

**Case PT 794-01/23**

Motion by Member Reynolds to close case.

Motion seconded by Member Okumura.

Motion passed unanimously by a vote of 8-0.

**Case PT 789-01/23**

Motion by Member Reynolds to close case.

Motion seconded by Member Okumura..

Motion passed unanimously by a vote of 8-0.

**Case PT 779-10/22**

Motion by Member Reynolds to close case.

Motion seconded by Member Okumura.

Motion passed unanimously by a vote of 8-0.

**Case PT 785-12/22**

Motion by Member Reynolds to close case.

Motion seconded by Member Okumura.

Motion passed unanimously by a vote of 8-0.

**Case PT 788-01/23**

Motion by Member Reynolds to close case.

Motion seconded by Member Okumura.

Motion passed unanimously by a vote of 8-0.

**Case PT 790-01/23**

Motion by Member Reynolds to close case.

Motion seconded by Member Okumura.

Motion passed unanimously by a vote of 8-0.

**Case PT 791-01/23**

Motion by Member Reynolds to close case and issue license.

Motion seconded by Member Okumura.

Motion passed unanimously by a vote of 8-0.

**Case PT 793-01/23**

Motion by Member Reynolds to close case without prejudice.

Motion seconded by Member Okumura.

Motion passed unanimously by a vote of 8-0.

### **Case PT 735-06/21**

In keeping with prior motion in this case, motion by Member Reynolds to initiate revocation of license for violation of ORS 688.140(2) and OAR 848-045-0020(2), and delegate authority to the Executive Director to settle the case.

Motion seconded by Member Okumura.

Motion passed unanimously by a vote of 8-0.

### **Consent Agenda Items**

The following items were presented as a consent agenda. Board members reviewed the items prior to the meeting.

1. Board Meeting Minutes, Draft for Oct 13 and 14, 2022.
2. Ratification of PT/PTA Licenses & Temporary Permits issued Sept 28, 2022 – December 31, 2022.
3. Executive Director's Report for January 2023.

Director Sigmund-Gaines provided an overview of the items on the consent agenda and noted that we will be shifting to ending the Ratification and Executive Director's report on a fixed period. With no questions or comments, Member Reynolds moved to approve the consent agenda items as written. Member Okumura seconded the motion. Motion passed unanimously by a vote of 8-0.

### **Public Comments:**

None.

### **Board Member/Committee/Delegate Reports**

#### **FSBPT Delegate Report and PT Compact Commission Report:**

Director Sigmund-Gaines reported that the upcoming Regulatory Workshop for Board Members and Administrators will be a virtual meeting March 10-12. The Leadership Issues Forum (LIF) meeting has been changed to July 15-16 in Arlington, VA.

It was noted that Chair Haworth has been appointed to the Resolutions Committee, Staff Sherri Paru will continue serving on the Sexual Boundaries Committee and Director Sigmund-Gaines is continuing to serve as the CBA Chair as well as serving on the Education and Regulatory Excellence Committees.

Wisconsin, and South Dakota, have joined the PT Compact. It was noted that South Carolina and New Jersey should be issuing compact privileges soon. Staff Paru has been appointed Vice Chair of the PT Compact Commission's Compliance Committee.

#### **Board Appointments; Recognition of Service**

Chair Haworth recognized Member Andrea Muzikant for her service and awarded her with a certificate of appreciation for her 3 years of service to the Board. There is now an opening for a Public Board Member. Information is available on the Board's website.

#### **Strategic Plan Progress Review**

Director Sigmund-Gaines presented a visual timeline of the Strategic Plan Progress and reviewed each category. Staff Casey provided an update on the status of the Non-CAPTE Rules Advisory Committee and the projected time for their first meeting. Director Sigmund-Gaines noted that Governor Kotek is making significant changes regarding how her cabinet works with the executive branches. One primary area of focus is improving customer services. We will need to add that to our strategic plan. Our templates used or cycle that we report on may need to change.

**Open Roundtable:**

No other updates.

**Board General Discussion and Action Items****Rulemaking relating to OAR 848-010-0015(5)**

Director Sigmund-Gaines reviewed the rule related to taking the NPTE up to 90 days prior to graduation. The intention of the Board rule was to align with the NPTE requirements which defines graduation from when the school can certify that the student has met all requirements for graduation from the program, not the date of conferral of the degree. Board was asked to consider changing the rule to align with the NPTE. After discussion Member Reynolds moved to initiate the public rulemaking process relating to OAR 848-010-0015(5) as written. Member Okumura seconded the motion. Motion passed unanimously by a vote of 8-0.

**Rulemaking relating to implementation of HB 2359 (2021)**

Director Sigmund-Gaines reviewed the temporary rule currently in place. One public comment was received and addressed. With no further questions Member Reynolds moved to adopt the proposed permanent rules to implement HR 2359(2021) in the appropriate section as written, effective immediately. Member Okumura seconded the motion. Motion passed unanimously by a vote of 8-0.

**Delegation of Authority Review**

Director Sigmund-Gaines reviewed the Delegation of Authority Letter and presented the proposed changes. After discussion Member Reynolds moved to adopt the proposed changes to the Delegated Authority Letter as written. Member Okumura seconded the motion. Motion passed unanimously by a vote of 8-0.

Member Reynolds moved to adopt the proposed Compact Privilege Purchase Review Policy as written. Member Okumura seconded the motion. Motion passed unanimously by a vote of 8-0.

Member Reynolds moved to adopt the proposed changes to the Licensure Application Review and Approval Policy as written. Member Okumura seconded the motion. Motion passed unanimously by a vote of 8-0.

Member Reynolds moved to adopt the proposed changes to the LEDS Handling Policy as written. Member Okumura seconded the motion. Motion passed unanimously by a vote of 8-0.

**Preliminary 23-25 Budget Discussion**

Director Sigmund-Gaines explained the process of developing our budget as a semi-independent agency and the timeframe for drafts and completion. More information to come once Governor Kotek's budget is published.

**2023 Legislative Session**

Director Sigmund-Gaines provided an explanation of the legislative session process and reviewed the bills that have been introduced that could have a potential impact on Healthcare Providers.

**Data Presentation**

Staff Casey provided a review of the most recent OHA workforce data at the county level related to reported settings and specialties.

### **Oregon Compact Privilege Purchases**

Staff Goodwin reviewed the Compact Privilege trends and the current requirement for completion of the Oregon Jurisprudence Exam (OR-JAM) at time of initial purchase and at renewal. Goodwin and Sigmund-Gaines discussed the reasons why the Board may want to consider removing the OR-JAM requirement for those renewing their compact privilege or extend the timeline beyond the 6 months. After discussion Member Reynolds moved to remove the requirement for completion of OR-JAM on renewal of compact privilege. Member Okumura seconded the motion. Motion passed unanimously by a vote of 8-0.

### **New Business**

Director Sigmund-Gaines noted that the Board has received a request to waive the requirement for a PTA to have graduated from a CAPTE accredited PTA program. Historically, some individuals were grandfathered in prior to CAPTE accredited PTA programs. Legal counsel has confirmed that we don't have the authority to do so without a legislative request to change the statutory language. Soonest would likely be the 2025 session to submit to legislature. Board would like to pursue this discussion at the March meeting.

Letter received regarding guidelines for supervision of PTAs asking us to consider a change to rules relating to standards for performing a reassessment. Board would like to review rulemaking history and discuss at an upcoming meeting.

The Board has been receiving an increasing number of questions regarding the use of diagnostic sonography/ultrasound. According to the Board of Medical Imaging, Physical Therapists are not able to perform diagnostic imaging without obtaining an OBMI license in diagnostic sonography. We would like to partner with OBMI to develop some type of communications for either Board to use. The Board would like to see additional information brought to a future meeting.

PBI Training for Board Members: Feedback from Board Members was positive.

Due to a change of date for the LIF meeting, the July Board meeting will need to be changed. Member Reynolds moved to change the July 20<sup>th</sup> Board meeting to Friday, July 21<sup>st</sup>, same 8:30 start time. Member Okumura seconded the motion. Motion passed unanimously by a vote of 8-0.

**Meeting Adjourned at 11:42 AM.**

## Oregon Board of Physical Therapy

Ratification Report: New Licenses and Temporary Permits Issued 1/01/2023 - 2/28/2023

License Number	First Name	Last Name	License Effective Date	License Method	License Status	License Type	Initial Registration Date
64177	Kathleen	Deweber	1/3/2023	Endorsement	Active	PT	7/13/2021
64794	Jacob	Dargis	1/4/2023	Endorsement	Active	PT	1/4/2023
64792	Megan	Stewardson	1/4/2023	Endorsement	Active	PT	1/4/2023
64797	Andrew	Daley	1/9/2023	Endorsement	Active	PT	1/9/2023
64796	Russell	Leighty	1/9/2023	Endorsement	Active	PT	1/9/2023
62292	Rebecca	Swords	1/9/2023	Exam	Active	PT	5/22/2017
64799	Lucas	DiBenedetto	1/10/2023	Endorsement	Active	PT	1/10/2023
64798	Kate	Macer	1/10/2023	Endorsement	Active	PT	1/10/2023
6448	David	Jensen	1/10/2023	Endorsement	Active	PT	2/18/2011
10137	Ephraim	Zuckerman	1/12/2023	Exam	Active	PTA	1/12/2023
64800	Mattie	Roesch-Orozco	1/12/2023	Endorsement	Active	PT	1/12/2023
10138	Pamela	Stevens	1/17/2023	Endorsement	Active	PTA	1/17/2023
64802	Douglas	Cox	1/17/2023	Endorsement	Active	PT	1/17/2023
4091	Krista	O'Brien	1/17/2023	Endorsement	Active	PT	11/6/2000
64801	Robert	Freschauf	1/17/2023	Endorsement	Active	PT	1/17/2023
10139	Jill	Gostanian	1/19/2023	Endorsement	Active	PTA	1/19/2023
64804	Erin	Healy	1/19/2023	Endorsement	Active	PT	1/19/2023
64805	Lauren	Yamada	1/19/2023	Endorsement	Active	PT	1/19/2023
64803	Tyler	Holland	1/19/2023	Endorsement	Active	PT	1/19/2023
64806	Anna	Weymann	1/20/2023	Exam	Active	PT	1/20/2023
64808	Vera	Fang	1/23/2023	Endorsement	Active	PT	1/23/2023
64807	Karly	Munroe	1/23/2023	Endorsement	Active	PT	1/23/2023
64809	Alan	Bigbee	1/23/2023	Endorsement	Active	PT	1/23/2023
62151	David	Suginohara	1/23/2023	Endorsement	Active	PT	2/28/2017
64810	Ileana	Iuga	1/24/2023	Endorsement	Active	PT	1/24/2023
10140	Stephen	Hooghuis	1/25/2023	Endorsement	Active	PTA	1/25/2023
5582	Jeremy	Bucher	1/25/2023	Endorsement	Active	PT	1/16/2008
64811	Alaina	Vince	1/26/2023	Endorsement	Active	PT	1/26/2023
4554	Eli	Lambert	1/27/2023	Endorsement	Active	PT	1/17/2003
10141	Alexander	Sina	1/30/2023	Exam	Active	PTA	1/30/2023
64814	Scott	Parmer	1/30/2023	Endorsement	Active	PT	1/30/2023
64815	Brian	Young	1/30/2023	Endorsement	Active	PT	1/30/2023
64812	David	Brockman	1/30/2023	Exam	Active	PT	1/30/2023
64816	Jacquelyn	Dompier	1/30/2023	Endorsement	Active	PT	1/30/2023
64813	Chelsea	Henderson	1/30/2023	Endorsement	Active	PT	1/30/2023
9342	Melissa	Hernandez	1/30/2023	Endorsement	Active	PTA	6/28/2016
62752	Bryce	Mortensen	1/30/2023	Exam	Active	PT	5/15/2018
4985	Katherine	Wedemeyer	1/30/2023	Exam	Active	PT	6/9/2005
64817	Jodi	Huang	1/31/2023	Endorsement	Active	PT	1/31/2023
64818	Raina	Taylor	1/31/2023	Endorsement	Active	PT	1/31/2023
10142	Elizabeth	Ramirez	2/1/2023	Endorsement	Active	PTA	2/1/2023
8173	Kara	Burkleo	2/1/2023	Exam	Active	PTA	11/30/2000
10143	Larissa	Gibson	2/2/2023	Exam	Active	PTA	2/2/2023
64765	Kathryn	Church	2/2/2023	Exam	Active	PT	12/1/2022
64824	Ian	Randle	2/2/2023	Exam	Active	PT	2/2/2023
64822	Maggie	Imhoff	2/2/2023	Exam	Active	PT	2/2/2023
64775	Christopher	Anderson	2/2/2023	Exam	Active	PT	12/19/2022
64795	Taylor	Kong	2/2/2023	Exam	Active	PT	1/6/2023

## Oregon Board of Physical Therapy

### Ratification Report: New Licenses and Temporary Permits Issued 1/01/2023 - 2/28/2023

64826	Jessie	Grimmer	2/2/2023	Exam	Active	PT	2/2/2023
64825	Zoey	McGee	2/2/2023	Endorsement	Active	PT	2/2/2023
64793	Christina	Blohm	2/2/2023	Exam	Active	PT	1/4/2023
64820	Ambar	Orench-Durango	2/2/2023	Endorsement	Active	PT	2/2/2023
64791	Rachel	Mejia-Hernandez	2/2/2023	Exam	Active	PT	1/3/2023
64821	Callie	Albers	2/2/2023	Exam	Active	PT	2/2/2023
64823	Megan	Pierson	2/2/2023	Exam	Active	PT	2/2/2023
64819	Kayla	Caryl	2/2/2023	Exam	Active	PT	2/2/2023
64827	Benjamin	Geierman	2/3/2023	Endorsement	Active	PT	2/3/2023
64829	Claire	Murphy	2/3/2023	Endorsement	Active	PT	2/3/2023
64828	Alexis	Burton	2/3/2023	Endorsement	Active	PT	2/3/2023
64835	Keldon	Lou	2/6/2023	Exam	Active	PT	2/6/2023
64830	Spencer	Hall	2/6/2023	Exam	Active	PT	2/6/2023
64831	Kylie	Kelchen	2/6/2023	Exam	Active	PT	2/6/2023
64832	Colton	Cypert	2/6/2023	Exam	Active	PT	2/6/2023
64836	Derek	Kelkenberg	2/6/2023	Endorsement	Active	PT	2/6/2023
64833	Bryan	Thomas	2/6/2023	Endorsement	Active	PT	2/6/2023
64834	Kelcie	Goham	2/6/2023	Endorsement	Active	PT	2/6/2023
64839	Sage	Goodman	2/7/2023	Exam	Active	PT	2/7/2023
64838	Kelli	Young	2/7/2023	Exam	Active	PT	2/7/2023
64837	Suzy Monika	Kim	2/7/2023	Exam	Active	PT	2/7/2023
61167	Kerry	Nolan	2/7/2023	Endorsement	Active	PT	7/7/2015
64841	Jennifer	Vargas Vega	2/8/2023	Exam	Active	PT	2/8/2023
64842	Erin	Zurbrugg	2/8/2023	Exam	Active	PT	2/8/2023
64843	Karl	Hamilton	2/8/2023	Endorsement	Active	PT	2/8/2023
64840	Cody	LaMont	2/8/2023	Exam	Active	PT	2/8/2023
64846	Nicholas	Uhl	2/9/2023	Endorsement	Active	PT	2/9/2023
64844	Premanand	Karunamurthy	2/9/2023	Endorsement	Active	PT	2/9/2023
64845	Sydney	Giese	2/9/2023	Endorsement	Active	PT	2/9/2023
61688	Kelsey	Barbee	2/9/2023	Endorsement	Active	PT	5/19/2016
10144	Abigail	Anderson	2/10/2023	Endorsement	Active	PTA	2/10/2023
64847	Leanne	Gehrke	2/10/2023	Exam	Active	PT	2/10/2023
64857	Natalie	Teegarden	2/13/2023	Exam	Active	PT	2/13/2023
64859	Emma	Bryan	2/13/2023	Endorsement	Active	PT	2/13/2023
64849	Alanna	Fennimore	2/13/2023	Endorsement	Active	PT	2/13/2023
64855	Alan	Johnston	2/13/2023	Exam	Active	PT	2/13/2023
64853	Jeremiah	Everett	2/13/2023	Exam	Active	PT	2/13/2023
64850	Savannah	Kisling-Scrima	2/13/2023	Endorsement	Active	PT	2/13/2023
64848	Jillian	Studer	2/13/2023	Exam	Active	PT	2/13/2023
64854	Katherine	Avila	2/13/2023	Endorsement	Active	PT	2/13/2023
64852	Alexandra	Anderson	2/13/2023	Exam	Active	PT	2/13/2023
64856	Gillian	Berry	2/13/2023	Exam	Active	PT	2/13/2023
64858	Kira	Negrete	2/13/2023	Exam	Active	PT	2/13/2023
64851	Patricia	Eckart	2/13/2023	Exam	Active	PT	2/13/2023
2681	Sandra	Hilton	2/13/2023	Endorsement	Active	PT	1/18/1994
61689	Lani	Willette	2/13/2023	Endorsement	Active	PT	5/20/2016
64860	Kaitlyn	Zelhart	2/15/2023	Endorsement	Active	PT	2/15/2023
64863	Jason	Mollenthien	2/21/2023	Endorsement	Active	PT	2/21/2023
64867	Eric	Castagner	2/21/2023	Exam	Active	PT	2/21/2023
64864	Laura	Foley	2/21/2023	Endorsement	Active	PT	2/21/2023
64866	Eric	Carpenter	2/21/2023	Endorsement	Active	PT	2/21/2023



## Oregon Board of Physical Therapy

### Ratification Report: New Licenses and Temporary Permits Issued 1/01/2023 - 2/28/2023

64861	Ryan	Grammer	2/21/2023	Endorsement	Active	PT	2/21/2023
64869	Valerie	Krulock	2/21/2023	Endorsement	Active	PT	2/21/2023
64862	Supriya	Kumar	2/21/2023	Endorsement	Active	PT	2/21/2023
64868	Shanele	Grammer	2/21/2023	Endorsement	Active	PT	2/21/2023
64865	Winnie	Lee	2/21/2023	Exam	Active	PT	2/21/2023
9050	Julie	Letchinger	2/22/2023	Exam	Active	PTA	7/15/2014
10145	Benjamin	Garland	2/27/2023	Endorsement	Active	PTA	2/27/2023
64870	Christian	Sandoval	2/27/2023	Endorsement	Active	PT	2/27/2023
64871	Samuel	Miller	2/27/2023	Exam	Active	PT	2/27/2023
64872	Abigayle	Felmler	2/28/2023	Endorsement	Active	PT	2/28/2023
8771	Hilary	Thibault	2/28/2023	Endorsement	Active	PTA	11/9/2011

Count			
	Endorsement	Exam	Grand Total
<b>PT</b>	<b>59</b>	<b>38</b>	<b>97</b>
Active	59	38	97
<b>PTA</b>	<b>8</b>	<b>5</b>	<b>13</b>
Active	8	5	13
<b>Grand Total</b>	<b>67</b>	<b>43</b>	<b>110</b>

\*Note: Where Initial Registration Date is before Effective Date, the license Transaction is either a change from prior status, such as Temp to Active, a renewal of Lapsed License, or re-application of an Expired License.

# EXECUTIVE DIRECTOR'S REPORT

MARCH 2023 | FOR THE PERIOD 01/01/2023 – 02/28/2023

## 21-23 BIENNIUM BUDGET VS. ACTUAL PERFORMANCE

Actuals to Budget through current period (July 2021-Feb 2023).

	Jul '21 –Feb '23	Budget (to date)	\$ Variance	% of Budget (to date)
Income	\$ 1,563,292.78	\$ 1,562,889	\$ 403.14	100.0%
Expense	\$ 1,246,984.90	\$ 1,471,457.96	\$ -224,473.06	84.7%

Projected Actuals to Budget for the 2021-2023 Biennium.

	Projected 21-23 Actuals	21-23 Budget	\$ Variance (Proj)	% of Budget (Proj)
Income	\$ 1,625,163.78	\$ 1,615,413.32	\$ 9,750.46	100.6%
Expense	\$ 1,544,572.01	\$ 1,763,251.12	\$ -218,679.11	87.6%

**NOTES** –Expenses have been held to a minimum this biennium as a result of deferred project costs or costs eliminated (such as travel and training); some anticipated expenses for personal services and contract labor also lower that projected. Licensing income was over-projected due to a calculation error; however, the gap has been closed due to higher than projected number of applications.

## ATTACHED FINANCIAL REPORTS

- July 2021-Feb 2023 Profit and Loss Budget Vs. Actual

## EDUCATION & OUTREACH ACTIVITIES – 01/01/2023 – 02/28/2023

(Initially developed Sept. 2022) – New self-service web feature added to [search and sort board disciplinary actions](#).

02/13/2023 –Rules Advisory Committee Meeting for Non-CAPTE Accredited Program Applicants.

02/23/2023 – Published News Brief.

03/07/2023 –Partnered with other health boards for joint board member recruitment outreach for public members.

## LICENSE COUNTS BY STATUS AS OF FEBRUARY 28, 2023

License Status	PT	PTA	TOTAL
Active	5,155	1,213	6,368
Restricted	1	1	2
Probation	2	0	2
Suspended	5	0	5
<b>Total Licensed</b>	<b>5,163</b>	<b>1,214</b>	<b>6,377</b>
<i>Net change since last</i>	<i>+94</i>	<i>+15</i>	<i>+109</i>

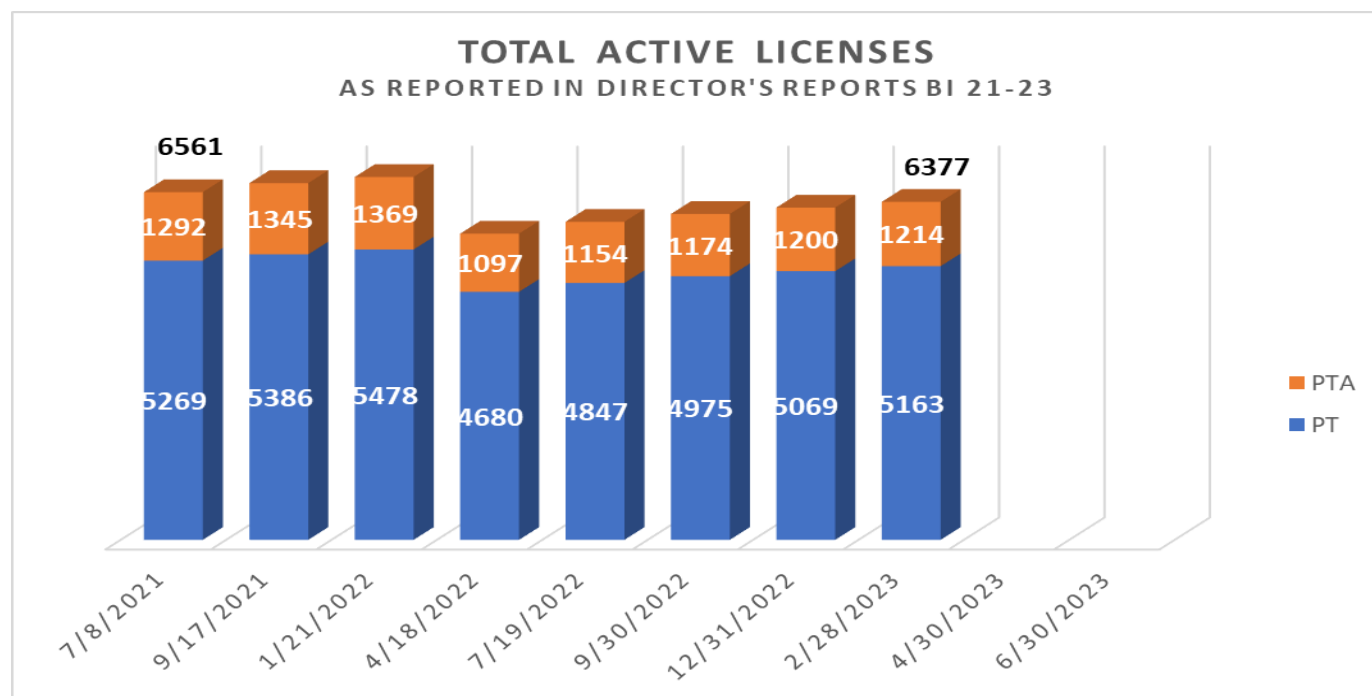
Temp Permit	0	0	0
Temp-Military Spouse	2	0	2

License Status	PT	PTA	TOTAL
<i>Lapsed (five or fewer years)</i>	2,261	767	3,028
<i>Change since last</i>	(8)	(5)	(13)
<i>Expired (more than five years)</i>	4,123	1,222	5,344
	+2	(1)	+1
<b>Total Previously Licensed</b>	<b>6,384</b>	<b>1,989</b>	<b>8,373</b>

Applications Submitted by Type 1/01/2023-2/28/2023	EXA	END	TOTAL
PT	36	51	87
PTA	7	12	19
<b>TOTAL</b>	<b>43</b>	<b>63</b>	<b>106</b>

## BIENNIUM TOTAL ACTIVE LICENSE COUNTS AS OF FEBRUARY 28, 2023

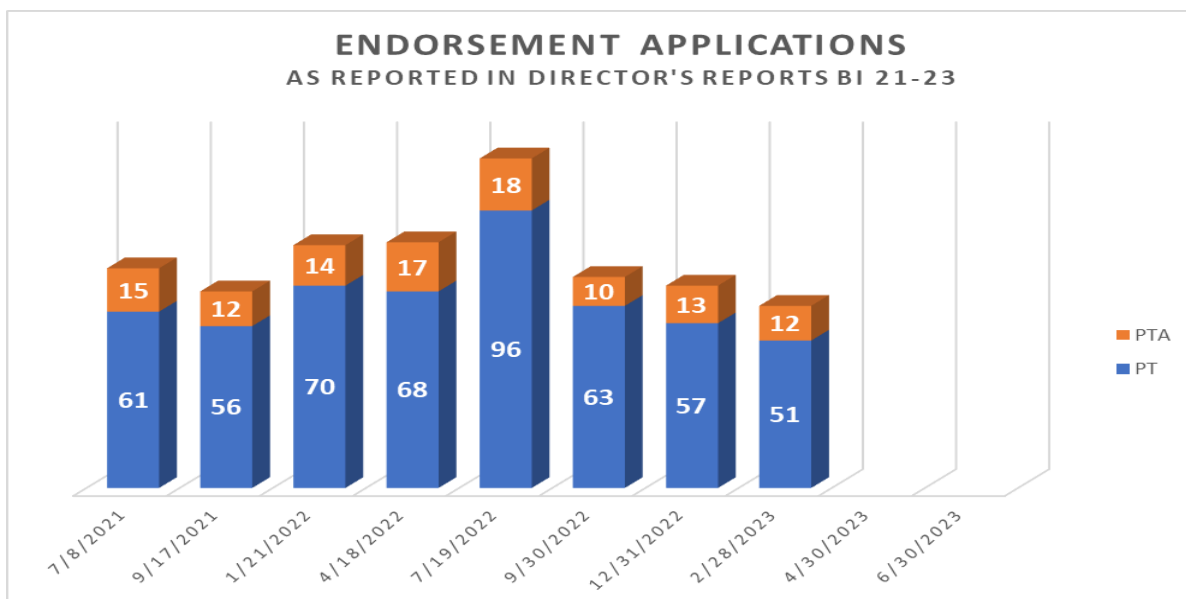
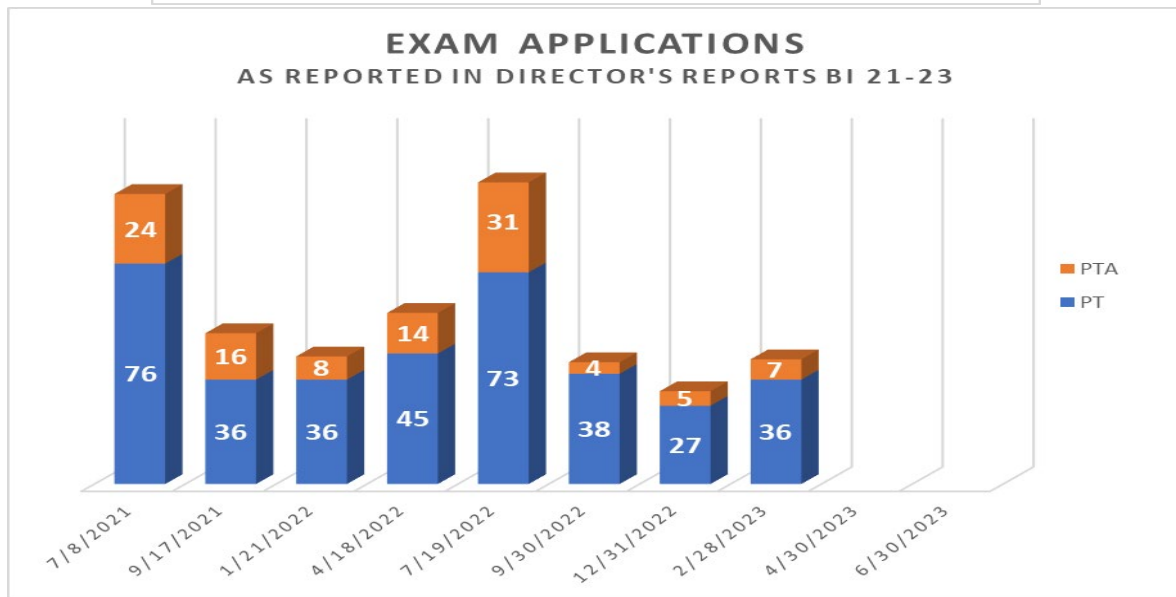
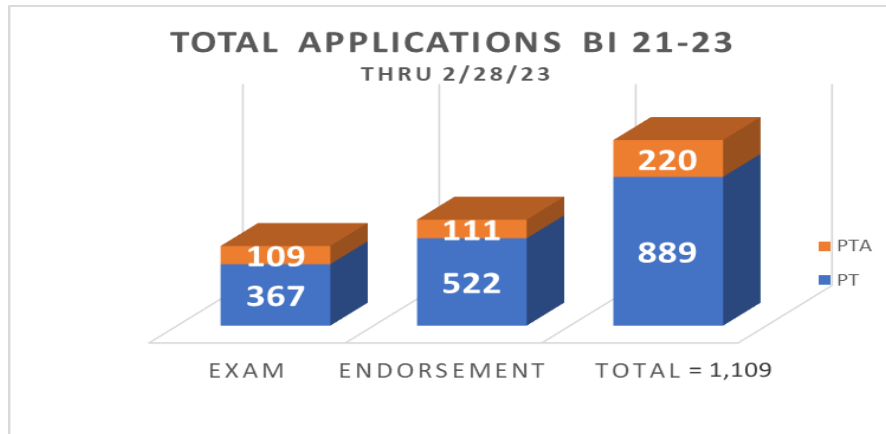
**NOTE:** Numbers have historically been reported through a date the week before each board meeting; this changed at the end of 2022 and numbers are reported at the end of each month prior to board meetings, which will allow for alignment with the Biennium reporting. License counts by status for the prior section and this section are sourced from the licensing system licensee status statistical report and reflect the counts as of a given day.



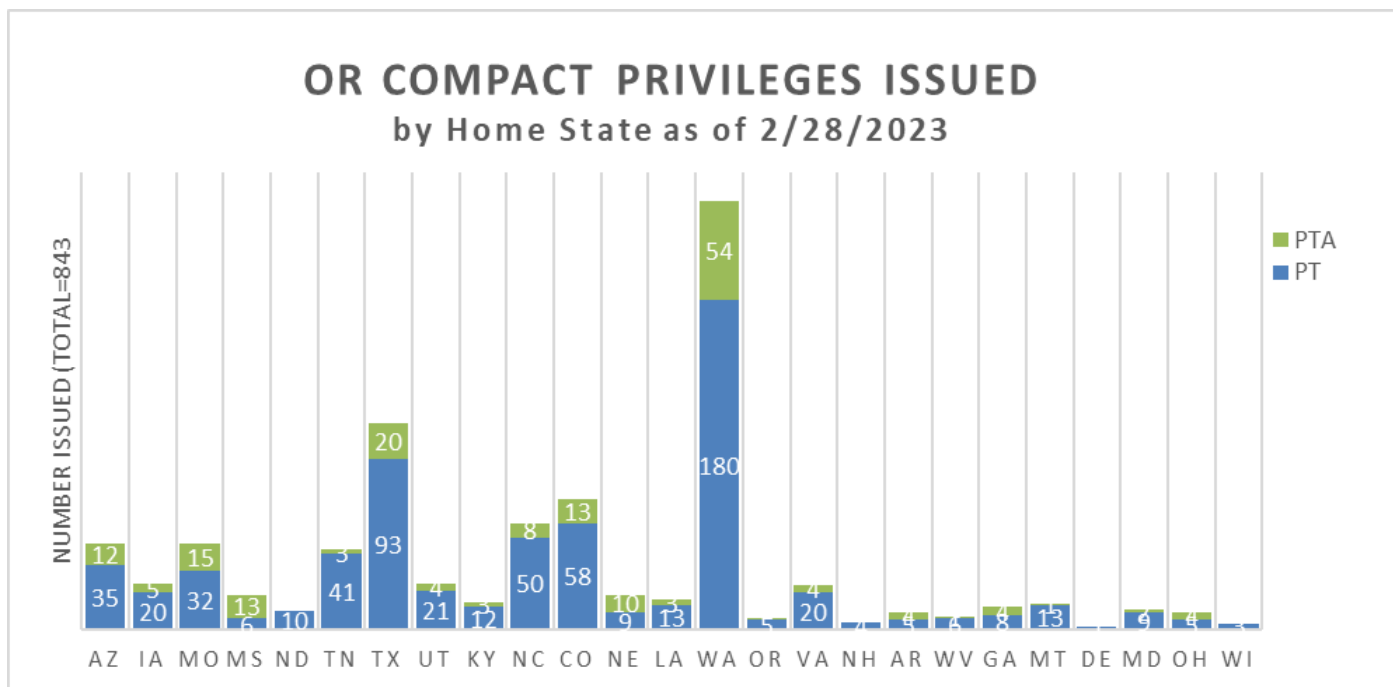
When viewed over the course of a biennium, the drop off in active licenses after renewal is typical based on historical patterns. The total as of approx. 7/1/2021 and the current period are noted; there are four months remaining in the biennium and we are on track to reach a net sum flat growth at the end of the BI consistent with projections.

## BIENNIUM TOTAL APPLICATIONS SUBMITTED AS OF FEBRUARY 28, 2023

**NOTE:** Numbers have historically been reported through a date the week before each board meeting; this changed at the end of 2022 and numbers are reported at the end of each month prior to board meetings, which will allow for alignment with the Biennium reporting. Application data taken from licensing system based on date of submittal; applications may not be complete when first submitted, and final approval may appear in a different reporting period.

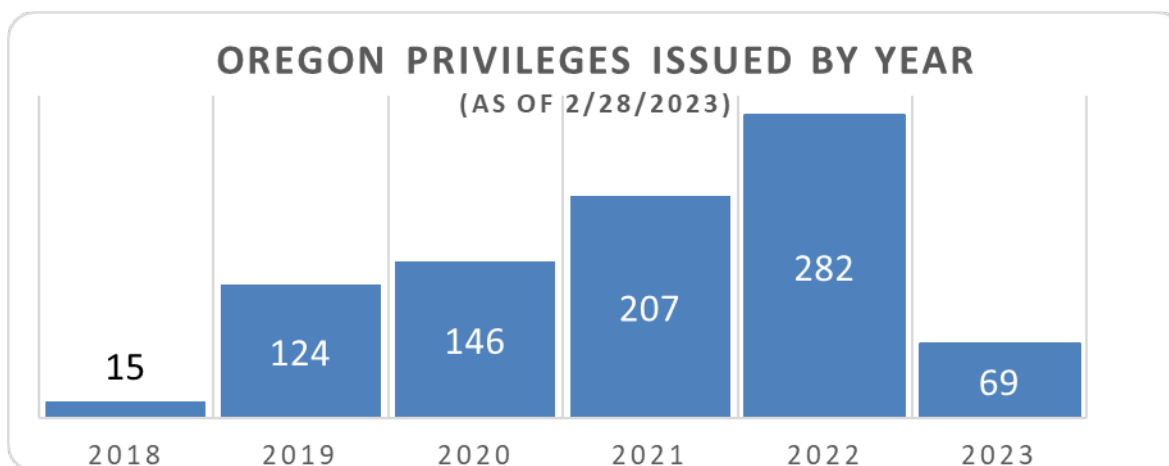


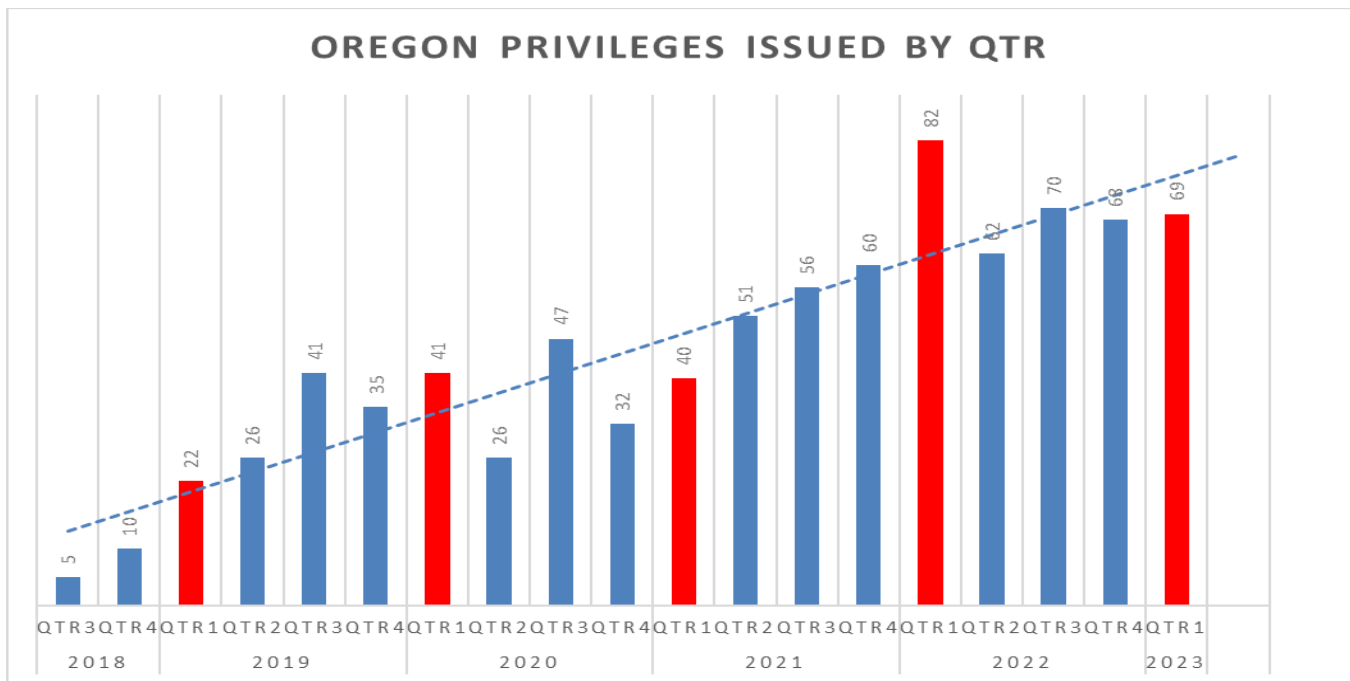
## PT COMPACT OREGON PRIVILEGE HOLDERS – AS OF FEB 28, 2023



OR Privileges Issued																											
	AZ	IA	MO	MS	ND	TN	TX	UT	KY	NC	CO	NE	LA	WA	OR	VA	NH	AR	WV	GA	MT	DE	MD	OH	WI	Grand Total	
Initial	35	21	40	14	9	39	102	24	13	42	58	15	14	156	6	23	4	9	5	11	11	1	10	8	2	672	
Renewal	12	4	7	5	1	5	11	1	2	16	13	4	2	78		1			2	1	3		1	1	1	171	
Grand Total	47	25	47	19	10	44	113	25	15	58	71	19	16	234	6	24	4	9	7	12	14	1	11	9	3	843	

**NOTES:** Cumulative total since Oregon began issuing privileges. Oregon privileges have been purchased in 25 of the currently issuing 28 states (none currently from OK, SC, SD).





**NOTES:** Data for all tables and graphs sourced from PTCC compact privilege purchase reports.. While 1<sup>st</sup> quarter 2023 is partial, it appears to be on trend and should end near 100.

## INVESTIGATIONS: OPEN CASES & AGING REPORT

### Jan-23 OBPT Open Cases

- 21 Total Open Cases
- 6 Presenting to Board March 2023 Meeting
- 3 Post Board Meeting (Notice/Hearing Process)

### 12 Remaining Open Cases

#### Remaining Open Case Aging (date of complaint thru Present to Board)

- 5 Case(s) currently over four months (120 days)
- 2 Additional case(s) will be over four months (120 days) by May 2023 meeting
- 5 Case(s) that will be four months or under (120 days) by May 2023 meeting
- 12 Total

Based on case tracking status on 03/08/2023.

NOTE: Approval of the Executive Director's Report will also authorize extension(s) of investigation period for case reporting to the Board under ORS 676.165 where case(s) will exceed 120 days based on the date of the next available scheduled meeting.

## CASES OPENED AND CLOSED PER BIENNIUM AS OF 03/08/2023

BIENNIUM	2013 2015	2015 2017	2017 2019	2019 2021	2021 2023*
Cases Opened	88	58	56	49	81
Cases Closed	82	54	71	48	70

NOTE: Total cases opened, and total closed in each biennium. Cases opened in one period may be closed in the subsequent period dependent on when received. Data sourced from case tracking report on 03/08/2023. \*21-23 BI not complete.

# Oregon Board of Physical Therapy Profit & Loss Budget vs. Actual

July 2021 through February 2023

	Jul '21 - Feb 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · Income				
4100 · Physical Therapists				
4132 · PT Renewal Ver & Proc Fees	116,975.00	258,823.53	-141,848.53	45.2%
4112 · PT App Ver & Proc Fees	44,289.00	43,951.00	338.00	100.8%
4126 · PT Temp Mil SP/DP	297.00			
4110 · PT Exam Applications	57,741.00	46,860.00	10,881.00	123.2%
4120 · PT Endorsement Applications	81,984.00	82,808.00	-824.00	99.0%
4125 · PT Temporary Permits	1,850.00	1,560.00	290.00	118.6%
4130 · PT Renewals	938,830.00	834,014.00	104,816.00	112.6%
4140 · PT Delinquent Renewals	3,550.00	3,468.00	82.00	102.4%
4150 · PT Duplicate Licenses	0.00	0.00	0.00	0.0%
4170 · PT Civil Penalties	3,750.00	2,600.00	1,150.00	144.2%
Total 4100 · Physical Therapists	1,249,266.00	1,274,084.53	-24,818.53	98.1%
4200 · Physical Therapist Assistants				
4232 · PTA Renewal Ver & Proc Fees	25,507.00	50,427.27	-24,920.27	50.6%
4212 · PTA App Ver & Proc Fees	10,143.00	8,947.40	1,195.60	113.4%
4227 · PTA Temp-EOBED	0.00	0.00	0.00	0.0%
4210 · PTA Exam Applications	17,620.00	15,600.00	2,020.00	112.9%
4220 · PTA Endorse Applications	16,667.00	13,868.00	2,799.00	120.2%
4225 · PTA Temporary Permits	500.00	0.00	500.00	100.0%
4230 · PTA Renewals	145,607.00	134,708.00	10,899.00	108.1%
4240 · PTA Delinquent Renewals	1,600.00	1,212.00	388.00	132.0%
4250 · PTA Duplicate Licenses	0.00	0.00	0.00	0.0%
4270 · PTA Civil Penalties	1,247.50	0.00	1,247.50	100.0%
Total 4200 · Physical Therapist Assistants	218,891.50	224,762.67	-5,871.17	97.4%
4300 · PT & PTA Combined				
4360 · OHA Workforce Data Survey Fee	23,152.00	23,514.44	-362.44	98.5%
4350 · PT Compact Fees	21,648.00	16,668.00	4,980.00	129.9%
4330 · PTand/or PTA Mailing Diskette	10,300.00	6,932.00	3,368.00	148.6%
Total 4300 · PT & PTA Combined	55,100.00	47,114.44	7,985.56	116.9%
4400 · PT/PTA License Verification Fee	20,775.00	16,668.00	4,107.00	124.6%
4500 · Miscellaneous Income				
4583 · 83300 IT Services	5,390.47	0.00	5,390.47	100.0%
4500 · Miscellaneous Income - Other	13,781.00	260.00	13,521.00	5,300.4%
Total 4500 · Miscellaneous Income	19,171.47	260.00	18,911.47	7,373.6%
4900 · Bank Interest Income	88.81	0.00	88.81	100.0%
Total 4000 · Income	1,563,292.78	1,562,889.64	403.14	100.0%
Total Income	1,563,292.78	1,562,889.64	403.14	100.0%
Gross Profit	1,563,292.78	1,562,889.64	403.14	100.0%
Expense				
5100 · Payroll Costs				
5132 · FICA (SS + Medicare)	47,642.36	45,652.12	1,990.24	104.4%
5133 · FICA Administrative Fee	0.00	30.00	-30.00	0.0%
5110 · Gross Salaries	608,691.04	596,763.16	11,927.88	102.0%
5135 · Unemployment Benefits	72.90			
5136 · Mass Transit Tax	4,981.49	4,603.20	378.29	108.2%
5140 · Employee Benefits				
5141 · PERS ER Paid EE Cont	-1,753.01	0.00	-1,753.01	100.0%
5142 · PERS ER Admin Contribution	113,214.51	122,664.24	-9,449.73	92.3%
5143 · Obligation Bond Debt Repayment	33,425.96	36,998.96	-3,573.00	90.3%
5144 · Workers Compensation	124.72	300.00	-175.28	41.6%

# Oregon Board of Physical Therapy Profit & Loss Budget vs. Actual

July 2021 through February 2023

	Jul '21 - Feb 23	Budget	\$ Over Budget	% of Budget
5146 · PEBB Medical/Dental Insurance				
5146-1 · PEBB Insurance	117,649.10	124,892.28	-7,243.18	94.2%
5146-2 · PEBB Insurance Refund	-7,855.43	0.00	-7,855.43	100.0%
5146 · PEBB Medical/Dental Insurance - ...	0.00	0.00	0.00	0.0%
Total 5146 · PEBB Medical/Dental Insurance	109,793.67	124,892.28	-15,098.61	87.9%
5140 · Employee Benefits - Other	65.23	8,332.00	-8,266.77	0.8%
Total 5140 · Employee Benefits	254,871.08	293,187.48	-38,316.40	86.9%
5150 · Employee Training	2,045.69	16,668.00	-14,622.31	12.3%
5190 · Board Stipends	24,987.00	25,000.00	-13.00	99.9%
5199 · Other Payroll Expenses	0.00	4,068.00	-4,068.00	0.0%
Total 5100 · Payroll Costs	943,291.56	985,971.96	-42,680.40	95.7%
5600 · Travel Costs				
5610 · Instate Travel				
5612 · Lodging	1,345.70	5,000.00	-3,654.30	26.9%
5614 · Airfare/Mileage	1,145.92	6,668.00	-5,522.08	17.2%
5616 · Meals	335.47	3,332.00	-2,996.53	10.1%
5618 · Other Travel Costs	0.00	832.00	-832.00	0.0%
Total 5610 · Instate Travel	2,827.09	15,832.00	-13,004.91	17.9%
5620 · Out of State Travel				
5622 · Lodging	2,658.12	8,332.00	-5,673.88	31.9%
5624 · Airfare/Mileage	2,423.02	8,000.00	-5,576.98	30.3%
5626 · Meals	358.36	3,332.00	-2,973.64	10.8%
5628 · Other Travel Costs	1,770.43	0.00	1,770.43	100.0%
Total 5620 · Out of State Travel	7,209.93	19,664.00	-12,454.07	36.7%
Total 5600 · Travel Costs	10,037.02	35,496.00	-25,458.98	28.3%
6100 · General Office Expenses				
6110 · Copier	641.91	1,600.00	-958.09	40.1%
6120 · Printing/Copying	480.58	4,932.00	-4,451.42	9.7%
6140 · Office Supplies	2,214.66	3,568.00	-1,353.34	62.1%
6145 · Other	582.79	6,348.00	-5,765.21	9.2%
6150 · Board Meeting Expenses	1,260.35	2,000.00	-739.65	63.0%
6155 · Parking Validation Stickers	0.00	2,748.00	-2,748.00	0.0%
6180 · Telecommunications	10,948.83	12,332.00	-1,383.17	88.8%
6185 · Bank Charges/Fees	1,991.81	6,668.00	-4,676.19	29.9%
6186 · Liability Insurance (Risk Mgmt)	34,663.00	35,000.00	-337.00	99.0%
Total 6100 · General Office Expenses	52,783.93	75,196.00	-22,412.07	70.2%
6190 · Dues and Subscriptions	5,244.00	16,668.00	-11,424.00	31.5%
6200 · Postage				
6210 · Mail/Mail Room Charges	408.64	3,332.00	-2,923.36	12.3%
6240 · Other	0.00	0.00	0.00	0.0%
Total 6200 · Postage	408.64	3,332.00	-2,923.36	12.3%
6300 · Publications	0.00	532.00	-532.00	0.0%



# Oregon Board of Physical Therapy Profit & Loss Budget vs. Actual

July 2021 through February 2023

	Jul '21 - Feb 23	Budget	\$ Over Budget	% of Budget
6400 · Contracted Services				
6405 · Merchant Account Fees	41,917.06	36,000.00	5,917.06	116.4%
6410 · Investigators	0.00	2,500.00	-2,500.00	0.0%
6420 · Computer Support	3,273.89	40,000.00	-36,726.11	8.2%
6430 · Attorney General-Legal Counsel	51,229.00	66,668.00	-15,439.00	76.8%
6440 · Audit Charges	8,500.00	11,332.00	-2,832.00	75.0%
6450 · Accountant / CPA	0.00	832.00	-832.00	0.0%
6460 · Payroll Service Charges	4,384.94	5,000.00	-615.06	87.7%
6470 · Payroll Expenses	178.77			
6490 · DAS Charges (Miscellaneous)	0.00	2,890.00	-2,890.00	0.0%
6495 · EmplDept/HearingOfficerPanel	759.00	4,168.00	-3,409.00	18.2%
6499 · Other Services	885.40	16,000.00	-15,114.60	5.5%
Total 6400 · Contracted Services	111,128.06	185,390.00	-74,261.94	59.9%
6500 · Rent and Occupancy				
6510 · Rent	41,480.23	36,668.00	4,812.23	113.1%
6500 · Rent and Occupancy - Other	0.00	0.00	0.00	0.0%
Total 6500 · Rent and Occupancy	41,480.23	36,668.00	4,812.23	113.1%
6600 · Background Checks				
6630 · Vantage Data	0.00	25,668.00	-25,668.00	0.0%
6600 · Background Checks - Other	43,026.75	45,000.00	-1,973.25	95.6%
Total 6600 · Background Checks	43,026.75	70,668.00	-27,641.25	60.9%
6650 · Investigation Expenses	0.00	200.00	-200.00	0.0%
6800 · Computers & Accessories				
6810 · Software	37,821.31	56,668.00	-18,846.69	66.7%
6820 · Hardware	463.25	4,000.00	-3,536.75	11.6%
6830 · Maintenance-E-Mail,Firewall	140.15	0.00	140.15	100.0%
6840 · Other - Data Lines, etc.	1,160.00	668.00	492.00	173.7%
Total 6800 · Computers & Accessories	39,584.71	61,336.00	-21,751.29	64.5%
Total Expense	1,246,984.90	1,471,457.96	-224,473.06	84.7%
Net Ordinary Income	316,307.88	91,431.68	224,876.20	345.9%
Net Income	316,307.88	91,431.68	224,876.20	345.9%



January 11, 2023

Dear Agency Leaders:

I want to begin by saying thank you. Thank you for serving Oregon and the people who call our state home. Thank you for your professionalism and commitment to public service. And thank you for your partnership with my transition team as we hustled to get ready for Day One.

I am eager to get to work, and I view each of you as partners in my mission to deliver results and make everyday life better for Oregonians.

A core part of my vision for the next four years is to improve customer service for Oregonians – whether they are coming to us for a service, or we are coming to them in the wake of a disaster. That means being more efficient, more effective, and creating systems that will empower our collective 42,000 public servants to deliver for Oregonians.

So today, I am delivering a new set of expectations to you, the leaders of our state agencies. These expectations will serve as guideposts for our work together, providing us with new data that will help us break down silos and make enterprise-wide systems improvements.

To support this effort, my office will be organized with a new focus on public administration. I am hiring a talented group of experienced leaders who I expect to be partners with you in solving problems and delivering on my priorities, which as you know are housing and homelessness, behavioral health and addiction care, and education.

Finally, as Oregon's Governor, I understand that I have 42,000 employees counting on me for compassion and leadership. The pandemic was hard on workers and managers across the board – private or public, it has been tough. We all had to pivot on short notice, support each other through workforce shortages, and do our jobs while our families were facing the same uncertainty as the rest of the world. These workforce challenges are not going away, and I hope to partner with all of you as we continue to strive to make the State of Oregon a great place to live and work.

It is my pledge to all Oregonians, and to you, that I will work every day to be a partner with you in solving problems, big and small. We will not be perfect, but we will improve every year, so Oregonians can proudly say their state government was there for them.

January 11, 2023  
Page 2

I am directing the Department of Administrative Services (DAS) to provide my office with updates on our progress in meeting these new expectations quarterly beginning June 1, 2023. Please engage with DAS Director Berri Leslie throughout this process. She will help measure and manage these goals and I have asked her to be a partner with you to ensure you have what you need to be successful.

As a first step, please email Director Leslie by February 1st to confirm that you are ready and willing to work with us toward these enterprise goals.

Thank you for your commitment to Oregon, and I look forward to a great partnership.

Sincerely,

A handwritten signature in black ink, appearing to read "Tina Kotek", with a stylized, cursive script.

Governor Tina Kotek

# **Oregon Agency Expectations**

## **Performance Reviews for Agency Directors:**

The DAS Chief Human Resources office will complete a 360-performance evaluation, for every director who reports to the Governor, every two years. Agencies without a review in the prior 12 months will be prioritized. Agency directors who report to a board or commission should have a review completed every two years by their governing body. DAS will provide a price agreement with available vendors to facilitate this process. DAS will also provide a 360-performance template for boards and commissions to use as a model by June 1, 2023. DAS will have the price agreement and template in place by June 1, 2023. DAS will provide quarterly compliance reporting to the Governor's office.

## **Performance Feedback for Employees:**

Each agency will maintain compliance with the quarterly performance feedback meeting requirement for all employees at a quarterly performance rate of 90% completion or higher. Quarterly check ins must be documented in Workday. Agencies will comply by June 1, 2023. DAS will provide quarterly compliance reports to the Governor's office.

## **Measuring Employee Satisfaction:**

Agencies of a size to be determined by vendor recommendation will complete an anonymous annual employee satisfaction survey. All agencies will use the same DAS approved vendor and a list of approved questions from DAS. Agencies shall create an action plan to follow up on substantial findings and use the annual process to measure improvement. DAS will identify the vendor and questions by June 1, 2023. Agencies will complete the first satisfaction survey by December 31, 2023 and submit their scores to DAS by February 1, 2024. DAS will use the information to provide a roll-up report card of enterprise-wide employee satisfaction on an annual basis.

## **Supporting Strategic Planning and Measuring Agency Performance:**

Agencies are required to develop and follow a strategic plan using goals outlined by the Governor's office. Plans should be developed with agency leadership and in partnership with direct service employees, community partners, tribes, underrepresented communities, and applicable boards and commissions responsible for oversight of the organization. Plans should include a section that aligns with the agency's information technology strategy to include how modernization efforts will support the goals of the organization.

DAS will provide a list of approved vendors on price agreement to facilitate this process. DAS will also provide a template for vendors and agencies to use to support consistency and measurement across agencies. Agencies will post strategic plans with dashboards outlining progress on their public facing web sites. DAS will prepare price agreements and templates by June 1, 2023. Agencies with strategic plans completed within the last 36 months can update their plans into the new template format aligning with Governor Kotek's goals with a target completion date of December 31, 2023. Agencies with strategic plans older than 36 months should begin a new planning process, using the standardized template format, with a goal of

completing their plans by June 1, 2024. DAS will provide an annual progress report to the Governor's office.

### **Managing Information Technology Progress:**

Agency CIO/IT leaders shall collaborate with Enterprise Information Services program leaders, Agency Leadership, and their policy area Assistant State CIO as it pertains to operationalizing the vision, values, and strategy of the State CIO.

Agencies of 50 FTE or larger are required to develop an information technology strategic plan. Plans should be developed with agency leadership and include how the agency aligns with the Enterprise Information Services' Strategic Framework and how modernization efforts will support the goals of the organization. EIS will provide IT Strategic Planning assistance through policy area Assistant State CIOs and their vendor partners as well as a template by June 1, 2023. IT strategic plans should be completed and submitted to EIS by December 31, 2023. The State CIO will review and approve all plans. DAS will provide an annual compliance report to the Governor's office.

### **Succession Planning for the Workforce:**

Agencies are required to have an agency succession plan in place. DAS provides a succession planning toolkit to facilitate this process which can be found online at: <https://www.oregon.gov/das/HR/Pages/success-plan.aspx>. Agencies without a current plan must complete a plan by December 31, 2023. Plans should be submitted to the DAS Strategic Initiatives & Accountability Division. DAS will provide an annual compliance report to the Governor's office.

### **State Government Commitment to Diversity, Equity and Inclusion:**

Agencies are required to have a Diversity, Equity, and Inclusion Plan (DEI Plan), updated every two years. Agencies without a current DEI Plan must complete an initial plan by June 1, 2023. Agencies are encouraged to adopt the strategies, goals, and implementation processes from the statewide Diversity, Equity, and Inclusion Action Plan to fit their mission. This can be used as a toolkit to guide the development and implementation of your agency's DEI Plan.

An agency's DEI Plan serves as an overarching DEI strategy tool. In addition to the DEI Plan, agencies are required to have an Affirmative Action Plan, updated annually. Both the DEI and affirmative action plans should be submitted to the DAS Affirmative Action Manager. Agencies without a current plan must complete an initial plan by June 1, 2023. The Affirmative Action Plan serves as an element of the DEI Plan and supplements the implementation to achieve both DEI and Affirmative Action goals.

DAS will provide an annual compliance report to the Governor's office.

### **Additional Information:**

- Executive Order 22-11 as it relates to Affirmative Action, Equal Employment Opportunity, Diversity, Equity, and Inclusion. Direct link to executive order: [https://www.oregon.gov/gov/eo/eo\\_22-11.pdf](https://www.oregon.gov/gov/eo/eo_22-11.pdf).
- Resource: <https://youtu.be/hDXQdcQ0InU> (51 Minutes).

- Affirmative Action Plan Workshop: <https://youtu.be/AcX7vmL6pPc> (48 Minutes).

**Agency Emergency Preparedness:**

Agencies are required to have in place and update annually their continuity of operations plan (COOP). DAS Policy [107-001-010](#) outlines COOP requirements for agencies. Additionally, the Oregon Department of Emergency Management has a Continuity of Operations Plan Toolkit available on their website. The toolkit includes a link to [FEMA's Continuity of Guidance Circular](#), which provides additional guidance on what a COOP should include. Agencies without a current plan must complete an initial plan by September 30, 2023. Plans should be submitted to the Department of Emergency Management who will report compliance annually to the Department of Administrative Services and the Governor's office.

Note: ODEM and DAS are in the process of implementing a new COOP software package. This software will provide a step-by-step guide for developing a COOP. Deadline for full implementation is June 30, 2023; agencies will be kept apprised of progress.

**Agency Hiring Practices:**

Agencies will monitor hiring practices to ensure that the average time to fill positions does not exceed more than 50 days. Time to fill means from the day the recruitment is open to the day a job offer is made to the candidate. Executive recruitments can be excluded from this calculation given the more expansive nature of those recruitments. DAS will provide the Governor's office with a quarterly progress report to identify agency hot spots. This is intended to be both a stretch goal for agencies and an early warning indicator of a potentially struggling agency.

DAS will monitor enterprise vacancy rates and report on those rates quarterly to the Governor's office.

**Audit Accountability:**

Agencies will work collaboratively with the Secretary of State (SOS) and ensure that all SOS and internal audit findings are resolved within the target date the agency specified in their management response to the audit recommendations, or if there is no management response, findings are to be resolved 12 months from the date the audit report is issued. Agencies will demonstrate their quarterly progress on key findings if implementation or resolutions takes longer than 12 months or they miss their targeted specified date. Unresolved audit findings should be reported to the DAS Strategic Initiatives & Enterprise Accountability Division. DAS will provide a process and template by June 1, 2023. DAS will provide an annual update to the Governor's office.

**Developing New Employees and Managers:**

All agencies will develop new employee orientation programs and be able to demonstrate that 100% of their employees participate in their onboarding programs within 60 days of hire. Agencies will comply by December 31, 2023.

All new state employees will participate in DAS' customer service training within 60 days of hire. DAS will develop and implement this training by June 1, 2023. Agencies will be responsible for ensuring employee participation and DAS will provide quarterly reports to the

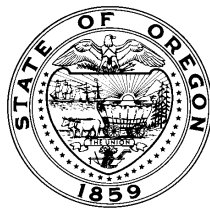
Governor's office about compliance. Agencies are expected to achieve compliance by December 31, 2023.

All agencies will ensure that every new employee participates in Uplift Oregon's benefits workshop within 30 days of hire, so that the education supports employees to make fully informed decisions when choosing their benefits. Agency onboarding systems will incorporate time for each employee to access a virtual, two-hour training ideally within 14 days of hire, or before an employee completes their benefits enrollment documents. Agencies will comply by June 1, 2023. DAS will provide quarterly performance reports.

All agencies will ensure that managers new to managing in state government complete the introductory manager training program within three months of starting their new management position. Agencies will comply by June 1, 2023. DAS will provide quarterly reports to the Governor's office about compliance.

# **Review of Semi-Independent Agency Reports**

**April 1, 2022**



**Legislative Fiscal Office**



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## **REVIEW AUTHORITY AND PURPOSE OF REPORT**

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

The reporting agencies include:

- 1) Board of Architect Examiners
- 2) Appraiser Certification and Licensure Board
- 3) Board of Examiners for Engineering and Land Surveying
- 4) Board of Geologist Examiners
- 5) Landscape Architect Board
- 6) Landscape Contractors Board
- 7) Board of Massage Therapists
- 8) Board of Optometry
- 9) Board of Physical Therapy
- 10) Oregon Patient Safety Commission
- 11) Oregon Wine Board
- 12) Citizens' Initiative Review Commission

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

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

## **SEMI-INDEPENDENT AGENCIES HISTORY AND BACKGROUND**

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

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

### **Funding**

The 12 agencies subject to the ORS 182.472 reporting requirement are mostly self-funded. The first nine boards are supported by income such as application, examination, license fees, and other program revenue. The Oregon Patient Safety Commission is funded by annual fees assessed on Oregon healthcare facilities and by state General Fund that comes to the Commission as pass-through funding from the Oregon Health Authority to administer the Early Discussion and Resolution program. The Oregon Wine Board is funded primarily through an assessment on grapes harvested for wine production and a privilege tax imposed on manufacturers and distributors of wine. Other revenue sources include program fees and grants. The Citizens' Initiative Review Commission has been solely dependent on charitable foundations and donations from individuals.

### **Statutory Differences**

Semi-independent agencies subject to this reporting requirement are exempt from statutes regulating state agencies in the following areas:

- Personnel relations (except for temporary appointments and collective bargaining)
- Use of state facilities and printing
- Public contracting and purchasing (except for surplus property and products of the disabled)
- Interagency services
- Financial administration (except for writing off uncollectible debts)
- Disbursing and investing of funds
- Salaries and expenses of state officers and employees

Semi-independent agencies must maintain tort liability coverage, adhere to public records and meeting laws, use the services of the Department of Justice for advice and counsel, use the services of the Secretary of State Audits Divisions for financial control through audit or review, and maintain continual participation in the state Public Employees Retirement System.

### **Fiscal Accountability**

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

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

## **Administrative Accountability**

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

## **REVIEW PROCESS**

This review is focused on the provisions of ORS 182.472 and covers reports submitted by the April 1, 2022 deadline. Reports were reviewed for compliance with statutory requirements. This review should not be considered an audit, as findings and conclusions are limited to the information provided by agencies in response to ORS 182.472. LFO staff worked with agencies via email as well as phone and video calls to collect missing information, provide feedback on report content, and discuss proposed recommendations for future reports.

## **REVIEW FINDINGS**

### **General Reporting**

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

### **Summary of Financial Audits/Reviews**

The statute requires agencies to submit "the most recent audit or financial review of the board." Ten agencies submitted a financial review from Moss Adams, LLP., for the biennium ending June 30, 2021.

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

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

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

### **Budget and Fund Analysis**

All agencies provided: 1) a balance sheet for the 2019-21 biennium; 2) a comparison of budgeted to actual revenues and expenditures for the 2019-21 biennium; 3) a projected/adopted budget for the 2021-23 biennium; and 4) a forecasted balance sheet for the 2021-23 biennium. Agencies are asked to clearly identify beginning and ending balances and variances between reported and audited numbers. During this reporting period numerous agencies did not provide the budget and financial documents listed in the LFO reporting guidelines. For future reports, the guidelines included in

Appendix D have been revised to further highlight the types and formats of documents agencies are requested to submit to help fulfill the statutory reporting requirement.

### 2019-21 Biennium

Overall, these agencies operated within their budgets for the 2019-21 biennium. Where variances existed, the agencies provided reasonable explanations.

The 2019-21 actual expenditures for reporting agencies ranged from \$381,767 for the Landscape Architect Board to \$5.2 million for the Oregon Wine Board. Ten of the reporting agencies performed under budget for the biennium. The Board of Examiners for Engineering and Land Surveying formally increased their budgeted expenditure limitation through the administrative rules process due to being over budget and needing additional funding for expenses due to inaccurate forecasting of expenses such as employee services, attorney fees, and the system modernization project.

For the 2019-21 biennium, revenues exceeded budgeted projections for five of the agencies. These revenue increases were most often the result of an increase in the number of applications, exams, or license registrations. However, several agencies saw negative revenue impacts as a result of the COVID-19 pandemic, related to temporary closures of testing locations, licensees choosing not to renew licenses or retire early, and loss of revenue from events and other activities. Additionally, the Board of Geologist Examiners continued a multi-year trend of declining license renewals as licensees are retiring. The Oregon Patient Safety Commission did not receive some pass-through funding from the Oregon Health Authority due to statewide budget reductions made as a result of the pandemic. The Oregon Wine Board faced a reduction in revenues generated from an assessment on wine grapes, as harvested grape tonnage was reduced as a result of smoke damage to grapes from wildfires, a heat dome in 2021, and COVID-19 related labor shortages and restrictions in the Oregon wine industry.

### 2021-23 Biennium

Ten of the 11 reporting agencies had budget increases between 2019-21 and 2021-23. Changes above the inflationary increases to agency budgets most often included rising costs of employee salaries and benefits. Other reasons for budget increases included compensating for rising legal fees for hearings and Attorney General hourly rates, and higher rates for rent or lease agreements. The Oregon Wine Board reduced their budget to include reductions in trade education and events, and reallocation of staff and funding to other program areas.

See Appendix B for a summary of budgeted and actual fund balance, revenue, and expenditure numbers for the 2019-21 and 2021-23 biennia, as well as a brief budget analysis for each of the reporting agencies.

### **Public Hearing Process**

Each agency provided a description of the public hearing process used to establish the adopted 2021-23 budget, including dates and descriptions of actions taken. Some agencies did not include detailed information about the process they used to enact mid-biennium budget adjustments, but almost all agencies did hold public hearings for budgetary adjustments and fee increases, even when this information was not included in their report. The Oregon Patient Safety Commission did not hold a public hearing for a mid-biennium budget decrease but have updated procedures to ensure that such a hearing happens if budget decreases are made in the future. The Oregon Wine Board increased

their budget without a public hearing in September 2020, in order to approve expenditures from grant funds received, and approve funding for a special research project regarding the effect of wildfire smoke on grapes.

### **Permanent Rules**

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

### **Fees**

During the 2019-21 biennium, four agencies implemented fee changes:

- **Board of Architect Examiners** – Increased almost all architectural firm fees and established a new architectural firm reinstatement application fee of \$100. Architectural firm application fees increased from \$75 to \$100, architectural firm certificate of registration and registration renewal fees increased from \$100 to \$200, and architectural firm late registration fees increased from \$100 to \$150. Architectural firm registration reinstatement fees remained the same at \$400; effective July 1, 2021. The Board also increased almost all fees for individuals and established a new architect reinstatement application fee of \$100, effective July 1, 2022 (individual fee increases were not included in the 2021 rulemaking and went through the rulemaking process in early 2022). Reciprocal application fees increased from \$75 to \$100, certificate of registration by reciprocity fees increased from \$100 to \$200, architect certificate of registration renewal fees increased from \$200 to \$240 (2-year period), late certificate of registration renewal fees increased from \$100 to \$150, and late continuing education fees increased from \$100 to \$240. Architect registration reinstatement fees remained the same at \$400.
- **Landscape Contractors Board** – Increased almost all fees, with individual application and renewal fees from \$100 to \$170, business application fees from \$150 to \$255, and business licensing and renewal fees from \$275 to \$345. All but one other agency fee was also increased.
- **Appraiser Certification and Licensure Board** – Increased all but one of the 23 fees set by the agency and created three new fees. Most notably for individual appraisers, the application fee increased from \$75 to \$125, the initial two-year licensing fee from \$550 to \$600, and the individual renewal fee from \$500 to \$640. For Appraisal Management Companies, initial registration fees increased from \$1,500 to \$3,000 and registration renewal fees from \$3,000 to \$4,250. A new \$1,000 Appraisal Management Company change of business name fee was introduced, as were two new fees for continuing education providers.
- **Board of Optometry** – Instituted fee increases, including active license annual renewal from \$300 to \$348; inactive license annual renewal from \$100 to \$123; application for examination and licensure from \$200 to \$300; reactivation/reinstatement of license from \$100 to \$150; wall display certificates from \$30 to \$40; license verification from \$20 to \$30; and late inactive renewal from \$15 to \$20.

As of April 1, 2022, two agencies implemented a fee change during the 2021-23 biennium:

- **Oregon Board of Physical Therapy** – Increased the fees for initial applications from \$150 to \$187; Physical Therapist renewal applications from \$170 to \$200; and Physical Therapist Assistants from \$110 to \$130. The Board will also start collecting all pass-through and license

processing fees the Board was previously authorized to collect but had been paying on behalf of licensees due to excessive reserves.

- **Oregon State Board of Examiners for Engineering and Land Surveying** – Increased renewal fees from \$190 to \$230.

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

### **Board Membership and Best Practices**

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

Most agencies did not provide Board membership and best practices detail in submitted reports. As with information needed for the Budget and Fund Analysis section of this report, LFO has updated the reporting guidelines in Appendix D to further highlight information needed from semi-independent agencies regarding board membership and best practices.

### **Additional Board Actions Promoting Consumer Protection**

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

### **Licensing and Enforcement Activities**

In general, agencies are answering complaints and conducting investigations in a timely manner. The Legislative Fiscal Office continues to recommend that each agency better document its data collection process and include this documentation in its reporting. Agencies can improve the quality of their reporting by providing analysis of the collected data. Documentation of the data collection process is especially necessary with many of the agencies migrating to new licensing information systems. Several agencies reported difficulty finding investigative staff. Due to the small size of many of these licensing boards, staff may not be able to backfill when an investigatory position is vacant for any period of time, which can lead to a backlog of cases.

While many agencies saw fewer cases during the COVID-19 pandemic due to limited practice by licensees, Oregon Board of Massage Therapists was one of a few agencies that saw a large increase in cases during the 2019-21 biennium. The Board had an increase in complaints due to unlicensed practitioners who remained open despite pandemic-related restrictions. Increased complaints about unlicensed practitioners have been a trend since the Board changed licensing requirements in 2016, leading to an increase in illegal massage facilities. The Appraiser Certification and Licensure Board saw a 10.5% increase in cases during the 2019-21 biennium and has a backlog of unresolved cases due to staff vacancies in 2017 and 2018. The Landscape Contractors Board has also seen a steady increase in cases since 2015 due to the high demand for landscaping work.

### **Other Performance Indicators**

The Oregon Wine Board, Oregon Patient Safety Commission, and Citizens' Initiative Review Commission do not provide licensing services. In accordance with Legislative Fiscal Office recommendations, the Oregon Wine Board provided information that enabled LFO to review agency performance in line with the expectations of ORS 182.472. The Oregon Wine Board submitted its 2019-20, 2020-21, and 2021-22 Annual Reports. The Oregon Patient Safety Commission has a statutory obligation (ORS 442.837) to publicly report aggregate data from its voluntary Patient Safety Reporting Program. Oregon Patient Safety Commission staff review reports submitted by participating facilities (i.e., hospitals, ambulatory surgery centers, nursing homes, and retail pharmacies) according to the quality criteria defined in its administrative rules (e.g., OAR 325-010-0035 Oregon Patient Safety Reporting Program for Hospitals: Commission Review of Reports).

### **RECOMMENDATIONS FOR FUTURE REPORTING**

Due to the insufficiency of requested information provided by semi-independent agencies for certain sections of this report, LFO has revised the reporting guidelines in Appendix D for future reports. The reporting guidelines now include a checklist to assist agencies with ensuring that all requested documentation is submitted for the next reporting cycle. LFO recommends that agencies follow the updated guidelines for the 2024 reporting cycle.

Many agencies contracted for financial reviews with a new firm this year. The financial reviews submitted to LFO did not include copies of financial documents reviewed by Moss Adams, LLP. Additionally, the financial reviews performed did not include an overview of agency operations, including staffing, office processes, and contracts, which had been included in prior years. LFO recommends that agency financial reviews either be expanded to address general operations or agencies provide additional information that allows LFO to understand general operations and staffing of the agency.

### **OTHER SEMI-INDEPENDENT AGENCIES**

#### **Oregon Tourism Commission (Travel Oregon)**

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

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

See page 26 of Appendix B for a brief review of the agency's use of transient lodging tax for the 2019-21 and 2021-23 biennia.

#### **Oregon Travel Information Council and Oregon Film and Video Office**

ORS 377.838 requires the Oregon Travel Information Council (OTIC) to file with the Governor, Legislative Assembly, and Legislative Fiscal Office an annual report of its activities and operations.



OTIC submitted financial reviews performed by Moss Adams, LLP for the periods ending June 30, 2020 and 2021, along with its budget for 2019-21.

ORS 284.335 requires the Oregon Film and Video Office to file with the Governor, Legislative Assembly, and Legislative Fiscal Office a biennial report of its activities and operations. The Office submitted its budget and legislative briefings for the 2019-21 and 2021-23 biennia.

Because the Oregon Travel Information Council and Oregon Film and Video Office are required to present their budgets and agency operations information to a legislative committee, this report does not include a detailed review.

# APPENDIX A

## Semi-Independent Agencies: Operations Summary for 2019-21 Biennium

	2019-2021		Board Members		2019-2021	Approximate #			Director	2019-2021	2021-2023	2021-2023	
	Pos.	FTE	Industry	Public	Board Meetings	Individuals	Firms/ Business	Board Stipend	Monthly Salary (as of 6/30/21)	Actual Expenditures	Budgeted Expenditures	Pos.	FTE
Board of Architect Examiners	5	4.13	5	2	13	3,832	881	\$100/day	\$11,903	\$1,383,440	\$1,554,085	5	4.13
Appraiser Certification and Licensure Board	7	6.50	7	1	8	1,551	113	\$0/day	\$8,711	\$2,007,663	\$2,440,572	7	6.50
Board of Examiners for Engineering and Land Surveyors	16	16.00	9	2	19	33,650	-	\$30/day	\$11,903	\$3,932,665	\$4,630,000	13	13.00
Board of Geologist Examiners	2	2.00	4 <sup>+</sup>	1	8	1,143	-	\$100/day	\$9,812	\$689,381	\$812,791	2	2.00
Landscape Architect Board	u	u	4	3	9	525	206	\$50/day	u	\$381,767	\$499,371	u	u
Landscape Contractors Board	5	4.50	5	2	20	1,557	1,332	\$155/day	\$9,782	\$1,604,922	\$1,827,330	5	4.50
Board of Massage Therapists	6	6.00	4	3	12	7,837	275	\$155/day	\$9,129	\$2,065,520	\$2,507,795	6	6.00
Board of Optometry	2	2.00	4	1	8	1,128	-	\$100/day	\$9,801	\$814,965	\$912,095	2	2.00
Board of Physical Therapy	4	3.60	6	2	18	6,581	-	\$150/day	\$11,351	\$1,349,751	\$1,768,364	4	3.60
Oregon Patient Safety Commission	10	10.00	17	0	14	o	o	None Paid	\$12,007	\$3,030,944	\$3,609,773	10	10.00
Oregon Wine Board	8	8.00	9	0	26	o	o	None Paid	\$19,700	\$5,201,588	\$5,081,918	8	8.00
Citizens' Initiative Review Commission *													

+ Plus one *ex officio* member (State Geologist)

u Contracted services from Board of Geologist Examiners

£ Emeritus Status no longer included in count

o Not a licensing agency

\* Deactivated

## APPENDIX B

### Semi-Independent Agencies: Budget to Actual Summary

	2019-2021 Actual Beginning Fund Balance	2019-2021 Approved Budgeted Revenues	2019-2021 Actual Revenues	2019-2021 Approved Budgeted Expenditures	2019-2021 Actual Expenditures	2019-2021 Budgeted Ending Fund Balance	2019-2021 Actual Ending Fund Balance	2021-2023 Adopted Budgeted Revenues	2021-2023 Adopted Budgeted Expenditures	2021-2023 Budgeted Ending Fund Balance
Board of Architect Examiners	\$1,006,833	\$1,068,065	\$1,057,358	\$1,459,467	\$1,383,440	\$615,431	\$680,752	\$1,351,619	\$1,554,085	\$478,286
Appraiser Certification and Licensure Board	\$866,627	\$2,178,624	\$2,316,142	\$2,173,751	\$2,007,663	\$871,500	\$1,175,106	\$2,441,925	\$2,440,572	\$1,176,459
Board of Examiners for Engineering and Land Surveyors	\$1,670,710	\$3,919,569	\$3,710,022	\$3,950,000	\$3,932,665	\$1,640,279	\$1,448,067	\$4,010,740	\$4,630,000	\$828,807
Board of Geologist Examiners	\$297,207	\$666,400	\$676,221	\$717,361	\$689,381	\$246,246	\$284,047	\$686,240	\$812,791	\$157,496
Landscape Architect Board	\$321,872	\$470,950	\$469,324	\$468,290	\$381,767	\$324,532	\$409,429	\$475,800	\$499,371	\$385,858
Landscape Contractors Board	\$380,988	\$1,852,540	\$1,909,916	\$1,778,957	\$1,604,922	\$454,571	\$685,982	\$1,827,310	\$1,827,330	\$685,962
Board of Massage Therapists	\$345,778	\$2,417,004	\$2,285,884	\$2,417,000	\$2,065,520	\$345,782	\$566,142	\$2,513,241	\$2,507,795	\$571,588
Board of Optometry	\$241,977	\$786,000	\$776,070	\$839,562	\$814,965	\$188,415	\$203,082	\$817,950	\$912,095	\$108,937
Board of Physical Therapy	\$1,014,745	\$1,219,710	\$1,296,585	\$1,616,173	\$1,349,751	\$618,282	\$961,579	\$1,615,413	\$1,768,364	\$808,629
Oregon Patient Safety Commission	\$1,375,641	\$3,415,970	\$3,363,841	\$3,415,970	\$3,030,944	\$1,375,641	<i>\$1,708,538</i>	\$3,609,773	\$3,609,773	<i>\$1,708,538</i>
Oregon Wine Board	\$1,004,720	\$5,570,042	\$5,145,568	\$6,160,458	\$5,201,588	\$414,304	\$948,700	\$4,965,328	\$5,081,918	\$832,110
Citizens' Initiative Review Commission										

*Italicized numbers denote where agency-reported ending balance and actual biennial ending balance differ; further information included in the text of the report as needed.*

## BOARD OF ARCHITECT EXAMINERS

	2017-19 Budget	2017-19 Actual	2019-21 Budget	2019-21 Actual	2021-23 Budget
<b>Total Funds</b>	<b>\$1,248,270</b>	<b>\$1,113,401</b>	<b>\$1,459,467</b>	<b>\$1,383,440</b>	<b>\$1,554,085</b>
Positions	5	5	5	5	5
FTE	4.13	4.13	4.13	4.13	4.13

### Overview

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

### Revenue Sources

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

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

### ***Fee Increases for Firms (effective July 1, 2021)***

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

### ***Fee Increases for Individuals (effective July 1, 2022)***

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

### Budget Environment and Registration and Enforcement Activities

The Board currently regulates approximately 4,700 active registrants, between individuals and firms, an increase of approximately 300 registrants from the previous biennium. The number of individual

registration applications slightly decreased from recent biennia, with 11% fewer individual applications received in 2019-21 than 2017-19 (551 versus 621); however, this is much higher than the average of 232 applications received between 2009 and 2015. The number of active registrants (both individuals and firms) increased approximately 24% in the past decade.

In 2019-21, the Board received 48 complaints and resolved 70 of the overall complaints outstanding, with a case clearance time of 301 days. Comparatively, in 2017-19, the Board received 47 complaints and resolved only 24 of these complaints, with a case clearance time of 273 days. The Board reports the average case clearance time is higher due to closing one case that opened in 2016, four cases that opened in 2017, and 12 cases that opened in 2018; excluding these older cases would result in an average closure rate for the 2019-21 biennium of 175 days versus 301 days.

#### 2019-21 Budget to Actual

The Board's 2019-21 actual revenue was \$1,057,358, a 1% decrease from budgeted revenue. This number does not include the budgeted \$391,402 transfer from reserves. The Board's 2019-21 actual expenditures were \$1,383,440, 5.2% less than budgeted.

The Board experienced a slight decrease in exam applications and registration revenue due to the COVID-19 pandemic. Testing centers were temporarily closed during the 2019-21 biennium which delayed individuals nationwide from completing the Architect Registration Exam, a key component of the registration application process.

#### 2021-23 Budget

The 2021-23 Board adopted budget of \$1,554,085 represents a 6.5% increase from the 2019-21 adopted budget. This increase is largely due to increased personal services costs, Department of Administrative Services Risk Management fees, and Department of Justice (DOJ) legal fees.

Revenue in 2021-23 is projected to be \$1,351,619 which represents a 26.5% increase from the 2019-21 adopted budget, with a projected ending cash balance of \$478,286, equivalent to approximately 7.4 months of operating costs.

The Legislative Fiscal Office notes the 2021-23 projected ending balance of \$482,306 included in the report submitted by OSBAE is not adjusted for outstanding liabilities expensed and paid in different biennia.

## APPRAISER CERTIFICATION AND LICENSURE BOARD

	2017-19 Budget	2017-19 Actual	2019-21 Budget	2019-21 Actual	2021-23 Budget
<b>Total Funds</b>	<b>\$1,906,609</b>	<b>\$1,369,200</b>	<b>\$2,173,751</b>	<b>\$2,007,663</b>	<b>\$2,440,572</b>
Positions	7	7	7	7	7
FTE	7.00	7.00	6.50	6.50	6.50

### Overview

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

### Revenue Sources

The Board is funded by revenue generated primarily from license application and renewal fees, with additional funding from interest earnings and civil penalties. The Board increased almost all fees in the Appraiser and AMC programs, and introduced three new fees, as of July 2019. Most notably for individual licensees, the application fee was increased from \$75 to \$125; the initial license fee was increased from \$550 to \$600; the continuing education course application fee increased from \$75 to \$200; and the biannual license renewal fee increased from \$500 to \$640. For AMCs, the application fee remained at \$1,000, while the registration fee increased from \$1,500 to \$3,000; the late renewal fee increased from \$100 to \$1,000; the late annual report fee increased from \$100 to \$1,500; and the biannual registration renewal fee increased from \$3,000 to \$4,250. Fees had last been increased in 2008.

### Budget Environment and Licensing and Enforcement Activities

The Board currently regulates approximately 1,550 active individual licensees and 120 AMCs. Individual licensee numbers hit a low of 1,184 licenses in 2013-15 but have increased in the years since.

There were 84 total complaints filed against individual licensees in the 2019-21 biennium, up 10.5% from the previous biennium. In 2019-21, 82 complaints were resolved, with 53 cases resulting in a sanction being imposed. Case numbers for AMCs decreased by 50% during the 2019-21 biennium, with only eight complaints received. The Board has a backlog of cases because of staff vacancies in 2017 and 2018 that it continues to work through; 40 of 74 active cases were more than a year old at the time the ACLB submitted their report. ACLB has a new Board Administrator as of June 2020, who previously served as an ACLB Investigator. The Board contracted with an outside consultant to assist with compliance cases until the Investigator position was filled. To deal with a continuing case backlog, the Board anticipates applying for a grant from The Appraisal Foundation to assist in funding a limited-duration Compliance Specialist position and plans to fill an existing part-time compliance position in the 2023-25 biennium.

The Board is monitored by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council, a federal Board, which ensures all state appraiser board programs and activities conform with federal law. Due to the COVID-19 pandemic, the Appraisal Subcommittee conducted

off-site assessments and only provided comments on the Appraiser and AMC licensing programs in the 2019-21 biennium.

Recently, the Board redesigned and implemented a new website that increases communication for licensees, registrants, and AMC entities. The new website provides access to the information database which allows users to determine if an appraiser is credentialed to perform appraisals in connection with federally related transactions, search for licensees, obtain licensing/registration information, and run various reports/rosters of licensees/registrants and AMC entities.

ACLB experienced an increase in processing times for licensing applications and complaints against appraisers and AMC's while staff adjusted to a remote-work environment due to the COVID-19 pandemic. Of note, the Board offers fillable PDF licensing forms but does not currently have an online licensing system. Given the significant costs associated with implementation of an online licensing system, and preliminary projections for the 2023-25 budget, the Board believes it is unlikely that they will be able to absorb upgrade costs until the 2025-27 biennium.

#### 2019-21 Budget to Actual

The Board's 2019-21 actual revenue was \$2,316,142, a 6.3% increase from budgeted revenues. Actual expenditures for 2019-21 were \$2,007,663, 7.6% less than budgeted expenditures; this decrease is due to temporary closure of the ACLB office and a shift to remote work for staff in 2020 and 2021, and elimination of travel for Board members and staff.

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

#### 2021-23 Budget

The Board's 2021-23 budget of \$2,440,572 represents a 12.3% increase from the 2019-21 adopted budget. The projected ending cash balance of \$1,176,459 equals approximately 11.6 months of operating costs.

## BOARD OF EXAMINERS FOR ENGINEERING AND LAND SURVEYING

	2017-19 Budget	2017-19 Actual	2019-21 Budget	2019-21 Actual	2021-23 Budget
<b>Total Funds</b>	<b>\$3,230,000</b>	<b>\$3,502,759</b>	<b>\$3,950,000</b>	<b>\$3,932,665</b>	<b>\$4,630,000</b>
Positions	16	16	16	16	13
FTE	16.00	16.00	16.00	16.00	13.00

### Overview

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

### Revenue Sources

The Board is funded primarily through application and registration fees, with additional revenue from civil penalties and other miscellaneous income. Revenue in 2019-21 was \$3,710,022, 5.4% less than the adopted budget projection. An overall decrease of 17.9% in licensing activities occurred in the 2019-21 biennium due to the COVID-19 pandemic. The Board noticed the largest decrease in all application types (registration, certifications, and exams) in early 2020 but has since seen the number of applicants increase to pre-pandemic levels.

### Budget Environment and Licensing and Enforcement Activities

The Board regulates approximately 33,650 individuals in the fields of engineering, land surveying, photogrammetry, and water right examination. Complaints to the Board decreased by 25.5% from the previous biennium. The COVID-19 pandemic likely caused a decrease in complaints due to limited work by licensees. Of the 122 cases closed in 2019-21, 53 resulted in some form of disciplinary action, a 12% decrease from the previous biennium. The Regulation Department has consistently helped lower the number of open cases from year to year and increased the speed at which cases reach a resolution.

The Board reports that in the fall of 2021, OSBEELS launched a new online database, MyOSBEELS. MyOSBEELS allows applicants to apply for professional registration online, submit registration renewals online, provides professionals the ability to update their registration and personal information directly from their online profile, provides registrant look-up tools, and allows registrants and public members to submit requests to OSBEELS staff. Since the program launched, several thousand registrants and applicants have created profiles within MyOSBEELS.

Due to a projected budget shortfall for the 2021-23 biennium, the Board increased renewal fees from \$190 to \$230 in October 2021. Prior to raising rates, the Board also eliminated three vacant positions, including an Office Specialist and an Administrative Specialist which were no longer needed due to automation of processes, as well as a Compliance Specialist position, as the Board projects having sufficient staffing to address the current caseload.



#### 2019-21 Budget to Actual

The Board's 2019-21 actual expenditures were \$3,932,665, which was 0.4% less than budgeted. The Board approved an increase to the agency budget from \$3,510,370 to \$3,950,000, on January 12, 2021. OSBEELS followed the rulemaking process and deemed the increase necessary due to inaccurate forecasting of expenses such as employee services, attorney fees, and the system modernization project.

#### 2021-23 Budget

The 2021-23 budget of \$4,630,000 represents an 17.2% increase from the 2019-21 adopted budget. The 2021-23 budget has a projected ending cash balance of \$828,807, which equals approximately 4.3 months of operating costs.

The Legislative Fiscal Office (LFO) notes that OSBEELS did not provide a 2021-23 forecasted balance sheet, as required by ORS 182.472. The agency reports it has updated reporting processes and moving forward will provide all requested documents per the reporting guidelines provided by LFO.

## BOARD OF GEOLOGIST EXAMINERS

	2017-19 Budget	2017-19 Actual	2019-21 Budget	2019-21 Actual	2021-23 Budget
<b>Total Funds</b>	<b>\$690,465</b>	<b>\$628,832</b>	<b>\$717,360</b>	<b>\$689,381</b>	<b>\$812,791</b>
Positions	2	2	2	2	2
FTE	2.00	2.00	2.00	2.00	2.00

### Overview

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

### Revenue Sources

The Board is funded by revenue generated from annual renewal fees for registrants, initial registration fees, and application review fees. Other miscellaneous sources include civil penalties, late fees, interest income, and an interagency agreement with the Oregon State Landscape Architect Board (OSLAB) for shared administration activities. The Board has seen an increased number of licensees qualify for reduced-fee licenses which automatically applies at a certain age, leading to a slight negative impact on revenues. The Board reports that a fee increase in the 2023-25 biennium remains unknown but will likely need to occur if actual revenues and expenses for the 2021-23 biennium are close to projections. Fees were last increased in 2017.

### Budget Environment and Registration and Enforcement Activities

The Board regulates approximately 1,140 registrants. License applications and new licenses continue to increase, but overall registration numbers decreased by 2.4% in the 2019-21 biennium due to retirements and non-renewals.

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

OSBGE opened and closed one compliant case in the 2019-21 biennium. The 2019-21 case count marked an all-time low for the Board in terms of number of cases reviewed. A continued low number of complaints has led to concern that licensees are reluctant to report infractions, due to a lack of anonymity when reporting, among other reasons. The Board provides all new registrants with a copy of the Code of Professional Conduct and reminds all registrants of the importance of following the Code and their duty to report potential violations to the Board. A lack of external reporting could undercut the Board's regulation abilities.

### 2019-21 Budget to Actual

The Board's 2019-21 actual revenue was \$676,221, which was 1.5% higher than projected. OSBGE's 2019-21 actual expenditures were \$689,381, which was 3.9% less than the adopted budget; this was due to IT and legal expenses that came in lower than anticipated.

### 2021-23 Budget

The 2021-23 budget of \$812,791 represents a 13.3% increase from the 2019-21 adopted budget. While Board expenditures for 2019-21 remained under budget, the Board retains certain budget line items in case of contingencies, such as an increase in their compliance caseload. The projected ending cash balance of \$157,496 equals approximately 4.7 months of operating costs.

## LANDSCAPE ARCHITECT BOARD

	<b>2017-19 Budget</b>	<b>2017-19 Actual</b>	<b>2019-21 Budget</b>	<b>2019-21 Actual</b>	<b>2021-23 Budget</b>
<b>Total Funds</b>	<b>\$455,523</b>	<b>\$356,491</b>	<b>\$468,289</b>	<b>\$381,767</b>	<b>\$499,371</b>
Positions	0	0	0	0	0
FTE	0.00	0.00	0.00	0.00	0.00

### Overview

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

### Revenue Sources

The Board is funded primarily by application and annual registration fees for individuals and businesses. Revenues in 2021-23 are projected to be \$475,800, which is a 1.4% increase over the actual revenue received in 2019-21. Fees were last increased in 2017.

### Budget Environment and Licensing and Enforcement Activities

The Board has approximately 525 active individual registrants and 205 business licensees. The Board cites some concerns about a decreasing pipeline of license candidates, due to low examination application numbers and overall aging of licensees. The Board notes that the COVID-19 pandemic likely contributed to a lower number of examination applicants for the period of March 2020 through June 2021.

The number of complaints and investigations conducted remains small, with only one open complaint at the end of the 2019-21 biennium. Most cases involve improper advertising of landscape architect services and are quickly resolved through education and proper registration. Very few cases result in formal disciplinary actions. The Board uses a private firm for contract investigation services. The Board staff include a contract Administrator and contract Registration Specialist who are employed by the Oregon State Board of Geologist Examiners but work part-time (totaling 1.00 FTE) at OSLAB through an interagency agreement that is subject to renegotiation each biennium.

### 2019-21 Budget to Actual

The Board's 2019-21 actual revenue was \$469,324, a 0.4% decrease from budgeted revenue due to business registrations being slightly less than projected. The Board's 2019-21 actual expenditures were \$381,767, 18.5% under budget, with unrealized costs for legal and investigative services due to the low number of compliance cases over the course of the biennium.

### 2021-23 Budget

The 2021-23 adopted budget of \$499,371 represents a 6.6% increase from the 2019-21 adopted budget. While Board expenditures for 2019-21 were well under budget, the Board retains certain budget line items in case of contingencies, such as an increase in their compliance caseload. The projected ending cash balance of \$385,858 equals approximately 18.5 months of operating costs.

## LANDSCAPE CONTRACTORS BOARD

	<b>2017-19 Budget</b>	<b>2017-2019 Actual</b>	<b>2019-21 Budget</b>	<b>2019-21 Actual</b>	<b>2021-23 Budget</b>
<b>Total Funds</b>	<b>\$1,448,332</b>	<b>\$1,458,240</b>	<b>\$1,778,957</b>	<b>\$1,604,922</b>	<b>\$1,827,330</b>
Positions	5	5	5	5	5
FTE	4.50	4.50	4.50	4.50	4.50

### Overview

The Landscape Contractors Board (LCB) regulates the landscape industry in Oregon, to protect the public by promoting a fair and competitive business environment through education, licensing, dispute resolution, and enforcement. The Board is responsible for administering examinations, issuing and renewing licenses, investigating complaints, and monitoring the continuing education of its licensees. The seven-member board is composed of five professionals and two public members.

### Revenue Sources

The Board is funded by revenue generated from application and annual licensure fees for individuals and businesses. Other miscellaneous sources include civil penalties, late fees, and interest income. Revenue in 2021-23 is projected at \$1,826,510, a 4.3% decrease from 2019-21 actual revenues. All but one license and renewal fee were increased for the 2019-21 biennium. Notably, individual application and renewal fees were increased from \$100 to \$170; business application fees from \$150 to \$255; and business licensing and renewal fees from \$275 to \$345.

### Budget Environment and Licensing and Enforcement Activities

The Board licenses around 1,570 individuals and 1,330 businesses. In total, business and individual licensee numbers increased by approximately 7% from the 2017-19 biennium.

In January 2021, the Board created a new Certified Arborists category for licensees that allows a licensee who holds an International Society of Arboriculture (ISA) certification to perform work specific to the planting, removal, and maintenance of trees. LCB also implemented a new online licensing software in May 2020 which allows for electronic processing of applications and renewals.

In 2019-21, consumer complaints against licensed landscape contractors totaled 99, up from 94 in 2017-19 and 76 in 2015-17. An increase in demand for landscaping work has occurred as the economy has improved, which is likely the cause of the increase in complaints.

### 2019-21 Budget to Actual

Actual revenue for 2019-21 was \$1,909,916, about 3.1% higher than budgeted. The Board's 2019-21 actual expenditures were \$1,604,922, approximately 9.8% lower than the \$1,778,957 budgeted; this was due to lower than anticipated administrative printing, staff travel, and legal expenses.

### 2021-23 Budget

The 2021-23 adopted budget of \$1,827,330 represents a 2.7% increase from the 2019-21 adopted budget. The Board's projected ending cash balance of \$685,962 equals approximately 9 months of operating costs. The 2021-23 ending balance of \$757,891 included in the report submitted by LCB does not account for the one month's worth of operating capital that the Board holds in reserve and excludes outstanding liabilities and payroll expenses billed and paid in different biennia.

## BOARD OF MASSAGE THERAPISTS

	<b>2017-19 Budget</b>	<b>2017-19 Actual</b>	<b>2019-21 Budget</b>	<b>2019-21 Actual</b>	<b>2021-23 Budget</b>
<b>Total Funds</b>	<b>\$2,280,000</b>	<b>\$2,090,683</b>	<b>\$2,417,000</b>	<b>\$2,065,520</b>	<b>\$2,507,795</b>
Positions	5	5	6	6	6
FTE	5.00	5.00	6.00	6.00	6.00

### Overview

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

### Revenue Sources

The agency is funded by revenue generated from application and license fees. Other sources include civil penalties, late fees, and the sale of mailing lists. Revenue in 2021-23 is projected to be \$2,513,241 which is 9.1% above 2019-21 actuals, and the projected ending cash balance of \$571,588 equals approximately 5.5 months of operating reserves. The Legislative Fiscal Office notes that the ending balance submitted by the Board is \$550,125, which includes outstanding liabilities and payroll expenses billed and paid at different times.

### Budget Environment and Licensing and Enforcement Activities

Currently, the Board has approximately 7,938 individual licensees and 286 firms. The number of licensees decreased due to the COVID-19 pandemic, from 8,076 licensed individuals in June 2019, to 7,562 licensed as of June 2021. This was a result of temporary closure of all Oregon massage schools, massage therapists allowing their licenses to lapse temporarily, and numerous licensed massage therapists choosing to move to states with fewer restrictions. The Board anticipates that with the easing of the pandemic, licensing numbers will continue to increase.

Starting in January 2016, OBMT stopped requiring a hands-on practical examination for licensure; at that time, Oregon was the only state that required this type of exam. An unanticipated result of having less stringent standards was an increase in unlicensed facilities using massage to engage in labor and human trafficking. Licensed individuals or organizations were able to open businesses that employed or housed persons practicing massage without a license. The Board received a corresponding increase in complaints of illegal massage facilities and illegal activity. In response, the Board has increased education and outreach around this issue, begun assessing civil penalties at maximum levels for facilities or individuals that refuse to comply with Oregon rules and laws, and is working with law enforcement on an ongoing basis to assess their response and further deter these operations, as the Board's only recourse for compliance is civil penalties.

During the pandemic, many illegal facilities remained open despite restrictions related to the spread of COVID-19. This led to increased awareness of these facilities and further increased complaints related to the facilities. Additionally, the Board began issuing civil penalties to any licensed massage therapist associated with the facility, which resulted in multiple cases for many of the facilities. The number of complaints received increased from 328 in the 2015-17 biennium to 442 in the 2017-19 biennium, and 440 in the 2019-21 biennium. The number of investigations conducted increased from 266 to 440 over three biennia as well.

#### 2019-21 Budget to Actual

During the 2019-21 biennium, the Board's actual revenue of \$2,285,884 was 5.4% less than budgeted revenue of \$2,417,004. This was due to impacts on licensing numbers as a result of the COVID-19 pandemic, as well as a decision by the Board to temporarily waive late fees for licensure during the pandemic.

These revenue losses were largely offset by an increase in civil penalty collections, with the Board collecting \$412,894 over the course of the biennium. During the 2019-21 biennium, the Board began using the Department of Revenue for collections instead of having these services in-house or through a private collection agency, which led to increased collection amounts including some from stagnant debt. The Board also modified compliance processes, including providing additional information about civil penalties and payment options to people who were assessed civil penalties, providing information in multiple languages, and increased settlement negotiations. Additionally, the Board recently switched to an online renewal and payment system, which has made payment more convenient and seems to have increased payments. With some older accounts now in collections and a seeming decline in illegal massage facility operations, the Board anticipates civil penalty collections will decrease in the 2021-23 biennium.

The Board's 2019-21 actual expenditures were \$2,065,520, which is 14.5% under the budgeted \$2,417,000. While the Board saw some increased costs as a result of the pandemic, including large one-time outlays for computer equipment to transition the staff and Board members to remote work, cost increases were offset by decreased personal services costs due to less overtime work by staff; decreased investigation and legal expenses during the early months of the pandemic and fewer administrative hearings due to a backlog of cases; and no expenditures for office supplies and limited travel expenses due to remote work, among other savings.

#### 2021-23 Budget

The 2021-23 Board adopted budget of \$2,507,795 represents a 3.8% increase from the 2019-21 Board approved budget of \$2,417,000, due mostly to anticipated increases in state government services charges, increased rent costs due to the move to new offices, and increases in payroll expenses.

## BOARD OF OPTOMETRY

	2017-19 Budget	2017-19 Actual	2019-21 Budget	2019-21 Actual	2021-23 Budget
<b>Total Funds</b>	<b>\$770,655</b>	<b>\$734,898</b>	<b>\$839,562</b>	<b>\$814,965</b>	<b>\$912,095</b>
Positions	2	2	2	2	2
FTE	2.00	2.00	2.00	2.00	2.00

### Overview

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

### Revenue Sources

The Board is funded by revenue generated from application and license fees. Other revenue sources include civil penalties, interest income, and other miscellaneous fees. Revenue in 2021-23 is projected to be \$817,950 which is 4.1% more than 2019-21 estimates, and the projected ending cash balance of \$108,937 equals approximately 2.9 months of operating costs.

Active license renewal income in 2019-21 was 2.5% less than budgeted, and inactive license renewal income was 12.5% less than budgeted, with the overall number of licensees falling approximately 7% in the 2019-21 biennium. The Board attributes this decrease to older licensees who may be uncomfortable with online license renewals or who chose to retire due to the COVID-19 pandemic. Simultaneously, new license application income was 37.7% higher than budgeted. The Board attributes some of the new license application increases to recent Pacific University optometry graduates, as well as out of state optometry graduates who must be licensed in Oregon in order to complete residency programs in this state, though not all new licensees stay in the state after the residency. The Board also notes an increase in established practitioners moving to Oregon to take some of the open positions that were vacant due to retirements.

### Budget Environment and Licensing and Enforcement Activities

During the 2019-2021 biennium, the Board had approximately 1,128 licensees, which includes active and inactive licensees. The Board traditionally receives very few complaints (78 during the 2019-21 biennium). Most cases are closed with no action or an educational letter. Few cases merit penalties or sanctions. The majority of issues are related to continuing education audit compliance. Unlicensed practice in the optometry profession is minimal. The primary risk continues to be the sale and use of cosmetic contact lenses, which are sold without a prescription, proper fitting, or education about maintenance and use.



#### 2019-21 Budget to Actual

The Board's 2019-21 actual revenue was \$776,070, which is 1.3% less than budgeted revenue of \$786,000. The Board's 2019-21 actual expenditures were \$814,965, which is 2.9% less than budgeted expenditures of \$839,562. The primary cost drivers for the Board are personnel and related costs, IT and related services, and professional services costs which are largely related to legal advice and contested case hearings. The Board began working on a new online licensing system during the 2017-19 biennium, and the system was implemented in the 2019-21 biennium.

#### 2021-23 Budget

The 2021-23 Board adopted budget of \$912,095 represents an 8.6% increase from the 2019-21 Board approved budget of \$839,562. The Board's expenses remain relatively flat after accounting for inflation.

## BOARD OF PHYSICAL THERAPY

	2017-19 Budget	2017-19 Actual	2019-21 Budget	2019-21 Actual	2021-23 Budget
<b>Total Funds</b>	<b>\$1,258,000</b>	<b>\$1,241,551</b>	<b>\$1,616,173</b>	<b>\$1,349,751</b>	<b>\$1,768,364</b>
Positions	3	3	3	4	4
FTE	2.80	2.80	2.80	3.60	3.60

### Overview

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

### Revenue Sources

The Board is primarily funded by revenue generated from application, examination, and license fees. Other sources include civil penalties, interest income, and other miscellaneous sources such as license verification fees and mailing lists. Due to a recent fee increase, revenue in 2021-23 is projected to be \$1,615,413, which is 32.4% more than 2019-21 estimates, and the projected ending cash balance of \$808,629 equals approximately 11 months of operating costs. The Board migrated from an annual renewal period to a biannual renewal period in 2016, so due to the license renewal timeline, a majority of the Board's revenues are received during the first quarter of each even-numbered year of the biennium.

Prior to the current biennium, the Board last raised licensing fees in 2004 and then reduced fees by 15% in the 2015-17 biennium to address an exceptionally high ending balance. As of the 2021-23 biennium, the Board has increased the fees for initial applications from \$150 to \$187 and renewal applications for Physical Therapists and Physical Therapist Assistants from \$170 to \$200 and \$110 to \$130, respectively. The Board will also start collecting all pass-through and license processing fees the Board was previously authorized to collect but had been paying on behalf of licensees due to excessive reserves.

### Budget Environment and Licensing and Enforcement Activities

The total number of licensees increased by 1.2%, from 6,502 at the end of the 2017-19 biennium to 6,581 at the end of the 2019-21 biennium. The overall number of applications received and licenses issued has increased slightly over the past few biennia, though the number of new licensees flattened somewhat during the 2019-21 biennium due to the COVID-19 pandemic. This was likely because of delays in clinical placements for students, as well as reduced hours or clinic closures required during some points during the pandemic, which may have delayed graduation for new licensees.

The Board has seen a decline in the total number of complaints over the past few biennia, with 49 complaints received in the 2019-21 biennium. The overall decline in complaints is attributed to the

Board increasing its public outreach and education programs in professional schools and in local professional forums. These outreach efforts include presentations regarding changes to Board statutes and rules, the complaint and investigative process, common violations seen by the Board and how to avoid the same or similar violations, and Board resources available to the licensee and the public when practice questions or concerns arise. In addition, the Board developed and introduced a new jurisprudence examination required for initial licensure. The new exam is a more thorough review of the laws and rules governing the practice of physical therapy in Oregon. During the 2019-21 biennium, the decline in complaints is partially attributed to the fact that less people sought non-urgent care during the COVID-19 pandemic.

The number of investigations and resolutions during the 2017-19 biennium increased 22% due to a concerted effort by the Board to focus on completion of the case backlog carried forward from past biennia. The number of investigations and resolutions in the 2019-21 biennium decreased 31% as the Board had a much smaller backlog to clear; and case resolution times have fallen from an average of 11.9 months in the 2017-19 biennium to 3.7 months in the 2019-21 biennium. Most cases are closed with a finding of no violation or an advisory letter.

#### 2019-21 Budget to Actual

The Board's 2019-21 actual revenue totaled \$1,296,585, which was 6.3% more than budgeted revenues of \$1,219,710. Both Physical Therapists and Physical Therapist Assistants applied for and renewed licenses at higher rates than anticipated. The Board's 2019-21 actual expenditures of \$1,349,751 was 16.5% less than the budgeted \$1,616,173. Due to the COVID-19 pandemic, the agency had some savings in travel and other miscellaneous office expenses. The agency also had less than budgeted costs for legal support from the agency's assigned Department of Justice Assistant Attorney General (AAG), due to the recent switch from a flat rate to hourly billing model for AAG support.

During the 2019-21 biennium, the Board also began the process to migrate file and email services and implement a new licensing database system. These costs were projected to be incurred in the 2019-21 biennium. However, information technology (IT) services are shared with the six boards that comprise the Health-Related Licensing Board (HRLB). Due to a staged implementation process with the HRLBs, OBPT implemented later than originally budgeted, and some costs were pushed out to the 2021-23 biennium.

#### 2021-23 Budget

The 2021-23 adopted budget of \$1,768,364 represents a 9.4% increase from the 2019-21 Board approved budget of \$1,616,173. Cost increases include a projected increase in Board member work hours, liability insurance cost increases, and increased costs related to background checks.

Some of the Board's cost increases were driven by changes to services shared with the HRLBs. During the 2021-23 budget development cycle, the Governor's Budget proposed transferring the HRLBs to the Oregon Health Authority. Because OBPT shares the cost of IT services with the HRLBs, the OBPT budget included additional limitation for IT support services should the HRLB transfer occur. Additionally, the Board's 2019-21 budget included funding for a new IT position within the Board's budget but shared and partially paid for by the HRLBs. For the 2021-23 biennium, that position has been reclassified as an Operations and Policy Analyst and will be solely funded by OBPT.

## OREGON PATIENT SAFETY COMMISSION

	2017-19 Budget	2017-19 Actual	2019-21 Budget	2019-21 Actual	2021-23 Budget
<b>Total Funds</b>	<b>\$4,353,196</b>	<b>\$3,368,725</b>	<b>\$3,415,970</b>	<b>\$3,030,944</b>	<b>\$3,609,773</b>
Positions	15	14	11	10	10
FTE	15.00	14.00	11.00	10.00	10.00

### Overview

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

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

### Revenue Sources

During the 2019-21 biennium, OPSC had two major funding sources:

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

Until July 2019, the agency also served as a subcontractor to OHA's Public Health Division for specific infection prevention related deliverables. OPSC received funding from OHA to do this work through a grant funded by the Centers for Disease Control and Prevention. OPSC has decided to refocus agency energies on the PSRP and EDR program going forward.

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

The Legislative Fiscal Office notes that while the OPSC ending balance for the 2021-23 biennium is calculated at \$1,708,538, OPSC's submitted ending balance is \$2,294,000 which includes outstanding liabilities and payroll expenses billed and paid at different times.

### Budget Environment

The Legislature authorized the assessment of fees on healthcare organizations to fund the operating costs of Oregon's voluntary PSRP. Eligible healthcare organizations include hospitals, long-term care facilities, pharmacies, ambulatory surgical centers, outpatient renal dialysis facilities, freestanding birthing centers, and independent professional healthcare societies or associations and extended stay centers. OPSC anticipates continued pass-through funds from OHA to support the EDR program. OPSC is authorized to seek mission-appropriate grant funding to support the implementation of patient safety best practices throughout Oregon.

The agency is currently going through a transitional period, driven by changes to the healthcare system because of the COVID-19 pandemic, a greater focus on health equity, and staffing changes within the agency. Between 2016 and 2022, the agency went through eight changes in leadership and has simultaneously faced several Board vacancies. The current Executive Director was permanently appointed to the position in June 2022 after twice serving as interim Executive Director. Under a new permanent Executive Director, the agency is focused on evaluating and updating operation of PSRP and the EDR program. This process includes proposed legislation to update PSRP statutes, including revisions to board membership processes to help with the issue of Board vacancies, and codifying health equity as part of PSRP data collection and analysis; updates to the EDR data collection and outreach strategies; and an assessment of staffing needs.

### 2019-21 Budget to Actual

Due to numerous reductions in funding streams, OPSC modified its 2019-21 adopted budget in December 2019. The process of decreasing the budget did not include a public hearing; however, the agency has updated its accounting policy manual to ensure that all future budget adoptions and modifications are correctly implemented. The analysis below discusses agency revenues and expenditures in the context of the modified budget, and not the adopted (initial) budget.

OPSC's 2019-21 actual revenue of \$3,363,841 was 1.6% less than the budgeted revenue of \$3,415,970. The largest source of income for OPSC was \$1.76 million from OHA for the EDR program. During the 2019-21 biennium, funding from OHA was reduced on a one-time basis by 10%, from \$1.95 million to \$1.76 million, as part of reductions in state agency budgets because of a potential statewide revenue shortfall resulting from the COVID-19 pandemic.

Additionally, from 2015 to 2019, OPSC served as a subcontractor to OHA to improve infection prevention practices in a variety of healthcare settings across the state. Funding for this work was provided by a Centers for Disease Control and Prevention grant. In May 2019, OPSC's Board decided not to pursue further grant funding following completion of the grant cycle ending in July 2019, and to instead focus all resources on EDR and PSRP. This eliminated \$770,764 from the agency budget.

Finally, OPSC also cancelled in-person events during the 2019-21 biennium due to the pandemic and was unable to collect sponsorship contribution revenue associated with these events, reducing total revenues by \$48,600. All other actual revenues had minor variances from budgeted amounts.

OPSC's 2019-21 actual expenditures were \$3,030,944, which is 12.7% less than budgeted expenditures of \$3,415,970. Due to the decision to stop subcontracting for grant work through OHA, OPSC eliminated two limited-duration positions associated with this work. Additionally, due to the reduction in the allotment received from OHA for EDR, OPSC reassigned a portion of an EDR staff's workload to support PSRP work, allowing an unfilled PSRP position to be eliminated. The Commission also saw savings in travel, office expenses, and conference and meeting expenses due to remote work during the pandemic. Additional savings resulted from DOJ legal service costs, which OPSC had budgeted for flat rate billing but were instead billed on an hourly basis, which resulted in a lower cost. Professional services costs were substantially less than budgeted due to various changes in contractor needs and costs that came in under-budget.

#### 2021-23 Budget

The 2021-23 adopted expenditures of \$3,609,773 represent a 5.7% increase from the 2019-21 approved expenditures of \$3,415,970, with inflationary increases for personnel costs partially offset by reductions in services and supplies costs due to an anticipated slow return to travel and in-person events.

## OREGON WINE BOARD

	<b>2017-19 Budget</b>	<b>2017-19 Actual</b>	<b>2019-21 Budget</b>	<b>2019-21 Actual</b>	<b>2021-23 Budget</b>
<b>Total Funds</b>	<b>\$5,846,095</b>	<b>\$5,698,264</b>	<b>\$6,160,458</b>	<b>\$5,201,588</b>	<b>\$5,081,918</b>
Positions	9	9	9	8	8
FTE	9.00	9.00	9.00	8.00	8.00

### Overview

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

### Revenue Sources

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

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

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

Other revenue sources include program fees and grants. Grants include the U.S. Department of Agriculture Market Access Program export grants, Value-Added Producer Grants, and Rural Development Rural Business Enterprise Grants. OWB also receives grant funding through the Specialty Crop Block Grant program for out-of-state tasting events and trade education, which is anticipated to total \$169,000 in the 2021-23 biennium.

The Board charges fees of \$150 to \$500 to wineries participating in the export program for costs that are not otherwise covered by USDA grants. The Board also charges participation fees, which were last set at \$650, for winery participation in domestic trade and consumer tasting events. Additional revenue is derived from consumer ticket sales to events.

Senate Bill 442 (2011) established a wine country license plate program with proceeds going to the Oregon Tourism Commission to distribute to tourism-promoting agencies for wine and culinary

tourism. The Wine Board received \$65,063 from this program during the 2019-21 biennium for development of winery visitor profiles and development of an Oregon wine brand and style identity.

The Board retains an amount equal to 30% of the prior three-year average grape assessment income for the purpose of covering expenses in case of a year where the grape harvest is limited. This amount is intended to be sufficient to cover six months of overhead costs as well as any technical research grant commitments. The Board's projected ending balance for the 2021-23 biennium is \$832,110, equivalent to 3.9 months of operating reserves.

#### Budget Environment

The Board is required to adopt budgets on an annual basis. The Board may adopt or modify a budget only after holding a public hearing and must give notice of budget hearings to all constituents. In addition, the Board circulates a draft budget and strategic plan to the industry to obtain public comment. The Board is required to submit its annual plans and budget to the Director of the Oregon Business Development Department for review.

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

OWB staff decreased from nine to eight positions during 2019-21 biennium. Since 2015, OWB has been operating under a Memorandum of Understanding (MOU) with the Oregon Winegrowers Association to share office expenses, staff, and a board of directors. The MOU was ended by OWB in February 2020 based on recommendations from DOJ. As a result, OWB eliminated an accounting position that was no longer needed due to the reduced workload. OWB continues to have a close relationship with the Oregon Winegrowers Association, but ongoing collaboration between the two entities is under discussion with DOJ.

#### 2019-21 Budget to Actual

The 2019-21 actual revenue of \$5,145,568 was 7.6% less than budgeted revenues of \$5,570,042. The 2019-21 actual expenditures of \$5,201,588 were 15.6% lower than budgeted expenditures of \$6,160,458. The Board invested 13.1% of its spending on educational activities, 20.7% on funding research, 32.9% on marketing and communications, and 33.2% on administration.

During the 2019-21 biennium, several events impacted the Oregon wine industry and subsequently reduced Board revenues. In addition to cancellation of revenue-generating events as a result of the COVID-19 pandemic, the Board reports that smoke from wildfires in 2020 led to a 29% drop in harvested grape tonnage, reducing agency revenues from this source by 5% versus projections. The industry was additionally impacted by a heat dome in 2021 and COVID-19-related labor shortages and restrictions.

OWB also underspent its budget significantly, which was partially due to restrictions from the COVID-19 pandemic. Many international events were cancelled in 2020 and 2021, and numerous in person events moved to online. Research projects were cancelled or delayed due to COVID-19 restrictions, causing the Board to underspend their research budget by 9.6%. Administrative staffing costs were underbudget by 6.6% in part due to decreased travel. Education costs were under budget by 17.7%,



due largely to underspending on workshops for the wine industry and shifting the annual Oregon Wine Symposium from an in-person to virtual event. The largest impact was on marketing and communications, which was underbudget by \$487,014, or 23.5%, due to the Board reducing expenditures for tourism promotion and trade education and events.

Despite underspending its budget overall, the Board's annual budget for 2020-21 increased from \$2,823,247 to \$2,910,747 in September 2020, which included \$37,500 for a special research project on smoke effects on grapes due to the 2020 wildfires; and \$50,000 for the Wine Country License Plate grant. The Board did not hold a formal public comment period or hearing for these adjustments.

#### 2021-23 Budget

The 2021-23 Board adopted budget of \$5,081,918 represents a 17.5% decrease from the 2019-21 adopted budget of \$6,160,458. The budget reflects continued reductions in funding for in-person programs and educational workshops; additional funding for research on the impact of smoke on wine grapes; new Specialty Crop Block Grant programming; reallocation of staffing to education, research, and marketing areas; and reductions in trade education and events.

In 2017, the Legislature appropriated \$500,000 General Fund to the Board for the purposes of expanding market access and technical research. This funding has been used for domestic and international trade tastings, technical research grants, and professional sales training for winery staff. The remaining balance of \$55,956 has been rolled forward for the Oregon Wine Touring Guide program and is anticipated to be spent in the 2022-23 fiscal year.

## CITIZENS' INITIATIVE REVIEW COMMISSION

	2017-19 Budget	2017-19 Actual	2019-21 Budget	2019-21 Actual	2021-23 Budget
<b>Total Funds</b>	*	*	*	*	*
Positions	0	0	0	0	0
FTE	0.00	0.00	0.00	0.00	0.00

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

### Overview

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

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

### Revenue Sources

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

### Budget Environment

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

## OREGON TOURISM COMMISSION

Oregon Tourism Commission Programs	2017-19 Budget	2017-19 Actual	2019-21 Budget	2019-21 Actual*	2021-23 Budget
Global Strategic Partnerships	\$4,199,000	\$4,043,180	\$2,458,774	\$2,763,659	\$3,433,000
Global Strategic Partnerships - Regional Cooperative Tourism Program	\$15,069,000	\$12,567,655	\$11,942,825	\$16,420,730	\$13,820,000
Global Strategic Partnerships - Competitive Grants Program	\$2,534,000	\$1,618,508	\$3,471,413	\$3,238,368	\$6,910,000
Global Strategic Partnerships - Competitive Large Grants Program	\$5,000,000	\$5,000,000	\$2,500,000	\$4,500,000	\$0
Global Strategic Partnerships - Additional Grants and Regional Destination Management Organizations Funding**	\$0	\$0	\$3,150,000	\$1,486,135	\$100,000
Global Marketing	\$31,250,000	\$26,647,747	\$23,655,408	\$19,172,196	\$28,799,840
Administration and Operations	\$7,890,000	\$7,338,084	\$7,126,999	\$7,227,088	\$7,606,178
Public Affairs, Industry Communications & Strategy***	\$0	\$0	\$0	\$0	\$2,435,650
Global Sales	\$6,406,000	\$6,250,079	\$3,808,318	\$3,604,819	\$5,179,831
Destination Development	\$3,392,000	\$3,214,283	\$2,919,689	\$3,337,048	\$4,194,214
<b>Total Funds</b>	<b>\$75,740,000</b>	<b>\$66,679,535</b>	<b>\$61,033,426</b>	<b>\$61,750,043</b>	<b>\$72,478,712</b>
<b>Positions</b>	64	61	46	45	52
<b>FTE</b>	63.00	60.60	46.00	45.00	52.00

\* Although the modified agency budget for the 2019-21 biennium was \$61,033,425, the agency's actual expenditures were \$61,750,043, which included funds carried forward from the prior budget period and appearing as "Beginning Fund Balance" in financial reports. The OTC budgets as presented here include expenditures based only on current revenues. If prior period funds are considered, the agency's 2019-21 total available budget is \$82,117,423.

\*\* New category for this reporting period due to redirection of grant funding as a result of the COVID-19 pandemic

\*\*\* New category for this reporting period due to move of the Industry Communications team from the Global Marketing budget and additional funding for strategic planning.

### Overview

The Oregon Tourism Commission (OTC), otherwise referred to as Travel Oregon, serves to drive economic growth and job creation by strengthening tourism in Oregon. OTC was created in 1995 and became a semi-independent state agency in 2003. The Commission is comprised of nine members, which includes five representatives of the lodging sector, three representatives of the tourism industry, and one public member. Each commissioner is appointed by the Governor and may serve up to two four-year terms. OTC previously had offices in Salem and Portland, but the Salem office is sublet for the remainder of the lease due to budget reductions made during the pandemic, and the agency now only has a Portland location.

## Revenue

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

According to the financial review for the biennium ended June 30, 2021 conducted by Aldrich CPAs and Advisors, OTC has approximately \$29.2 million in future programming and fund reserves, a majority of which is dedicated for distribution through the statutorily required Regional Cooperative Tourism Program and Competitive Grants Program, other grants, and funding for marketing and sales development for the World Athletic Championship (Oregon22). The agency maintains an operating reserve of 5% of revenue, and operating reserves are held in a money market account.

## Budget Environment

In June 2020, OTC had a public hearing and approved a budget decrease from \$78,540,000 to \$55,500,000 due to projected impacts on the statewide transient lodging tax due to decreased travel resulting from the COVID-19 pandemic, along with the scheduled reduction in the statewide lodging tax rate from 1.8% to 1.5% effective July 1, 2020. Reductions included:

- 22 positions, equivalent to 30% of staff, laid off or furloughed effective May 31, 2020
- Salary reductions of 5% to 15% for all employees effective June 1, 2020
- 20% reduction in the agency Chief Executive Officer's pay retroactive to March 1, 2020
- Cost of living adjustments, step increases, and other salary increases not budgeted for 2021
- Closure of the agency's Salem office and lease payments for the Portland office deferred after negotiations to reduce immediate facilities costs
- Reduction, suspension, or termination of contractors deemed not essential to supporting COVID-19 response and recovery

In February 2021, OTC had a public hearing and increased its biennial budget to \$61,033,425. Additional reductions were made to administration and operations funding, and support for grants was increased, which is discussed later in this report.

The agency's biennial budget includes approved expenditures for the upcoming biennium and ending fund balances from the prior period which are available for use during the following biennium. When these ending fund balances are considered, the agency's budget as of June 2020 was \$56,410,000; with projected revenues of \$55,500,000, additional funds were sourced from the agency's operating reserve. Total projected revenues increased to \$59,924,125 by February 2021 with a modified budget of \$61,033,425, and the revenue deficit was resolved using \$1,003,000 from the operating reserve and \$106,300 from the prior fund balance.

In June 2022, OTC had a public hearing and approved an increase to its 2021-23 budget from \$65,243,100 to \$72,478,712 due to higher than anticipated transient lodging tax revenue. Projected

revenues totaled \$69,673,100, with the difference funded using \$365,000 from the operating reserve and \$2,440,612 from the prior fund balance.

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

- 2019-20, 2020-21, and 2021-22 Annual Reports
- 2019-21 and 2021-23 Adopted and Amended Budgets
- 2019-21 Financial Review
- 2021-23 Strategic Plan

### Operations

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

#### Global Strategic Partnerships

The Global Strategic Partnerships (GSP) department administers the Wine Country License Plates, Regional Cooperative Tourism Program, and Competitive Grants programs. In addition, the team convenes an annual Oregon Governor's Conference on Tourism; develops partnerships with local businesses and international organizations by leveraging state resources to improve consumer reach and marketing channels; and offers industry partners training in public relations, online content development, social media strategies, and increasing international tourism. GSP allocates 50% of its total budget for the Regional Cooperative Tourism Program, 25% for competitive grants, 13% for other grants, 7% for sponsorships and partnerships, and 5% for payroll.

#### Global Marketing

The Global Marketing (GM) department develops advertising campaigns to inspire travel using consumer research and market trends. GM teams are clustered around creative services, communications, integrated and digital content, marketing insights, research, and visitor services. The team oversees the traveloregon.com website, consumer communications and public relations, and the eight State Welcome Centers. During the COVID-19 pandemic, this division worked on safety and public health messaging, including a campaign on how to travel safely around Oregon in light of the pandemic and wildfires, and promotion of in-state travel for Oregonians in 2021. More than 50% of the GM budget is in support of consumer advertising campaigns, including production and media buys, and 20% goes to payroll.

#### Administration and Operations

The Administration and Operations department includes accounting, human resources, facilities management, procurement, contracting, public affairs, industry communications, general organizational support, and agency leadership. The Administration and Operations division allocates 55% of its total budget for payroll; 7% for strategy, public affairs, and industry communications; and the remainder for facilities, IT and other general organizational administration.

#### Global Sales

The Global Sales department works with international tour operators and media to increase international inbound group and leisure travel to Oregon. This includes activities to increase shoulder

and low season visitation, as well as winter flight capacity, and monitoring growth in emerging markets. The Global Sales division allocates 43% of its total budget to payroll and 57% to in-country representation, promotions, and tradeshow.

### Destination Development

The Destination Development department serves to create robust, sustainable destinations and tourism economies that preserve, enhance, and celebrate the local landscape and culture. Destination Development allocates 18% of the department's budget to Destination Ready programming, including awards and program implementation, and 46% of the budget to payroll. The remainder of the budget is for implementation of other destination development projects and programs.

### OTC Transient Lodging Tax Revenues and Expenditures

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

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

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

### Transient Lodging Tax Revenue

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

Transient Lodging Tax Receipts by Fiscal Year (FY)					
Region	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual
North, Central, and South Coast	6,540,296	8,138,605	9,031,970	9,075,792	8,251,525
Willamette Valley	3,995,979	4,492,279	5,105,357	4,830,997	2,473,876
Portland Metro	13,014,571	15,204,673	16,777,408	15,518,226	4,075,245
Southern Oregon	2,620,852	3,209,402	3,568,502	3,381,531	2,426,124
Central Oregon	3,185,032	3,802,917	4,284,473	4,425,516	3,750,038
Mount Hood and Columbia River Gorge	1,116,979	1,437,465	1,618,716	1,557,987	1,088,705
Eastern Oregon	986,748	1,360,544	1,317,131	1,376,331	986,410
DOR Administrative Fees	(734,827)	(387,731)	(351,495)	(736,098)	(503,258)
Accruals and Other Adjustments	703,148	758,932	(772,365)	283,843	937,922
<b>Total Transient Lodging Tax</b>	<b>\$31,428,778</b>	<b>\$38,017,086</b>	<b>\$40,579,697</b>	<b>\$39,714,125</b>	<b>\$23,486,589</b>

### Regional Cooperative Tourism Program Expenditures

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

During the 2019-21 biennium, OTC disbursed 19.3% of transient lodging tax funds for the RCTP. An additional 1.2% of transient lodging tax funds were spent on administration of RCTP. As per OTC, administrative costs are included when determining what percentage of transient lodging tax funds have been obligated for RCTP.

ORS 284.131 does not specifically state whether the percentage of transient lodging tax funds that must be dedicated to RCTP is inclusive of administrative costs. The inclusion of administrative costs brings the total RCTP percentage to 20.4%.

Transient Lodging Tax Receipts by Calendar Year (CY)					
<b>CY (funds collected)</b>	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021
<b>FY (funds distributed)</b>	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>TOTAL Transient Lodging Tax</b>	\$37,988,750	\$39,673,864	\$41,262,070	\$26,424,100	\$32,775,106

Regional Cooperative Tourism Program Expenditures by Fiscal Year (FY)				
Region	Total 2017-2019 Actuals	FY 2020 Actuals	FY 2021 Actuals	Total 2019-2021 Actuals
North, Central, and South Coast	2,540,845	1,638,100	1,781,300	3,419,400
Willamette Valley	1,477,583	907,900	931,900	1,839,800
Portland Metro	4,851,769	3,037,400	3,143,500	6,180,900
Southern Oregon	1,014,278	644,500	660,400	1,304,900
Central Oregon	1,218,340	776,300	854,500	1,630,800
Mount Hood and Columbia River Gorge	600,000	300,000	309,100	609,100
Eastern Oregon	600,000	300,000	300,000	600,000
<b>TOTAL RCTP Distribution</b>	<b>\$12,302,815</b>	<b>\$7,604,200</b>	<b>\$7,980,700</b>	<b>\$15,584,900</b>
<b>Percentage of transient lodging tax funds</b>	<b>20.0%</b>	<b>19.2%</b>	<b>19.3%</b>	<b>19.3%</b>
<b>Administrative costs</b>	<b>\$614,035</b>			<b>\$946,930</b>
<b>Percentage of transient lodging tax funds</b>	<b>1.0%</b>			<b>1.2%</b>
<b>Percentage of transient lodging tax funds (distributions + administration)</b>	<b>21.0%</b>			<b>20.4%*</b>

\*Number does not foot due to rounding.

### Competitive Grants Program

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

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

OTC determines the amount to allocate to grant awards based on prior fiscal year transient lodging tax collections. During the 2019-21 biennium, OTC awarded funds totaling 3.7% of transient lodging tax revenues. OTC reserves 10% of transient lodging tax revenues for the purposes of the Competitive Grants Program and notes that the amount of transient lodging tax revenues expended for this program are not tracked by a particular time period, but rather average out to 10% spent on the Competitive Grants Program over time.

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

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

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



The following is a description of the grant categories and grant program activities in the 2019-21 biennium that were funded by the transient lodging tax as statutorily required.

*Small Grants:* Due to redistribution of grant funding to emergency COVID-19 grant programs, the small grants program at OTC only awarded funds in 2019-20. Recipients include small cities, counties, museums, theaters, trail building organizations, and other entities, with amounts ranging from \$1,700 to \$25,000.

*Mid-Sized Grants:* Due to redistribution of grant funding to emergency COVID-19 grant programs, no mid-sized grants were awarded in the 2019-21 biennium.

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

Large Grants in recent years have supported the International Association of Athletics Federation (IAAF) World Championships, a 10-day world competition for track and field originally scheduled for 2021. Due to the pandemic, the event was delayed and renamed the 2022 World Athletics Championships. OTC has awarded grants totaling \$20 million to Oregon22, the local organizing committee for the event. This includes \$10 million in 2017 from Competitive Grants funding that was disbursed as follows: \$5 million in the 2017-19 biennium, \$4.5 million in the 2019-21 biennium, and \$0.5 million in the 2021-23 biennium. The remaining \$10 million awarded to Oregon22 was from marketing funds, which are discussed in more detail below.

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

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

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

OTC announces grant opportunities on its website and promotes this information through its industry email list of approximately 4,500 subscribers. Applications for the grant programs are submitted through an online portal found on the Travel Oregon website. A formal review of applications is conducted by a review committee which selects grants to move forward and provides feedback to unsuccessful applicants on how the application could be improved to be more competitive in a future funding cycle.

The grant review committee varies dependent upon the program. Competitive Small Grants have used an internal review committee composed OTC staff members across the agency that have familiarity in specific disciplines. The Competitive Medium Grants used an external review committee composed of a cross-section of industry stakeholders, such as the Oregon Business Development Department, Oregon Destination Association, Oregon Restaurant and Lodging Association, and State Parks, among others. Selection for these two programs is based on area of expertise and a commitment and desire to participate in the often time-consuming process. The Competitive Large Grant can be opened only under the direction of OTC and the review committee is composed of Commission members appointed to serve. With the volume of applications received for COVID-19 related grants, the review committee was composed of internal OTC staff that had familiarity in specific disciplines.

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

#### Other Grant Programs

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

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

The following is a description of the grant categories and grant program activities in the 2019-21 biennium that were funded by the transient lodging tax, outside of statutory requirements. Rural

Tourism Studio and COVID-19 Recovery Grants are discussed in more detail in the Competitive Grants Program section above.

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

*Marketing Grants:* OTC distributed Marketing Grants totaling \$520,000, which included \$500,000 to the World Athletic Championships (Oregon22) and \$20,000 to the Oregon Made Creative Foundation, which will manage and direct grants to support BIPOC stories in the outdoors. A total of \$10 million in marketing funds has been awarded to Oregon22, split between a \$2 million allocation in May 2017, and an \$8 million grant awarded in August 2020. From the \$8 million grant, OTC disbursed \$500,000 in the 2019-21 biennium, with \$7,031,484 held in reserve. Per the terms of the awards, \$6 million was distributed to Oregon22 in July 2021, with the remaining \$1.5 million distributed in August 2022.

#### Regional Destination Management Organization funding

In February 2021, the Commission approved a budget modification that included \$1.5 million distributed to seven Regional Destination Management Organizations. This money was for programming, investments, and product development that was put on hold or delayed due to the COVID-19 pandemic, with \$500,000 equally split among the seven regions and the remaining \$1 million divided by weighting the impact of decreased funding from fiscal year 2021 to fiscal year 2022 for each region.

#### Wine Country License Plates Program

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

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

OTC determines award amounts based on proceeds received from ODOT in the prior calendar year. OTC administers the Wine Country License Plates Program separate from its budget and retains no administrative payment or costs relative to administering the Wine Country License Plates Program. Over the course of the 2019-21 biennium, OTC awarded eight grants totaling \$243,000 and disbursed \$215,053 from awarded grants; and distributed \$341,926, inclusive of current and prior year proceeds, to tourism promotion agencies.

OTC did not offer matching grant awards in fiscal year 2021 due to complications from the COVID-19 pandemic that left the agency short-staffed, a focus on providing COVID-19 recovery grant funds, delays in implementation of projects previously awarded grant funds, and a decision to hold on promoting tourism activities during the pandemic. Wine Country license plates revenue totaled

\$835,645, which means a total of \$278,666 was not distributed in the 2019-21 biennium. Further analysis of whether OTC has met the fund distribution requirements of this program will be conducted during the next reporting period.

## APPENDIX C

### Semi-Independent Agencies: Sample of Licensing and Enforcement Activity Spreadsheet

Section 5	June 2011	June 2013	% Change	June 2015	% Change	June 2017	% Change	June 2019	% Change	June 2021	% Change
Actively licensed individuals	1146	1138	-1%	1198	5%	1204	1%	1271	6%	1260	-1%
Actively licensed firms	1174	1201	2%	1290	7%	1291	0%	1307	1%	1280	-2%
(a) The number of license applications;											
(1) Individuals	203	182	-10%	194	7%	190	-2%	201	4%	196	-2%
(2) Firms	179	164	-8%	171	4%	178	4%	184	8%	145	-21%
(b) The number of licenses issued; (total; includes by exam, by reciprocity, and for firms licensed)											
(c) The number of exam applications;	174	155	-11%	164	6%	159	-3%	176	7%	140	-20%
(d) Average processing time;											
(1) The number of in-state applications by exams;	84	102	21%	151	48%	142	-6%	135	-11%	170	26%
(2) Average time to obtain registration after exam appl. received	21	27	29%	24	-11%	31	29%	29	21%	40	38%
(3) The number of applications by reciprocity;	59	68	15%	57	-16%	94	65%	68	19%	71	4%
(4) Average processing time	81	150	85%	99	-34%	120	21%	95	-4%	204	115%
(e) The total number of complaints received											
(1) against license holders (including firms)	15	14	-7%	2	-86%	8	300%	6	200%	17	183%
(2) against non-license holders	2	6	200%	4	-33%	8	100%	2	-50%	4	100%
(f) The total number of investigations conducted**;											
(1) Full investigation opened	80	74	-8%	81	9%	90	11%	92	14%	76	-17%
(2) Resolved (see I1 through I7 below#)	42	31	-26%	29	-6%	32	10%	41	41%	19	-54%
(3) Open pending further review*	43	37	-14%	41	11%	28	-32%	17	-59%	41	141%
(4) Open and under investigation**	96	82	-15%	60	-27%	81	35%	107	78%	99	-7%
(5) Cases initiated by the Board	87	92	6%	74	-20%	78	5%	93	26%	104	12%
(6) Cases received by the agency	131	120	-8%	90	-25%	187	108%	190	111%	215	13%
(g) The number and types of resolutions of complaints (see below):											
(1) Closed without action/no jurisdiction/no violation	7	9	29%	11	22%	7	-36%	9	-18%	15	67%
(2) Letters of concern	6	1	-83%	4	300%	2	-50%	6	50%	5	-17%
(3) Referred to the Board	2	8	300%	4	-50%	6	50%	12	200%	15	25%
(4) Civil penalties issued and payment received	9	12	33%	18	50%	6	-67%	8	-56%	9	13%
(5) Civil penalty voted by Board, not yet processed	8	7	-13%	2	-71%	5	150%	12	500%	17	42%
(6) License revocation	1	6	500%	3	-50%	2	-33%	5	67%	2	-60%
(7) Stipulations/agreements, not incl. Civil penalty	10	8	-20%	16	100%	13	-19%	14	-13%	8	-43%
(h) The number and type of sanctions imposed (total of 4-7 above):	28	33	18%	39	18%	26	-33%	39	0%	36	-8%
(i) The number of days between beginning an investigation and reaching a resolution.	181	197	9%	174	-12%	199	14%	178	2%	247	39%
(j) The number of cases open longer than 90, 180, and 365 days											
(1) Cases open longer than 90 days	8	15	88%	9	-40%	17	89%	13	44%	16	23%
(2) Cases open longer than 180 days	5	10	100%	12	20%	11	-8%	13	8%	7	-46%
(3) Cases open longer than 365 days	2	4	100%	8	100%	2	-75%	4	-50%	3	-25%

## **APPENDIX D**

### **Semi-Independent Agencies Reporting Guidelines for 2024**

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

#### **Report Overview**

##### ***Report format***

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

##### ***Reporting time period***

The report due on April 1, 2024 should include actual data for the 2021-23 biennium, and projected revenue, adopted budget, and proposed fee change information for the 2023-25 biennium.

##### ***Contacts***

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

## **Report Checklist**

### ***Section I: Copy of Audit or Financial Review***

- ☐ Audit or review for biennium ending June 30, 2023, including financial statements used to support review
  - ☐ Budget to actuals
  - ☐ Budget to actuals variance analysis
  - ☐ Balance sheet
- ☐ Risk assessment and agreed-upon procedures for an appraisal of internal controls
  - ☐ Board member recruitment, appointment, training, and duties
  - ☐ Information technology systems security
  - ☐ Licensing processes
  - ☐ Rulemaking process
  - ☐ Requests for proposals
  - ☐ Procurement contracts
  - ☐ Vendor relationships, including contract management
  - ☐ Inventory, if applicable
- ☐ Follow up on prior recommendations
- ☐ Copies of management response

### ***Section II: Budget Comparison***

- ☐ Beginning and ending balances for 2021-23 and 2023-25 with description of any variances
- ☐ Balance sheet for the 2021-23 biennium
- ☐ Forecasted balance sheet for the 2023-25 biennium
- ☐ Line item comparison of budget to actual revenues and expenditures for 2021-23 biennium
  - ☐ Include percentage change between budget and actuals, and discuss reason for any major variances
- ☐ Line item comparison of 2021-23 and 2023-25 budgets
  - ☐ Include percentage change between biennia, and discuss reason for any major variances
- ☐ Table of fee changes made in 2021-23 or proposed for 2023-25
  - ☐ Discussion of reason for any fee changes
- ☐ *For non-licensing agencies, include information on any changes in revenue sources or amounts*

### ***Section III: Rule Making Activities***

- ☐ Table which includes description of all rules adopted in the 2021-23 biennium
- ☐ Description of the public hearing process to establish/modify the adopted budget, including adopted budget amount

### ***Section IV: Consumer Protection***

- ☐ Overview of consumer protection activities using Consumer Protection table format provided by LFO
- ☐ Examples of agency materials or publications to promote consumer protection
- ☐ *For non-licensing agencies, include annual performance reports for industry stakeholders to illustrate performance*

### ***Section V: Licensing Activities and Disciplinary Actions***

- ☐ Copy of updated Licensing and Enforcement Activity table provided by LFO, covering past 10 years
- ☐ Discussion of major changes in licensing numbers, number of complaints, case resolution timeliness, case aging etc.

### ***Section VI: Other Board Activities***

- ☐ Organizational chart with positions and FTE
  - ☐ Brief narrative of any changes in number of positions, FTE, or staffing
- ☐ Copy of Agency Operations table provided by LFO, covering past 10 years
- ☐ Board Best Practices self-assessment provided by LFO
  - ☐ Brief narrative describing number of Board members responding and when administered
- ☐ Discussion of other agency accomplishments and performance results (customer service surveys, improvements made or planned)
- ☐ *For non-licensing agencies, report on selected high-level outcome-oriented key performance measures*

## **Section I: Copy of Audit or Financial Review**

*ORS 182.472 (1) A copy of the most recent audit or financial review of the board.*

The statute directs agencies to submit their most recent audits or financial review. For the 2024 reporting period, LFO requests that agencies provide a copy of the audit or review for the biennium ended June 30, 2023, along with copies of management letters referenced in the audit or review.

The financial review should confirm that agencies are developing budgets as required by OAR 619-001-006 and ORS 576.768(2)(c) which includes the requirement that board minutes approving the budget, as well as amendments to the budget, include the specific dollar value of total approved budgeted revenues and expenses.

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

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

In addition to the guidelines for financial reviews recommended by the Secretary of State, LFO recommends that agencies include a risk assessment and agreed-upon procedures for an appraisal of internal controls. The financial review should include the following:

- Reviewed financial statements
- Review and risk assessment of:
  - board member recruitment, appointment, training, and duties
  - information technology systems security
  - licensing processes
  - rulemaking process
  - requests for proposals
  - procurement contracts
  - vendor relationships, including contract management
  - inventory, if applicable

Agencies may choose to work with the Department of Administrative Services' Enterprise Information Services for a review and risk assessment of the agency's information technology system, instead of including it in the financial review contract.



## **Section II: Budget Comparison**

*ORS 182.472 (2) A copy of the actual budget for the prior biennium and a copy of the board's adopted budget for the biennium in which the report is made. The budget documents must show:*

- (a) The beginning balance and ending balance for each of the two biennia;*
- (b) A description of material changes between the two biennia;*
- (c) A description of the public hearing process used to establish the budget adopted for the current biennium; and,*
- (d) A description of current fees and proposed changes to fees, along with information supporting the amounts of the current fees and any proposed changes to the fees.*

The statute directs agencies to include a copy of the “actual budget for the prior biennium and a copy of the board’s adopted budget for the biennium in which the report is made.” This means the report due in 2024 should include actual numbers for the 2021-23 biennium and the adopted budget for the 2023-25 biennium.

Agencies should include copies of the following documents:

- 1) Balance sheet for the 2021-23 biennium
- 2) Forecasted balance sheet for the 2023-25 biennium
- 3) Projected/Adopted budget forecast for the 2023-25 biennium
- 4) Line item comparison of budget to actual revenues and expenditures for 2021-23 biennia
- 5) Line item comparison of material changes between 2021-23 and 2023-25 budgets

### ***Example: Line-Item comparison of revenues and expenditures***

	2021-23 Adopted Budget	2021-23 Adjusted (Approved) Budget	2021-23 Actual	% Change Adopted Budget to Approved Budget	% Change Approved Budget to Actual	2023-25 Adopted Budget	% Change 2021-23 Adopted to 2023-25 Adopted	% Change 2021-23 Approved to 2023-25 Adopted
Revenue								
Licensing Fees								
Other Fees								
<b>Total Revenue</b>								
Expenses								
Payroll								
Services and Supplies								
Travel								
Telecommunications								
Professional Development								
Attorney General Fee								
Audit Charges								
Facilities Rent								
<b>Total Expenses</b>								
Positions								
FTE								

In addition, agencies should include the following material:

**a) Beginning and ending balances for two biennia**

Beginning and ending balances represent the amount of monies carried over from one biennium to the next. LFO recognizes the accounting software that most agencies use does not easily identify this information, so LFO requests that agencies prepare a simple table to communicate this information.

***Example: Table of Beginning and Ending Balances***

<b>Beginning and Ending Balances</b>	<b>2021-23 Actual/Reported</b>	<b>2023-25 Projected/Adopted</b>
Beginning Balance (previous biennia carry-over)	200,000	220,000
Net Income/Loss	20,000	15,000
Ending Balance	\$220,000	\$235,000
<i>*Include a discussion of any variances here</i>		

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

***Please discuss any amendment to the budget, and/or any other variance from the last reporting period.*** Please also provide detail as needed related to biennium close out procedures and any variances such as those related to liabilities, items expensed and paid in different biennia, etc.

**b) A description of material changes between the two biennia**

A material change is any change above an inflationary increase to a budget from one biennium to another. Agencies need to provide:

- A discussion of material changes between budget and actual beginning balance, revenues, expenditures, and ending balance for the 2021-23 biennium (including any budget adjustments).
- A discussion of material changes between 2021-23 Approved Budget and 2023-25 Adopted Budget.

It may also be appropriate to discuss unanticipated expenditures that emerged during the 2023-25 biennium that are not reflected as material changes in the 2021-23 biennium.

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

Agencies should include a list of all current fees, any fee changes made in the previous biennium, and anticipated changes for the upcoming biennium. One suggested presentation format for this information is to use a table such as the following:

***Example: Table of Fees and Changes over Time***

<b>Fee Type</b>	<b>Fee as of 6/30/19</b>	<b>Fee as of 6/30/21</b>	<b>Fee as of 6/30/23</b>	<b>Anticipated Fee 6/30/25</b>
<i>List of all fee types</i>				

In addition to including a list of fees, the agency should provide an explanation of changes and a justification for fee increases. Typically, the justification is a “budget shortfall.” In this case, LFO will

want to confirm that the agency has appropriately forecasted anticipated revenues and expenditures and that all other avenues of potential funding were considered (such as agency efficiency improvements or use of agency reserves) prior to approval of a fee increase. Some questions agencies might consider when preparing their justification for a fee increase are:

- Are changes in the operating environment negatively impacting future revenues and expenditures?
- What actions did the agency take to mitigate any factors that are negatively influencing future revenues and expenditures?
- What assumptions are used when forecasting a budget shortfall?
- What options besides a fee increase were considered as a strategy for funding the shortfall?

*Semi-independent agencies that do not conduct licensing*

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

### **Section III: Rule Making Activities**

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

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

Agency information provided under this section needs to include sufficient information to allow LFO to quickly confirm that proper protocols were followed when revising Oregon Administrative Rules (OAR), Chapter 183. Critical elements include:

- OAR reference
- Nature of change
- Public notification and hearing dates (if applicable)
- Board action date
- Filing dates (Secretary of State and Legislative Counsel)

#### ***Example: Table of Administrative Rules***

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

Please include detailed information on the process to establish/modify the adopted budget

When describing the public hearing process for approval of the budget, please include the dates and a description of actions taken. Actions covered should include:

- Information regarding who received notices about budget hearings and why (with dates).
- Information regarding budget hearings, public comments, and board actions (with dates).
- Information regarding the date the budget was filed with the Secretary of State and when a copy was submitted to Legislative Counsel.
- Amount of the adopted budget as included in the relevant OAR.

#### **Section IV: Consumer Protection**

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

LFO requests that agencies provide a description of actions taken to promote consumer protections which might include activities such as process or service delivery improvements, public outreach, education programs, industry activities, etc. It may also be appropriate to include examples of agency materials and/or publications under this section, and to describe how your agency tracks the outcomes of these activities, as well as how these activities fulfill the agency's mission.

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

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

#### *Semi-independent agencies that do not conduct licensing*

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

## **Section V: Licensing Activities and Disciplinary Actions**

*ORS 182.472 (5) If the board issues licenses, a description of the board's licensing activities performed during the prior biennium that is adequate to allow evaluation of the board's performance of its licensing responsibilities, including:*

- (a) The number of license applications;*
- (b) The number of licenses issued;*
- (c) The number of examinations conducted;*
- (d) The average time between application for and issuance of licenses;*
- (e) The number and types of complaints received about persons holding licenses;*
- (f) The number and types of investigations conducted;*
- (g) The number and types of resolutions of complaints;*
- (h) The number and type of sanctions imposed;*
- (i) The number of days between beginning an investigation and reaching a resolution and*
- (j) The number of cases open longer than 90, 180, and 365 days*

Agencies should include multiple years of data (10 years or 5 biennia). LFO has provided a standardized template for reporting data in **Appendix C**. The report for 2024 should include actual licensing data for the 2013-15, 2015-17, 2017-19, 2019-21, and 2021-23 biennia. The inclusion of historical data enables the agency to discuss performance trends and potential issues such as case backlogs in their narrative, which facilitates LFO's efforts to evaluate the board's performance of licensing and enforcement responsibilities.

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

- Document the procedures used to ensure that data are accurate and internally consistent.
- Are clear about the date or time period of collected data.
- Provide a glossary of terms. For example, define each type and status of licensing/certification, exams conducted, complaints, investigations, sanctions.
- Ensure that definitions of data elements are consistent from biennium to biennium. Any deviations in data collection process or definition of terms should be explained.
- Document the reasons for significant changes in data from one year to the next.

### *Semi-independent agencies that do not conduct licensing*

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

## Section VI: Other Board Activities

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

Please include the following information:

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

Biennium	Positions	FTE	Board Meetings	Individuals*	Firms/ Business*	Board Stipend	Director Salary \$/per Month
<i>Example</i>	5	4.50	12	2,777	589	\$30/a day	\$4,937
2013-2015							
2015-2017							
2017-2019							
2019-2021							
2021-2023							
2023-2025 (Proposed)							
*Approximate number as of close of biennium (June 30)							

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

### *Semi-independent agencies that do not conduct licensing*

Because the Oregon Patient Safety Commission, Oregon Wine Board, and Citizens' Initiative Review Commission are not licensing entities, they should select and report on a few key performance measures that illustrate performance results achieved during the reporting period. Ideally, these performance measures are high level, outcome-oriented measures aligned with mission critical work so that they are consistent over time, allowing for performance trending and analysis. The purpose of this request is to facilitate LFO's efforts to evaluate the board's performance.