



**Pursuant to ORS 182.472,
A Report of the Work of the Board
with focus on the
2011-2013 Biennium**

Submitted by the

**OREGON STATE
BOARD OF
GEOLOGIST EXAMINERS**

to

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

April 1, 2014

ACKNOWLEDGEMENTS

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ACRONYMS

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

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

Oregon State Board of Geologist Examiners Biennial Report, April 1, 2014

TABLE OF CONTENTS

<u>SECTION I.</u>	INTRODUCTION-----	PAGE #01
<u>SECTION II.</u>	FINANCIAL REVIEW/RISK ASSESSMENT -----	PAGE #04
<u>SECTION III.</u>	BUDGET INFORMATION-----	PAGE #05
<u>SECTION IV.</u>	FEES -----	PAGE #08
<u>SECTION V.</u>	RULEMAKING ACTIVITIES-----	PAGE #09
<u>SECTION VI.</u>	CONSUMER PROTECTION -----	PAGE #10
<u>SECTION VII.</u>	LICENSURE ACTIVITIES-----	PAGE #12
<u>SECTION VIII.</u>	ENFORCEMENT ACTIVITIES -----	PAGE #13
<u>SECTION IX.</u>	OTHER ACTIONS -----	PAGE #14

APPENDICES

Appendix 1	Board Roster
Appendix 2	Board Officers/Committees & Coordinators
Appendix 3	Board Meetings
Appendix 4	2011-2013 Financial Review/Response/IT Assessment
Appendix 5.a.	2011-2013 Adopted Budget (Original & Revised)
Appendix 5.b.	2011-2013 Budget vs. Actuals
Appendix 5.c.	2013-2015 Adopted Budget
Appendix 5.d.	2013-2015 Budget vs. Actuals (12/31/13)
Appendix 5.e.	Balance Sheet, 6/30/13
Appendix 5.f.	Forecasted Balance Sheet, 6/30/15
Appendix 5.g.	Fund Analysis (covering 2 biennia)
Appendix 6.a.	Budget Hearing Report, 2011-2013
Appendix 6.b.	Budget Hearing Report, 2013-2015
Appendix 7	Board Fees List
Appendix 8	2011-2013 Rulemaking Activities
Appendix 9	2011-2013 Enforcement Activities
Appendix 10	2007-2009 – 2011-2013 Licensure Activities
Appendix 11	2003-2005 – 2011-2013 Operations Data

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OREGON STATE BOARD OF GEOLOGIST'S EXAMINERS

ORS 182.460 REPORT

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

April 1, 2014

I. INTRODUCTION

Geology Practice: Geology is defined in Oregon Revised Statute (ORS) 672.505(6) as “that science which treats of the earth in general; investigation of the earth’s crust and the rocks and other materials which compose it; and the applied science of utilizing knowledge of the earth and its constituent rocks, minerals, liquids, gases, and other materials for the benefit of humanity.” As this definition suggests, geology as a science is very diverse. However, the majority of geologists working in Oregon are believed to be practicing in the specialties of environmental geology, hydrogeology, engineering geology, geophysics, and economic geology. Practice in economic geology such as gas, oil, and mineral exploration is not as common in Oregon as some states, with more geologists working in the other disciplines listed. The importance of geology and geologists to Oregon is likely seldom considered by the average citizen. Yet geologists contribute greatly to society through their professional contributions in areas such as environmental and resource conservation, land use and management, identification and use of mineral and energy resources, analysis of natural hazards, and ecosystem research and restoration.

The public practice of geology is defined in ORS 672.505(7) as “the performance for another of geological service or work, such as consultation, investigation, surveys, evaluation, planning, mapping and inspection of geological work, that is related to public welfare or safeguarding of life, health, property and the environment.” An individual generally must hold state registration to publicly practice geology or to offer to provide any geological services or work recognized as the public practice of geology for a fee or other compensation. An individual must not claim to the public to be a registered geologist without holding such registration.

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

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

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

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

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

Board Organization: OSBGE is a six member board, with four registrant members, one public member, and the Oregon State Geologist as an Ex Officio member. The term of office is three (3) years. All members other than the State Geologist are appointed by the Governor. The State Geologist is appointed by the governing board for the Oregon Department of Geology and Mineral Industries. A member can apply to the Governor's Office for reappointment, but ORS 672.615(4) and Governor's Office policy limits members to two consecutive terms.

During the reporting period, three registrant board members completed second terms. The Governor appointed three new registrants members to the Board, two starting terms in December 2011 and one starting in March 2013. These transitions went smoothly, with the

new Board members quickly settling into their roles. In the current biennium, the Board planned for additional board member transitions in early 2014 when one registrant member and the public member completed second terms. See **Appendix 1** for a current roster of Board members, including the new members appointed in early 2014. The Board continues to be comprised of highly competent individuals driven to serve the profession and the citizens of Oregon.

The Board has appointed a Chair and Vice Chair. One duty of the Chair is to assign board members to various committees of the Board. See **Appendix 2** for current committee assignments for Board members. Board committees are an integral component for carrying out the work of the Board. The Board has standing committees and establishes ad hoc committees as needed to address priority work items. Committees are staffed by the Board Administrator. The nature and timing of work by individual committees varies in relation to needs, as do the number of public meetings convened as part of committee work. The Rules Advisory Committee includes volunteer members from the registrant community. The Engineering Geology Examination Committee often meets jointly with a 'sister' committee with the State of Washington Geologist Licensing Board as the two states have jointly developed and maintain the current exam for this specialty certification. The Board also participates in a Joint Compliance Committee (JCC) with the Oregon State Board of Examiners for Engineers and Land Surveyors (OSBEELS) in accordance with a Memorandum of Understanding (MOU) signed by the two boards in 2001. Each Board appoints representatives to the JCC.

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

During this reporting period, OSBGE scheduled quarterly Board meetings (4/year or 8/biennium) and convened additional special meetings as needed to carry out the responsibilities of the Board. See **Appendix 3** for a list of Board meetings held July 1, 2011 through June 30, 2013. The Board follows the Oregon Public Meetings Law in noticing, running, and documenting its meetings.

The Board is served by an Administrator and Registration Specialist, each working half-time. The staff also works half-time for the Oregon State Landscape Architect Board (OSLAB), providing administrative services in accordance with an interagency agreement between the two boards. (See also discussion under Budget Information.) Due to the very small size of the agency, the Board Administrator serves many roles, for example agency director, human resources manager, office manager, rules coordinator, and customer service representative.

The Registration Specialist also must take on a rather unique blend of duties ranging from executive assistant to customer service representative and accountant. The staff carries out the actions of the Board and attends to all other day-to-day business operations. Staff is kept very busy with a multitude of tasks and routinely overlapping deadlines and above all focuses on ensuring good customer service to the Board, registrants, and the public.

II. FINANCIAL REVIEW/OTHER RISK ASSESSMENT

Pursuant to direction received from the Secretary of State's Office and the Legislative Fiscal Office, the Board contracted for a financial review for the period of July 1, 2011 through June 30, 2013. The contractor selected to perform the review was Valerie A. Wicklund, CPA, LLC. The financial review occurred in fall 2013, and the report was completed before the end of the calendar year. A copy of the financial review report is in **Appendix 4**. The report includes a handful of recommendations about how the Board might update procedures related to financial management or related business operations. The Board has evaluated the recommendations and has developed a response which is also included in **Appendix 4**.

In addition to the financial review, OSBGE invested in upgrades to its hardware and software as well as staff training related to computer applications during the reporting period. The Administrator also worked to update the Board's contracts with its IT providers and arranged to have an IT security assessment completed. The Department of Administrative Services (DAS) Enterprise Security Office assisted OSBGE by conducting the IT assessment. The DAS IT Security Analysts worked with the Administrator and the Board's IT contractors to obtain information on the Board's existing technology, technology-based applications, and IT security protocols. In late January 2014, the Board received a very positive report from DAS; a copy is found in **Appendix 4**. DAS found that OSBGE's data protection practices are good, with only a few recommended enhancements. Note that this IT assessment was not tied to just the reporting period but instead addressed Board data handling and IT infrastructure in general.

During the reporting period, the Administrator identified a need for Board review and updating of examination and licensing application approval processes to assess risk management and generally assess whether status quo procedures were still serving the Board. The Administrator worked closely with Board counsel and a Board member to develop revised procedures for the processing of examination and licensure applications. As part of this effort, the Board's delegation of authority documentation was also updated. The Board adopted the updated procedures and delegation of authority documents in May 2013. Updated procedures were implemented immediately thereafter.

The Administrator also worked with the Board to complete a review of written Board policies. This resulted in Board revisions to numerous existing policies and the creation and adoption of some new policies. The policy areas addressed included contracting and procurement, investments, accounting, reimbursement of expenses, stipends, records management and retention, and volunteers. Counsel was engaged as necessary. The State Archivist also reviewed and approved the records management and retention policy prior to

final Board adoption. In addition to the policy work, the Board also reviewed and made some adjustments to Board committee procedures. Collectively, this work served to manage risks, memorialize and update business practices, and create a clear written record of Board policies for the benefit of future Board members and staff.

III. BUDGET INFORMATION

The following budget information is found in **Appendix 5**.

- Adopted budget for the 2011-2013 (original and revised);
- Actual (final) figures for the 2011-2013 biennium;
- Adopted budget for the 2013-2015 biennia;
- Actual (preliminary) figures for the 2013-2015 biennium through December 31, 2013;
- Balance sheet as of June 30, 2013 supporting the ending fund balance for the 2011-2013 biennium;
- Forecasted balance sheet for the 2013-2015 biennium, with estimated ending fund balance*; and
- Fund analysis showing side-by-side comparison of the beginning and ending balances for two biennia.

(*The 2013-2015 ending fund balance is a projection based on budgeted amounts. A copy of the actual financial information through December 31, 2013 versus the adopted budget is also included.)

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

The Board collected examination fees for the national examinations administered through the Board office. Fees were passed on to the national office of the National Association of State Boards of Geology (ASBOG) and thus did not really contribute to Board revenue. ASBOG is the organization responsible for the preparation, administration and scoring of competency examinations for geologists. Candidates must pass two exam sections - Geology Fundamentals and Geology Practice. These examinations assess minimum competencies of applicants for geologist licensure to practice geology in a manner that protects the health, safety and welfare of the public. Prospective registrants must pass both sections and meet education and work experience standards to qualify for registration by OSBGE.

The Board also receives fees for engineering geologist specialty examinations, the examination assessing minimum competency in engineering geology. Since there are not many applicants for that exam in any given year, this is a very modest income that is largely

offset by costs associated with proctoring the exams. When held, the exams occur on the same day and at the same venue as the ASBOG exams.

The Board has the statutory authority to impose civil penalties as part of disciplinary proceedings but rarely reaches this point in its compliance investigations. Therefore, civil penalties are not generally anticipated as a significant revenue source when formulating budget projections as can be seen in the budgets included in **Appendix 5.** (See **5.a** and **5.c.** specifically.)

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

The Board did not see much decline in renewal revenues from 2007-2009 to 2009-2011 but decided to take a conservative approach when setting revenue projections for the 2011-2013 biennium due to concerns about the potential impacts on renewals from the slow economy. The Board also considered that more registrants over 70 might decide to not renew registrations in the 2011-2013 biennium compared to the past two biennia. Many of the geologists grandfathered into licensure when regulation first started over 30 years ago are at or nearing 70 years of age. Registrants 70 years of age and older pay greatly reduced fees for annual renewal but may not even want to pay a reduced fee if they are no longer working. (See the Fees Section of this report for more on the OSBGE fee schedule.)

The Board's concerns about renewal revenues for 2011-2013 turned out to be unfounded. Renewal revenues continued to track consistent with five year averages. Despite challenging economic times, registrants widely maintained their hard-earned registrations. As a result, the Board formally adjusted the budget to increase the overall revenue projection and provide more flexibility on the expenditure side. This flexibility turned out to be unneeded as the Board ended the reporting period having spent less than projected in the original 2011-2013 budget; see also report section on Expenses immediately following this Income section.

As shown in the Funds Analysis included in **Appendix 5.g**, the Board maintains an operating reserve, which includes Board savings and investments. This is necessary to provide the Board with the ability to address emergencies, unanticipated legal fees, unpredictable declines in revenue, or other unforeseeable issues. The Board is not able to seek funding through the Legislative Emergency Board or full Legislature and also cannot expect the Executive Branch to cover Board expenses through provision of free services or other means.

Targeting the use of some reserve funds in the 2013-2015 is a key difference compared to the 2011-2013 budget. The Board budgeted \$44,000 of revenue from reserves, in this case including approximately \$34,000 carryover from the 2011-2013 biennium. This small addition to the Board revenue grants the Board a fair amount of extra flexibility in carrying out its business and still leaves the Board with a reasonable reserve. Another increase on the

revenue side is in the administrative services fee paid by OSLAB to OSBGE. This increase was necessary to offset rising costs for OSBGE in 2013-2015 for personal services. Renewal revenue continues to be the largest revenue source, and the Board used 5-year averages to project these amounts.

Expenses: As explained above in relation to the renewal revenues and budget revision, the Board's expenses for the 2011-2013 biennium turned out to be less than projected in the Board's original budget for the biennium. Expenses were only more than projected for computer hardware and software and personal expenses. Even for these line items, there was less than a \$7,000 total overage. Actual expenses were less than anticipated for the remaining budget line items, including travel, training, ASBOG membership dues, computer data processing, professional services, and attorney fees. The biggest savings compared to projections came in professional services due largely to unanticipated delays in the Board's guideline project. (See Other Actions section of this report for more on that project.) The Board also saw noticeable savings from not implementing a database overhaul after further analysis revealed this project was not necessary.

The Board is not anticipating too many changes in expenses from 2011-2013 to 2013-2015. The Board does have increased personal services costs related to increased charges for the Public Employees Retirement System and salary increases through costs of living adjustments and merit step increases for staff. The Board based its budget on projections for such increases and then confirmed actual increases in late 2013 when it was able to review and confirm it was implementing the same benefits package as approved by the State of Oregon for non-represented employees. The State of Oregon package was not finalized until fall of 2013.

Most other increases in expenses from 2011-2013 to 2013-2015 are tied to increased rent, increased costs for attorney expenses and other government services, and increased travel costs. Attorney and government service charges are based on State of Oregon rates for 2013-2015. Travel costs were increased to provide the Board with flexibility regarding attendance at national examination meetings or other events that could help further the Board's business. With respect to rent, the Board moved in July 2012 into a larger office space that provides a more functional work environment for Board staff. The Board also projected spending funds on the guideline project that did not get started until the end of the 2011-2013 biennium. (See Other Action section.)

Budget Hearing Process: The Board adopts its budgets through the formal rulemaking process pursuant to ORS 182.462(2). The public rulemaking hearing dates and Board meeting dates when budget adoption occurred were as follows:

- May 16, 2013 hearing for the 2013-2015 budget, adopted May 31, 2013
- Nov. 16, 2012 hearing for 2011-2013 revised budget, adopted Dec. 7, 2012
- May 19, 2011 hearing for the 2011-2013 budget, adopted June 3, 2011

As mentioned in the Income and Expenses sections, the budget revision (second in list above) was pursued in response to stronger revenues than projected and Board interest in

greater flexibility and also increased expenditure to accommodate additional work on guideline documents. The Board increased its expenditure limit by approximately \$25,000. The guideline work did not progress as quickly as the Board had hoped, and the Board essentially ended up carrying over the 2011-2013 budget increase into the 2013-2015 budget. The guideline work and associated expenses started to materialize early in the 2013-2015 biennium.

Rulemaking notices are now routinely sent to all registrants plus to other interested parties on a list maintained in the Board office. Notices are sent by a combination of email and posted mail. The Board also posts all rulemaking notices and draft rules on the Board website. Despite efforts to broadly disseminate all rule notices, the Board does not generally receive a significant amount of public comment. The Board does find those limited comments received to generally be helpful and considers such comments prior to final adoption of rules. The Board approves its draft budgets and associated authorization to issue rulemaking notices and final budgets in public meetings through motion of the Board.

See also the Budget Hearing Reports included in **Appendix 6.a** and **Appendix 6.b**.

Investments: The Board maintains limited investments as authorized by ORS 182.470(2) and ORS 294.035-145. The investments serve as reserve funds to cover emergencies and other unanticipated expenses or revenue declines. The Board has taken this prudent action in realization of its need to operate without any general, lottery, federal, or other funds. In other words, the Board must have an operating reserve as it does not have a path to request assistance from the Legislative Emergency Board or the full Legislative body per ORS 182.462(1). The Board also cannot turn to the Executive Branch for free services or other needs.

During the 2011-2013, the Board adopted an investment policy to memorialize business practices for management of investment accounts. The Board also started to work towards setting a formal reserves policy to provide more guidance on long-term management of operating reserves. The work on the reserves policy continues into the 2013-2015 biennium.

IV. FEES

Board fees are listed in OAR 809-010-0001. Any revisions to the fee schedule must be processed through notice and a public rulemaking hearing in accordance with ORS 182.466(4). See **Appendix 7** for a copy of the current fee schedule.

Several fee increases were effective at the outset of the reporting period but were not significant in terms of projected revenue for the reporting period. Renewal fees, the Board's primary income source, were not changed. In the prior reporting period, the Board approved two new fees and reinstated another fee effective July 1, 2011. A small fee increase occurred for national exams administered by the Board, reflecting an increase put in place by the national exam provider (ASBOG) and not OSBGE. ASBOG increased its rates for the Geology Practice exam section from \$200 to \$250 effective March 2011. The Board started

collecting the higher exam fee for the September 2011 practice exam, but this did not increase Board revenue as it is a pass through to ASBOG. The Board also added fees to cover the administrative costs associated with maintenance of examination files for passing examinees who do not register in Oregon (\$25) and providing a detailed list of registrants above and beyond the information available via the Board's website (\$50). The Board does not receive many requests for these services so there is a negligible budget impact. The Board held a rulemaking hearing for the fee changes on June 16, 2011. No registrants or others voiced any kind of opposition to the fee changes either at the hearing, at Board meetings, or through comments otherwise submitted to the Board office.

During the reporting period, the Board did not increase any fees. The Board did begin work on adoption of one new fee to cover a new service called proctored review. See the discussion on proctored reviews in the Rulemaking Activities section of this report. The Board expects any fees collected for proctored review services to be very minimal in terms of the overall Board budget.

The Board determined that it had sufficient revenue and reserves to avoid fee increases in the 2013-2015 biennium. Unless the budget picture changes substantially during the biennium, the Board is not likely to pursue fee changes in 2015-2017 biennium. The Board will re-evaluate the budget picture after year one of the 2013-2015 biennium and again as it works in early 2015 to develop its budget for 2015-2017. Should developing information lead to a Board proposal for fee increases in 2015-2017, the Board would strive to package those increases with the rulemaking process for adoption of the new budget.

V. RULEMAKING ACTIVITIES

In addition to the biennial budget rule and fee rule previously discussed, the Board completed work on thirteen (13) other administrative rules over the course of the 2011-2013 biennium. See **Appendix 8** and the following overview for details.

A collection of rules were amended to clarify what the statutory term "responsible charge" means with respect to qualifying work experience, registration and the public practice of geology in Oregon. The rule amendments clarify requirements for different types of registration and temporary permits while enhancing the overall clarity and readability of the rules. The Board also amended its qualification standards for the specialty certification in engineering geology and now allows a combination of supervised and responsible charge work experience as qualifying experience. This collection of rule amendments represented a substantial amount of work by the Board.

The Board also made some changes to rules that relate to its compliance role. A new rule was adopted to establish procedures for Board consideration of a request to reinstate a license revoked through disciplinary action of the Board. The Board also updated its Complaint Process rule to change from a Compliance Committee to a Compliance Coordinator structure. This rule revision served to clarify the role of the Coordinator and Board staff in complaint case processing. Finally, the Board updated its Misconduct rule to clarify the link

between the Board's Code of Professional Conduct and a Board determination of misconduct by a registrant.

Some of the Board's rulemaking work focused on cleaning up administrative details. This included a change to its rule on rulemaking notice procedures and adoption of the current Attorney General's model rules of procedure for the Administrative Procedures Act. The Board also deleted three rules addressing outdated personnel, contracting and procurement policies of the Board. On the advice of counsel, the Board instead adopted updated policies for these business practices by motion of the Board.

The Board worked on some additional rules during the 2011-2013 biennium that did not proceed all the way through the rulemaking process during the biennium but were adopted in the first six months of the 2013-2015 biennium. OSBGE amended two rules in order to be able to offer proctored review services to examination candidates. A "proctored review" occurs when an applicant who took an exam is provided an opportunity to review what questions on the exam were answered correctly and incorrectly. The applicant is not informed of what the correct answers are and is not or otherwise provided with confidential exam information. The Board also needed to add a new fee to cover the costs to the Board of offering a proctored review to an examination candidate requesting this option. The proctored review fee only applies to those voluntarily requesting this optional service. The rule also informs the candidate that there is a separate fee charged by ASBOG for a proctored review of an ASBOG exam. The Board does not anticipate many candidates will request proctored reviews but wanted to make this option available to those that feel it will help them in their continued quest for registration. The Board did not update the budget as any fees collected are expected to be minimal.

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

VI. CONSUMER PROTECTION

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

Newsletters: The Board publishes and distributes quarterly newsletters. Starting in 2011, newsletters have been primarily distributed by e-mail with a limited quantity printed in hardcopy. The newsletter is used to communicate issues relevant to the regulation of the profession and has a wide readership, as they are issued to all registrants, all cities and counties, regional universities, and other interested parties. Board newsletters also serve as an informational resource for citizens and others considering the services of a geologist.

Newsletters from 1999 to present are currently available on the Board's website at <http://www.oregon.gov/osbge/Pages/newsletters.aspx>.

Website: The Board maintains a website in the Oregon.gov system and completed a migration to SharePoint during the biennium. The website contains information related to the regulation of the public practice of geology, including relevant laws, rules, applications, publications, and links to related organizations. The Board makes registrant data available via the website, allowing any person to check on registration status by individual name, geographic area or specialty. The Board has a complaint form and compliance process flowchart on its web site to assist the public in preparing complaints for the Board's consideration. During the reporting period, the Board also added a Consumer's Guide page to the webpage targeted at the general public. The Guide provides information about what geologists do and how to find a registered geologist to perform work in Oregon. The current address for the website is: <http://www.oregon.gov/osbge/Pages/index.aspx>.

Universities: The Board strives to hold one quarterly meeting per year on a university campus to facilitate communication with geology professors and students. During the reporting period, the Board was able to hold meetings at Portland State University in December 2012 and University of Oregon in May 2013. The Board encourages students and professors to join the Board's meeting where a luncheon presentation informs them about the regulation of the profession, the importance of registration to the protection of public health, safety, and welfare, and the requirements for becoming registered. A graphic poster touting the *Ten Reasons for Becoming a Registered Geologist* is used as an outreach tool during campus visits and has been provided to all geology departments in Oregon for posting. The poster is also available via the Board's website. In addition to these meetings, a registrant member also participated on behalf of the Board in an outreach event at Oregon State University in February 2013.

Another way the Board facilitates communication with university geology programs and students is to encourage university professors to maintain registration such that they are eligible to serve as Board members. The Board has worked with the Governor's Office over the years to encourage registrants working in the university system to consider service on the Board. Having a Board member familiar with the academic world helps the Board maintain the important connection to geology students, i.e. future registrants who will help protect the public health, safety and welfare through their work. The Governor was able to appoint a registrant working at Oregon State University to the Board in December 2011.

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

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

The Board has authority to reprimand a registrant or suspend, revoke, or not renew a registrant's license upon finding evidence of violation as per ORS 672.675 or the Code of Professional Conduct. The Board can impose civil penalties on registrants and non-registrants for violations as authorized by ORS 672.690, up to \$1,000 per offense. Disciplinary actions and civil penalties are processed through contested case procedures per ORS 183.

The Board maintains a memorandum of understanding (MOU) with the Oregon State Board of Examiners for Engineering and Land Surveying (OSBEELS) that addresses the mutual goal of working cooperatively to address issues of practice overlap between engineering geology and geotechnical engineering. The primary mechanism for this is through a Joint Compliance Committee (JCC). The JCC convenes periodically to discuss and resolve complaints filed with either board and involving areas of potential overlap in practice. The use of the JCC has led to an increased understanding between the two boards about practice overlap and the need to work together to best protect the public.

For more details on compliance cases and associated actions taken by the Board during the reporting period, see the Enforcement Activities section of this report and **Appendix 9**.

VII. LICENSURE ACTIVITIES

The Board administers three types of registrations: Geologist-in-Training, Registered Geologist, and Engineering Geologist. In addition, the Board administers two national examinations two times each year. The Board also administers the Oregon/Washington Engineering Geology examination two times each year. See **Appendix 10 and Appendix 11** for a comparison of licensure activities over several biennia.

The total number of OSBGE registrants, applications received, and new registrations approved all remained essentially flat between the 2009-2011 and 2011-2013 bienniums. The Board did see fewer exam candidates in 2011-2013, which continued a modest downward trend seen also in the 2009-2011 biennium.

Applications for new licenses and number of examination candidates had dropped in 2009-2011 compared to 2007-2009. The Board speculated that this was related to the slow economy and that this could translate into fewer new registrations in the 2011-2013 biennium. However, this did not materialize with new registrations holding very steady between 2009-2011 and 2011-2013.

VIII. ENFORCEMENT ACTIVITIES

OSBGE opened nine (9) and closed nine (9) complaint cases in the 2011-2013 biennium. Of the cases closed in the biennium, four (4) were opened in the previous biennium and five (5) within the 2011-2013 biennium. Three (3) more cases opened in the 2011-2013 biennium were still open at the end of calendar year 2013. See **Appendix 9** for more details about complaint cases.

The Board's total number of investigations and complaints resolved was lower than it has been in past bienniums. The Board is uncertain of the reasons for this but did issue a reminder to registrants via Board newsletter about the duty to report potential violations to the Board. This is a requirement of the Code of Professional Conduct adopted by the Board in rule and therefore something that all registrants are responsible for doing. Registrants play a very important role in helping to police the profession.

The Board traditionally has not had a high complaint case load but takes its compliance role seriously and commits a substantial amount of staff and Board time to the processing of complaint cases. The Board continues to view the compliance process as not just about enforcement but also as an opportunity to educate individuals about the registration requirements. The Board can also encourage individuals to become registered if they have the qualifications instead of them risking crossing a line and conducting the unlicensed practice of geology. The Board often uses outreach letters and letters of concern in this education process in lieu of civil penalties and disciplinary actions.

The Board can impose through the contested case process letters of reprimand, civil penalties, or even suspend, revoke or refusal to renew licenses. However, the Board has rarely found it necessary to impose disciplinary actions or civil penalties based on complaint investigations, and this was true again in the 2011-2013 biennium. This is not to say that the Board shies away from imposition of disciplinary action and civil penalties where the actions of a respondent have potentially serious implications for the health, safety, and welfare of consumers and the general public or with repeat offenders. Evidence of this can be seen in the Board's defense in the previous biennium of a compliance case that reached all the way to the Oregon Supreme Court. The Supreme Court's decision came on July 9, 2010, upholding the Board's 2006 revocation of a license and the Board's use of expert witnesses to establish standards of practice and support compliance findings. The Board uses its disciplinary and civil penalty authorities when investigatory findings suggest this is the most effective or necessary tool.

The average number of days for investigations, i.e., the time between opening an investigation and closing an investigation, improved somewhat for cases opened in the 2013-2015 biennium compared to the previous two biennia. It took the Board some time to get investigations moving again after being without an active Board Administrator for nearly nine months in 2010-2011. See the complaint case statistics included in **Appendix 9** for more details. The Board is mindful of the need to keep cases moving and would like to further reduce the average time for complaint case reviews. However, the Board is challenged by not having a professional investigator to prepare cases (case load has not

warranted this extra staffing when costs are considered), only meeting quarterly, and a continuing reliance on registrants or Board members to volunteer time to serve as technical reviewers.

IX. OTHER ACTIONS

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

ASBOG Participation: Given that the primary regulatory examination administered by the Board is developed by ASBOG through its Council of Examiners, the Board has maintained active participation in the ASBOG organization. The Board's reliance on the ASBOG exam means that the Board must be diligent in monitoring how the exams are evaluated, administered, and updated. When the budget allows and a registrant member is available to attend, the Board sends a participant to the Council of Examiners meetings held in the spring and fall of each year. The fall Council is held in conjunction with the ASBOG annual meeting so the Board has generally opted to attend then when participation needs to be limited to once per year. During the reporting period, the Board participated as follows: (a) Fall 2011 - one registrant member attended and was joined by the Board Administrator as part of her training having joined the Board six months prior, (b) Spring 2012 - one registrant member attended as part of training having joined the Board several months prior, (c) Fall 2012 - one registrant member attended and (d) Spring 2013 - no direct Board participation. The Board has been fortunate to have a former board member willing and able to attend ASBOG events at personal expense with reports back to the Board at times when Board members could not attend. This has helped to assure Oregon's continued voice with ASBOG but is likely not a sustainable solution in the long-term. The Board has budgeted to send Board members to ASBOG events in the 2013-2015 biennium.

Professional Practice/Report Guidelines: During the reporting period, the Board finalized a plan for updating a series of Board guideline documents. There are four documents. Three are guidelines addressing preparation, use and review of geology, hydrogeology, and engineering geology reports, respectively. The fourth is a professional practices guidance document. The report guidelines were previously published but then pulled by the Board due to concerns that they had become too outdated. The professional practices guidance had not been finalized, and the Board decided that the incomplete draft should no longer be circulated. The Board reached a decision to issue a request for proposals to find a qualified person or firm to work on an update to the engineering geology report guideline and also added that a fact sheet would be developed as part of that project. The Board selected a contractor for that project towards the end of the reporting period. For the other documents, the Board decided to tackle the revisions in-house through the work of Board members and staff. These decisions about how to approach the updates were pivotal and allowed for the revisions to get underway just around the close of the reporting period.

The Board anticipates all these documents will be finalized and adopted within the first half of the 2013-2015 biennium.

Coordination with Other Licensing Boards: The Board continued to coordinate with the Oregon Board of Examiners for Engineering and Land Surveying (OSBEELS) on issues of practice overlap. The Board also continued its contractual relationship with the Oregon State Landscape Architect Board (OSLAB) to provide that Board with staffing services. The Board Chairs work cooperatively on oversight of the Administrator, including completion of annual performance reviews. The two boards continued to find administrative efficiencies and other benefits in this relationship and elected to enter into a new interagency agreement for the 2013-2015 biennium.

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

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

Other: See **Appendix 11** for a summary table of Board operations data requested by the Legislative Fiscal Office.

Oregon State Board of Geologist Examiners Biennial Report, April 1, 2014

APPENDICES

Appendix 1	Board Roster
Appendix 2	Board Officers/Committees & Coordinators
Appendix 3	Board Meetings
Appendix 4	2011-2013 Financial Review/Response/IT Assessment
Appendix 5.a.	2011-2013 Adopted Budget (Original & Revised)
Appendix 5.b.	2011-2013 Budget vs. Actuals
Appendix 5.c.	2013-2015 Adopted Budget
Appendix 5.d.	2013-2015 Budget vs. Actuals (12/31/13)
Appendix 5.e.	Balance Sheet, 6/30/13
Appendix 5.f	Forecasted Balance Sheet, 6/30/15
Appendix 5.g	Fund Analysis (covering 2 biennia)
Appendix 6.a	Budget Hearing Report, 2011-2013
Appendix 6.b	Budget Hearing Report, 2013-2015
Appendix 7	Board Fees List
Appendix 8	2011-2013 Rulemaking Activities
Appendix 9	2011-2013 Enforcement Activities
Appendix 10	2007-2009 – 2011-2013 Licensure Activities
Appendix 11	2003-2005 – 2011-2013 Operations Data

Appendix 1: Board Membership Roster

OREGON STATE BOARD OF GEOLOGIST EXAMINERS

707 13th Street SE, Suite 114, Salem, OR 97301

Phone (503) 566-2837

Fax (503) 485.2947

Email: osbge.info@state.or.us

February 2014

Chair Peter L. Stroud, RG, CEG

Kleinfelder

9200 SW Nimbus Ave, Ste. A

Beaverton, OR 97008

Phone: (503) 207-4322

Email: pstroud@kleinfelder.com

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

Vice Chair Kenneth Thiessen, RG, CEG

DEQ, Northwest Region

2020 SW 4th Avenue, Suite 400

Portland, OR 97201

Phone: (503) 229-6015

E-mail: thiessen.kenneth@deq.state.or.us

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

Hans Feige, RG

Feige & Associates, Inc.

27001 NW Saint Helens Road

Scappoose, OR 97056

Phone: (503) 543-9700

Email: hfeige@feige.us

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

Vicki S. McConnell, PhD, RG

State Geologist

Department of Geology & Mineral Industries

800 NE Oregon ST #28

Portland OR 97232

Phone: (971) 673-1550

Email: vicki.mcconnell@dogami.state.or.us

Terms: Ex-Officio (since 7/1/2003)

W. Todd Jarvis, PhD, RG, CEG

Oregon State University

Institute for Water & Watersheds

& Climate Change Research Institute

210 Strand Hall

Corvallis, OR 97331

Phone: (541)-737-4032

Email: todd.jarvis@oregonstate.edu

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

Stephen Tucker, Public Member

Cascade Radon, Inc.

2761 NE Halsey Street

Portland, OR 97232

Phone: (503) 421-4813

Email: steve@cascaderadon.com

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

Appendix 2: Board Officers & Committees

Oregon State Board of Geologist Examiners

As of March 2013

BOARD OFFICERS

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

BUDGET COMMITTEE

Christine Valentine, Administrator (Committee Chair)
Peter Stroud, RG, CEG, Board Chair
Vicki McConnell, PhD, RG, Ex Officio Board Member

ENGINEERING GEOLOGY EXAM COMMITTEE

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

JOINT COMPLIANCE COMMITTEE [MOU/OSBEELS]

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

LEGISLATIVE COMMITTEE

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

OUTREACH COMMITTEE

Pending reassignment at May 30, 2014 meeting, Board Member (Committee Chair)
Steve Taylor, PhD, RG, registrant (Appointed)

RULES COMMITTEE

Hans Feige, Board Member (Committee Chair)
Board registrants

OTHER ASSIGNMENTS

COMPLAINT COORDINATOR

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

APPLICATION REVIEW COORDINATOR

Vicki McConnell, PhD, RG, Ex Officio Board Member

Appendix 3: Board Meetings

Oregon State Board of Geologist Examiners

Meeting Schedule* July 1, 2011 – June 30, 2013

2011

09/09/11

12/02/11

2012

03/09/12

06/07/12

09/21/12

12/07/12

2013

03/22/13

05/31/13

*=During this reporting period, the Board did not call any special meetings in addition to its regular, quarterly meetings.

Appendix 4 – Financial Review/Risk Assessment Reports

Contents:

2011-2013 Financial Review

OSBGE Response to Financial Review

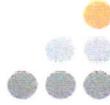
DAS IT Assessment for OSBGE



Valerie A. Wicklund, CPA, LLC

Oregon State Board of Geologist Examiners
Agreed Upon Procedures Report
Financial Review

Report No. 09-13
October 23, 2013



Valerie A. Wicklund, CPA, LLC

742 Hawthorne Ave, NE
Salem OR 97301

vwicklundcpa@comcast.net
503-851-4435

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Oregon State Board of Geologist Examiners:

The Oregon State Board of Geologist Examiners (OSBGE) is a semi-independent agency of the State of Oregon that operates under Chapters 672.505 to 672.991 and Chapters 182.454 to 182.472 of the Oregon Revised Statutes. It safeguards the health, welfare, and property of Oregonians affected by the geologic fields of ground water, land-use planning, mineral exploration and development, geologic hazards and the further development of the science of geology. The Board has the authority to determine education and experience qualifications, examine and register geologists, certify those with an engineering geology specialty, grant cooperative registration for comparable requirements in other states, and suspend, revoke, or refuse to renew registrations or certifications and to assess civil penalties when warranted.

The Board is composed of five members appointed by the governor for three-year terms. Four are Registered Geologists and the fifth member is a public citizen. Oregon's State Geologist serves as an ex-officio sixth member of the Board. In addition to the Board, the OSBGE currently operates with a staff of one Administrator and one full-time employee. OSBGE employees provide administrative services to the Oregon State Landscape Architect Board (OSLAB) under an interagency agreement. Employees work approximately one-half time on OSBGE business and one-half time on OSLAB business.

Oregon Revised Statute 182.464 requires the OSBGE to undergo a financial review according to schedules agreed to with the Secretary of State. We performed the procedures, as described below, which were agreed to by the OSBGE and the Secretary of State, for the two years ending June 30, 2013. The OSBGE is responsible for the establishment of and compliance with its financial and licensing processes and internal controls. The procedures agreed to were solely to assist management and the Secretary of State in evaluating the financial and licensing operations of the OSBGE. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is the sole responsibility of those specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below.

Agreed Upon Procedures Performed

1. We reviewed and evaluated internal controls over handling cash, recording revenues and disbursements, and administering licensing activities. We obtained and reviewed the adequacy of policies, procedures and desk manuals related to (1) receiving, calculating, recording, and reporting transactions, (2) handling cash and (3) licensing processes. We

performed process walk-throughs to determine compliance with procedures and performed testing as we determined necessary.

2. We reviewed and evaluated cash controls. We confirmed investment and bank balances with financial institutions, reviewed bank reconciliations, and reviewed cash handling and related internal controls.
3. We examined revenues and expenses. We obtained accounting and subsidiary records related to revenues and expenses. We selected samples of revenue and expense transactions and evaluated supporting documentation to determine if the transactions were appropriate and properly classified in the accounting records.
4. We compared budgeted revenues and expenditures to actual revenues and expenditures.

Results of Procedures

1. Our evaluation of internal controls over financial, accounting, and licensing processes found that, generally, adequate controls were in place during the biennium. However, we also found several opportunities to strengthen internal controls.

Internal Controls Related to Cash and Recording Revenues and Expenses

Financial and accounting internal controls in place during the biennium were generally well designed and appropriately implemented for an agency with only two employees. We identified key controls in the cash receipts and cash disbursements processes and our tests showed these controls were working as intended by management. Segregation of duties is difficult to achieve with only two employees. Some of the risks of a lack of segregation of duties were mitigated through the use of a bank lockbox for registration renewals. Risks were further limited by the Board's review and approval of disbursements at each Board meeting. Board oversight and involvement in financial processes is a key control in this small agency.

We identified opportunities to further strengthen internal controls by establishing a procedure for the Administrator's review of all journal entries. Controls can be improved by establishing a limit on the dollar value of checks the Administrator can sign and requiring the Board Chair to sign checks above the limit as well as checks payable to or printed by the Administrator.

The Registration Specialist prepares journal entries to record financial activities such as interest earned on investments and accrued vacation liability. With the exception of journal entries related to investments, there is no review and approval of journal entries. OSBGE financial policies do not require a supervisory review and approval of journal entries.

The review and approval of journal entries is a key control to prevent errors such as adjusting the wrong accounts or transposing numbers. It also helps protect against fraud by ensuring there is a valid reason for a journal entry.

We recommend the agency ensure all journal entries are reviewed and approved by the Administrator and that the review is documented. We recommend the OSBGE include the requirement for supervisory review of journal entries in its financial policies.

When the Administrator incurs expenses for travel on Board business or when she purchases office supplies, she pays with personal funds. Checks reimbursing the Administrator for these expenses are signed by the Administrator. The Administrator prints checks when the Registration Specialist is out of the office for more than two weeks. The Administrator signs the checks she prints.

Many small independent state boards and commissions have established a limit on the dollar value of check the Administrator can sign. The OSBGE has not established a limit on the amount of check the Administrator may sign.

Generally accepted good business practices include a review by employees, independent of the disbursements process, to ensure all disbursements are accurate and appropriate and to approve them for payment. The signature on the check is evidence of such review and approval. Checks should be signed by someone other than the individual printing the check or the individual to whom the check is payable to.

Establishment of a threshold for checks signed by the Administrator or Director is a best practice for many small independent boards and commissions in Oregon. Checks payable for amounts above the threshold are signed by a Board member, usually the Board Chair or Treasurer. Threshold amounts range from \$500 to \$2,000. Establishing a limit on the Administrator's check signing authority, especially in very small agencies where an ideal segregation of duties is not possible, limits exposure to the risk of inappropriate use of funds.

We recommend checks payable to the Administrator or printed by the Administrator be signed by the Board Chair. The Board Chair can provide the proper authorization in the absence of an adequate number of employees to properly segregate duties. *We recommend* the agency establish a threshold over which checks must be signed by the Board Chair.

The OSBGE took action on recommendations presented in the 2009-2011 financial review. It developed written policies and revised procedures to reflect current practices. The Board obtained additional accounting and licensing software licenses and each employee was assigned a unique user id and password. It established a time and attendance system where employees fill out timesheets which are approved by the Administrator and Board Chair. Work was underway at year-end to adopt a records management policy.

Registration Controls

Individuals practicing geology in the state of Oregon must qualify before the OSBGE and obtain a certificate of registration. Certificates are renewed every year in the anniversary

month of the initial date of issuance. Controls over initial qualification, exam administration, and renewal of registrations are generally well controlled, although there is an unavoidable lack of segregation of duties in this two-person agency. The same individual is responsible for receiving and recording applications and renewals, reviewing applications to ensure criteria is met, recommending applicants to the Board for registration, and printing and mailing the certificates. Risks are offset by Administrator and Board review and approval of each applicant's file prior to granting initial registration. The agency also uses a bank lockbox for renewal payments. The OSBGE has provided for a segregation of duties to the extent practical with its limited resources.

The agency took action on a recommendation related to registration controls that was presented in the 2009-2011 financial review by setting up a process to ensure registration fees have been received and recorded in the system before initial registration certificates are issued.

2. We confirmed investment and bank balances directly with the bank and determined June 30, 2011 bank account balances are properly recorded in the accounting records. We identified key controls over cash and investments, including the requirement for the Board Chair's review of monthly bank reconciliations and the Board's regular review of investment statements and disbursements logs at Board meetings. The agency has established good controls over its receipting processes and the results of our testing showed those controls were working as intended by management. We have recommendations to improve the Board Director's review of bank reconciliations and the authorization of electronic funds transfers.

We reviewed all bank reconciliations prepared during the two year period ending June 30, 2013. We found monthly bank reconciliations were generally prepared timely. The Board Chair initialed and dated reconciliations and bank statements as evidence of his review and approval, with the exception of two reconciliations where there was no evidence of Board Chair review. The Board Chair completed his review of the bank reconciliations and bank statements timely, except for two months. OSBGE has an unwritten policy calling for preparation of bank reconciliations within the month the bank statement is received and for the Board Chair to review the bank reconciliation within the month after preparation of the reconciliation.

Until January 2012, as part of the bank reconciliation review, the Board Chair was provided with copies of checks that cleared the bank. The bank stopped sending the checks in January 2012 and the Board Chair was not able to review the checks as part of the bank reconciliation review. The checks are accessible through the Board's website, for review or printing.

We recommend the Board formalize in policy its timelines for the preparation and review of bank reconciliations. We also recommend the agency develop and document a process for the Board Director's review of cleared checks, including comparison of payee names listed on the check to payee names listed on the detailed bank reconciliation.

In February 2012, OSBGE set up electronic funds transfers for the regular recurring rent payment. The Board Chair authorized the bank to set up the initial recurring monthly

payments as well as a subsequent increase in the monthly rent payment. In June 2012 the Board adopted the Electronic Funds Transfer Policy which authorizes the Board Administrator to approve the establishment of electronic funds transfers when specific criteria are met. The policy does not require approval of the Board to set up the transfers.

To ensure continuation of the good business practice of the Board Chair authorizing the bank to implement electronic funds transfers, *we recommend* the Board revise its Electronic Funds Transfer Policy to require the Board Chair or another Board member to authorize the bank to set up electronic funds transfers.

The agency took action on recommendations from the 2009-11 financial review designed to strengthen internal controls over banking and investments. The duty of preparing the monthly bank reconciliation was transferred from the Registration Specialist to the Administrator, to better segregate duties. The agency obtained an electronic check scanner for daily deposit of checks received in the mail to facilitate the timely deposit of checks. An automated recurring transfer from the OSLAB bank account to the OSBGE bank account was set up to ensure timely deposit of the OSLAB administrative fee payment. The OSBGE adopted an investment policy requiring formal Board approval for investment transactions and two signatures, one from a Board member, to transact business on the accounts.

3. Our examination of revenues and expenditures found the transactions to be appropriate, properly classified, and accurately recorded in the accounting records.

We examined supporting documentation for selected transactions from three revenue accounts; 4100 Administrative Fee, 0407.1 Annual Renewal RPG, 0416.1 Annual Renewal CEG, and 402 Exam Fee RPG. Our testing showed deposits were generally made timely. We also found revenues were accurately recorded and appropriately classified in the accounting records and registration and renewal criteria were met.

We examined supporting documentation for selected transactions from three expense accounts; 4103 IS Ground Transportation, 4151 OS Meals and Lodging, and 9200 Regular Employees Payroll. We found the expenses were properly recorded and classified in the accounting records, appropriate to further the business of the OSBGE, and generally processed in alignment with OSLAB policy and procedure.

4. The budget was amended in September 2012 to reflect higher than anticipated administrative fee revenues, renewal revenues, and personnel-related expenditures. We compared amended budgeted revenues and expenditures to actual revenues and expenditures for the two years ending June 30, 2013. We noted budget variances are reasonable and actual net income of \$36,512 was \$34,327 higher than budgeted net income of \$2,185.

Total revenues of \$484,035, including interest income, were less than 1% lower than adjusted budgeted revenues of \$485,122.

Total expenditures of \$447,523 were within the approved budget limitation of \$484,100 and were 7.6% or \$36,577 lower than adjusted budgeted expenses. Actual Professional Services

expenses were \$19,760 or 69% lower than budgeted expenses of \$28,761 due to delays in implementing a project related to revising Board guidelines and a change in strategy where more work will be performed by the Board and employees. Actual Attorney General legal fees were 23% or \$6,323 less than budgeted as the Board experienced a lower than anticipated level of compliance cases or other issues requiring legal counsel. Examinations expense of \$12,750 was \$4875 or 28% lower than budgeted expense of \$17,625 as fewer candidates than predicted signed up to take exams.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the adequacy of financial operations or compliance with laws, rules, regulations or standards. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the OSBGE and the Secretary of State and is not intended to be and should not be used by anyone other than the specified parties.

VALERIE A WICKLUND, CPA, LLC



Valerie Wicklund, CPA

October 23, 2013



Oregon

John A. Kitzhaber, MD, Governor

Board of Geologist Examiners

707 13th Street SE, Suite 114

Salem, OR 97301

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Website: www.oregon.gov/OSBGE

January 8, 2014

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

Re: **Oregon State Board of Geologist Examiners**
Recommendations from 2011-2013 Financial Review

Dear Ms. Bond,

At the December 13, 2013 meeting of the Oregon State Board of Geologist Examiners (OSBGE), the Board reviewed with staff the recommendations resulting from the financial review conducted for the 2011-2013 biennium by Valerie A. Wicklund, CPA, LLC. An electronic copy of the review report has been separately provided to you. This letter provides a brief summary of the Board's response to the review. In general, the Board is pleased to have received a very positive review and generally finds the limited recommendations related to Board business practices to be reasonable. The Board expects that the recommendations can be readily addressed with minor updates in procedures and policies. Staff has already started the process of implementing changes to address the recommendations.

Following is a summary of the recommendations and Board response:

Checks payable or printed by the Administrator to be signed by the Board Chair: The Board has been requiring that any reimbursement checks paid to the Administrator first be supported by an expense claim reviewed and signed by the Board Chair and then listed on a quarterly expense log reviewed and approved by motion of the full Board. However, the Board agrees that the additional step of requiring a designated Board member to sign such checks is a reasonable addition to the existing controls. The Administrator generally does not print checks, as this duty is assigned to the Board's Registration Specialist. But since the Administrator could be required to print checks in an emergency situation such as the unexpected absence or departure of the Registration Specialist, the Board will also adopt the recommended procedures for Administrator prepared checks.

Check Signing Limit for Administrator: The Board has not yet decided on whether or how to implement a new check signing limit. The Board feels that it already has numerous checks and balances in place related to check issuance, plus the changes outlined above will further increase Board oversight. The Board relies on the Administrator to timely sign checks for all the Board's outstanding bills, including monthly payroll payment to the Department of Administrative Services, Department of Justice legal services payment, and any payments due to meet contractual obligations. However, the Board closely monitors the check signing activity of the



Administrator. The Board Chair reviews check payments through monthly reconciliation of bank accounts, and the full Board reviews and approves a quarterly payment log prepared by the Board's Registration Specialist listing all debits and checks issued. The Board is concerned that setting a specific, across-the-board dollar limitation on the Administrator's ability to sign checks may create inefficiency in business practices without a commensurate increase in risk reduction. The Board is considering whether a dollar limit with certain exceptions might be feasible.

All journal entries reviewed and approved by Administrator and approval documented: Journal entries for investment interest and other corrections have generally been reviewed by the Administrator but not formally documented. Staff will prepare revised procedures to require that all journal entries are reviewed and approved in a timely manner with approval documented.

Document bank reconciliation procedures: Staff will prepare written procedures to memorialize current practices regarding preparation, review, and timeframes for bank reconciliations and add these to the desk manual.

Board Chair review of signed checks as part of bank reconciliation procedures: Staff will return to this former procedure of including copies of cancelled checks with the bank reconciliation materials provided to the Board Chair. This will be included in the desk manual procedures discussed above. The Board may also investigate providing the Chair with online access to view check copies via the bank in lieu of providing printed copies.

Electronic Funds Transfers: The Board's policy addressing the use of electronic fund transfers will be updated to specify how the Board Chair signs the instruction letter to the bank establishing a new electronic fund transfer. This has been the Board's practice for the few automated transfers established to date even though not explicitly detailed in the policy.

Other: Board staff also plans to document procedures for depositing checks via bank check scanner. Even though this was not included as a finding, the topic was discussed with the CPA during the review. Staff plans to add written procedures to the Board's desk manual to memorialize current practices.

In closing, I am available to discuss this letter and the Board's financial review should you have questions or need additional information. I can be reached at christine.valentine@state.or.us or 503-566-2837.

Sincerely,



Christine Valentine
Board Administrator

cc. Peter Stroud, RG/CEG, Board Chair
Kenneth Thiessen, RG/CEG, Board Vice Chair

Security Assessment: Oregon State Board of Geologist Examiners and Oregon State Landscape Architects Board

January 2014

DAS Enterprise Security Office

Summary

Several semi-independent boards received a recommendation from legislative audits that they have a security assessment performed of their operations and IT infrastructure. In response to this, a group of these boards, including the Oregon State Board of Geologist Examiners (OSBGE) and Oregon State Landscape Architects Board (OSLAB), approached the Enterprise Security Office (ESO) and requested assessments of their agencies. Because they share infrastructure and resources and their business practices are same, the ESO conducted a joint assessment of OSBGE and OSLAB. The assessment included business operations and technical infrastructure and practices. This report details the findings of that assessment.

The ESO feels OSBGE/OSLAB's small size, small client base, and particularly their simple business needs are an asset for protecting their data. Because there is little need for complicated web interfaces, extensive data handling requirements, or complex customer interactions, it has not been necessary to develop large, complex solutions with their inherent security problems. In the case of OSBGE and OSLAB, small, simple solutions mean that securing their data is much easier.

We found that the boards' data protection practices were good and mostly sufficient for their security needs with only a couple exceptions that we've outlined below. Following the few recommendations we've outlined should bring the boards into compliance with state security standards and provide better protection for their data.

Methodology

The ESO began by requesting pre-assessment business and technical security surveys from OSBGE and OSLAB, which we evaluated to determine what additional information we needed. We then conducted an interview and tour with Christine Valentine, administrator for both OSBGE and OSLAB, to gain understanding of the two boards' purposes, business functions and office environment. The ESO also interviewed Werner Brandt of NetForest, the consultant that provides OSBGE/OSLAB's webserver and web application support, to gain an understanding of the boards' web presence, and we had email conversations with Grant Moyle of Confuzer to follow up on technical survey information he provided. Following these interviews, the ESO performed a technical security assessment of OSBGE/OSLAB's license lookup web applications.

The ESO's assessment activities were intended to discover the following types of information:

- Threat assessment to determine agency data and value for potential abuse
- Adequacy of business practices to secure data against threats
- Security of IT infrastructure and adequacy of its protections
- IT security practices as they relate to protecting agency data

Findings

General Awareness

OSBGE/OSLAB have a good understanding of which of their data is sensitive. They have designed their business and technical processes to adequately segregate sensitive from non-sensitive, avoiding unnecessary exposure and risk. One example of this is the assignment of a non-SSN identifier for all new applicants, eliminating the need to expose SSN on subsequent interactions.

Physical Security

The OSBGE/OSLAB office space is small, consisting of three rooms in a rental office space. All rooms have windows contiguous with either outside or with the building internal space. There is no internal closet or room without access out of the office space. There is a security alarm for their space and the building owner maintains security for the building.

The OSBGE/OSLAB file server, where client data, including Social Security Number and other personal information is stored, is placed out of view in a back room but there is a large sliding-glass door to the outside. Paper document copies, including ones containing SSNs and personal information, are stored in unlocked file cabinets in the same room. Although we assess the risk of the office being burglarized and sensitive information being stolen as low, there have been several cases of file servers being stolen from other agency offices. The impact to the boards and state if this were to happen would be medium or high, requiring that affected people be notified and potentially also requiring expensive ID theft protection.

Recommendation: Statewide Information Security Standards (Section 2.1.3 – Protection of Information Assets, Level 3) specify that Level 3 information, if it is not encrypted, must be protected behind a minimum of two locked doors. Because the office space has no isolated back room or closet that can be secured, we recommend that full-disk encryption be employed on the board file server to ensure that information is not recoverable in the event of theft. We further recommend that the file cabinets containing sensitive information be kept locked when not in use. Although there is low risk, the impact if this vulnerability were exploited would be high, which we feel justifies the low cost of remediation.

Office IT Infrastructure

Most of the IT infrastructure and maintenance is outsourced by OSBGE/OSLAB to Confuzer, Inc., an Illinois-based IT consulting company whose customers include many Oregon state board. Based upon the pre-assessment technical survey, ESO's previous experiences with Confuzer, and the small size of the boards' infrastructure, the ESO chose not to perform a technical assessment to confirm status of the boards' IT infrastructure but instead relied on the pre-assessment IT security survey completed by Confuzer on behalf of OSBGE/OSLAB.

Based on prior experience with Confuzer, we are comfortable with their information security expertise and are confident that they will provide the boards with high quality security advice. In general, we feel that the IT infrastructure and practices as described by Confuzer are adequate to OSBGE/OSLAB's needs and provide good security. The

only recommendation we have with regard to the technical architecture is to proceed with a planned upgrade as described below.

Recommendation: In the pre-assessment IT survey we noted that OSBGE/OSLAB's laptop is still running Windows XP and also that Confuzer plans to replace the machine. Microsoft support for Windows XP ends on April 8th, 2014, after which time no more security updates will be available for it. The ESO recommends that OSBGE/OSLAB proceed with plans to replace the laptop, or at least to upgrade it to a supported operating system.

Web Applications

The ESO performed an assessment of OSBGE/OSLAB's license lookup web applications, developed by NetForest and hosted by Linksky, a web hosting provider. The assessment was two-pronged: an analysis of application source code provided by NetForest, and a series of scans and probes against both the hosted copy of the application and a copy we built on an ESO server.

Although the ESO found a few minor vulnerabilities in the web application, there were none that pose a threat given the simplicity of the web application and the lack of data sensitivity. The web applications are well designed and provide adequate protection; we have no recommendations for application code change.

A positive finding related to the web application assessment is that the hosting provider, Linksky, operates intrusion prevention technology to prevent the type of scanning we were doing. Part of our testing involved hundreds of high speed repeated probes to find vulnerabilities. During this portion of testing, the web application stopped responding to our testing machine but continued to respond to other web activity from other machines, a characteristic of a selective block on traffic. In order to perform that portion of the testing we had to install the web application on our own servers – every time we started high speed tests the hosting provider would block the activity. This is an effective feature to help prevent attackers from trying to crack into OSBGE/OSLAB's web applications.

Additional Assessments

The OSBGE/OSLAB's administrator requested that we include a recommendation for when, or under what circumstances, additional security review is advisable.

Recommendation: Given the simple nature of OSBGE/OSLAB's business and IT transactions and the limited use of small amounts of sensitive information, we recommend another security assessment after four years time unless there is a major change in business, office or IT practices. Example changes where an assessment would be appropriate could be development of further web interfaces to board data, addition of a new business line, or a major change to IT infrastructure. We do request that OSBGE/OSLAB follow up this assessment by informing ESO of actions taken in response to our recommendations.

Conclusion

From an information security point of view, OSBGE and OSLAB are in an enviable position. Their small size, business scope, and limited sensitive data enable them to

avoid complex infrastructure and practices that carry inherent security risk. They appear to be receiving good security support from their IT contractors and their security practices are mostly sufficient. Implementing the small recommendation we've suggested should adequately mitigate what little security risk they have.

Credits

The testing team consisted of the following people:

- ESO: John Ritchie and Shaun Gatherum
- OSBGE/OSLAB: Christine Valentine
- Confuzer: Grant Moyle
- NetForest: Werner Brandt. Special thanks for providing a copy of NetForest's proprietary application source code – this was a big help to us.

The assessment couldn't have happened without the assistance and cooperation of OSBGE/OSLAB and their technical consultants Confuzer and NetForest. The ESO thanks OSBGE and OSLAB for the opportunity to assess their agency security practices and infrastructure.

Appendix 5.a., Part 1: OSBGE 2011-2013 Budget

Oregon State Board of Geologist Examiners						
Approved Budget 2011-2013 Biennium						
	REVENUE	Fee Amount		Year 1	Year 2	Biennium
	Projected Carryover Balance					
1	Application Fee, Registration	75	45	\$3,375	\$3,375	\$6,750
2	Application Fee, Examination	75	45	\$3,375	\$3,375	\$6,750
3	Examination Fee, Fundamental	175	25	\$4,375	\$4,375	\$8,750
4	Examination Fee, Practice	275	20	\$5,500	\$5,500	\$11,000
5	Examination Fee, CEG	200	6	\$1,200	\$1,200	\$2,400
6	RG Renewals	100	1046	\$104,600	\$104,600	\$209,200
7	Over 70 RG Renewal	15	56	\$840	\$840	\$1,680
8	Over 70 CEG Renewal	15	29	\$435	\$435	\$870
9	CEG Renewals	75	248	\$18,604	\$18,604	\$37,208
10	GIT Renewals	50	76	\$3,803	\$3,803	\$7,605
11	Restoration Fee	Varies		\$3,000	\$3,000	\$6,000
12	Other penalty/sales income	Varies		\$200	\$200	\$400
13	Bank / CD Interest	10	12	\$120	\$120	\$240
14	Revenue subtotal			\$149,426	\$149,426	\$298,853
15	<i>OSLAB Contract</i>	6700	6700	\$80,400	\$80,400	\$160,800
16	Total Revenue			\$229,826	\$229,826	\$459,653
17						
18	EXPENSES					
19	Personal Services					
20	Staff salary and benefits			\$151,871	\$151,871	\$303,741
21	PERS Bond repayment to DAS			\$6,777	\$6,777	\$13,553
22	Temp Employee			\$300	\$300	\$600
23	Board Member Stipends		100	\$2,000	\$2,000	\$4,000
24	Technical Reviewer Honorarium		100	\$1,500	\$1,500	\$3,000
25	Total Personal Services			\$162,447	\$162,447	\$324,894
26						
27	Services and Supplies					
28	Office Supplies			\$4,500	\$4,500	\$9,000
29	Bank Charges	125	12	\$1,500	\$1,500	\$3,000
30	Website support	50		\$600	\$600	\$1,200
31	Email provider (Dial Oregon)			\$50	\$50	\$100
32	Instate Meals and Lodging			\$1,600	\$1,600	\$3,200
33	Instate Ground Transportation	0.51	0.51	\$3,000	\$3,000	\$6,000
34	Out of State Meals, Lodging, Misc			\$2,040	\$1,020	\$3,060
35	Out of State Transportation			\$1,920	\$1,140	\$3,060
36	Communication (Phone, Internet)			\$2,000	\$2,000	\$4,000
37	Computer Hardware support (Confuzer)	62.5		\$750	\$750	\$1,500
38	Computer Hardware upgrades			\$1,000	\$1,000	\$2,000
39	Computer Software support (Netforest)	100	100	\$3,000	\$3,000	\$6,000
40	Computer Software upgrades			\$500	\$500	\$1,000
41	Professional Services	250	255	\$3,100	\$3,100	\$6,200
42	Government Services (incl. financial audit)			\$3,900	\$6,000	\$9,900
43	AG Fees			\$15,000	\$15,000	\$30,000
44	Rental, Office space	494	12	\$5,928	\$5,928	\$11,856
45	Rental, Exam Site			\$0	\$0	\$0
46	Board/Staff Training			\$600	\$600	\$1,200
47	ASBOG Examination Expense			\$9,875	\$9,875	\$19,750
48	ASBOG Membership Dues			\$4,500	\$4,500	\$9,000
49	ASBOG Registration Fee			\$1,000	\$500	\$1,500
50	CEG Task Analysis			\$0	\$0	\$0
51	Fund for Additional Legal Fees			\$0	\$0	\$0
52	Total Services and Supplies			\$66,363	\$66,163	\$132,526
53						
54	Total Expenses					\$457,420
55	Total Revenues					\$459,653
56	Net Projected 2011/2013 Revenue					\$2,232

Appendix 5.a., Part 2, OSBGE 2011-2013 Budget Revised

Oregon State Board of Geologist Examiners Amended Budget for 2011-2013 Biennium

Adjusted for Yr. 1 Actuals & Yr. 2 Anticipated Revenues & Expenditures)

Approved at Sept. 21, 2012 Quarterly Meeting

Notice of Rulemaking Hearing, filed Oct. 2012 for Nov. 2012 Publication

Final Budget rule adopted Dec. 7, 2012 Quarterly Meeting, Cert. Effective Dec. 21, 2012

	Approved	Actual	Approved	Adjusted	Comparison	TOTALS
REVENUE	Year 1	Year 1	Year 2	Year 2	Initial Budget	REVISED
Projected Carryover Balance	\$ -	\$ -	\$ -	\$ -		\$ -
1 Application Fee, Registration	\$ 3,375	\$ 2,975	\$ 3,375	\$ 3,375		\$ 6,350
2 Application Fee, Examination	\$ 3,375	\$ 2,675	\$ 3,375	\$ 3,375		\$ 6,050
3 Examination Fee, Fundamental	\$ 4,375	\$ 3,325	\$ 4,375	\$ 4,375		\$ 7,700
4 Examination Fee, Practice	\$ 5,500	\$ 4,150	\$ 5,500	\$ 5,500		\$ 9,650
5 Examination Fee, CEG	\$ 1,200	\$ 800	\$ 1,200	\$ 1,200		\$ 2,000
6 RG Renewals	\$ 104,600	\$ 111,769	\$ 104,600	\$ 112,902		\$ 224,671
7 Over 70 RG Renewal	\$ 840	\$ 1,095	\$ 840	\$ 1,125		\$ 2,220
8 Over 70 CEG Renewal	\$ 435	\$ 510	\$ 435	\$ 525		\$ 1,035
9 CEG Renewals	\$ 18,604	\$ 19,123	\$ 18,604	\$ 19,500		\$ 38,623
10 GIT Renewals	\$ 3,803	\$ 3,013	\$ 3,803	\$ 3,310		\$ 6,323
11 Restoration Fee	\$ 3,000	\$ 3,867	\$ 3,000	\$ 3,000		\$ 6,867
12 Other penalty/sales income	\$ 200	\$ 400	\$ 200	\$ 200		\$ 600
13 Bank / CD Interest	\$ 120	\$ 113	\$ 120	\$ 120		\$ 233
14 Revenue subtotal	\$ 149,427	\$ 153,815	\$ 149,427	\$ 158,507	\$ 298,854	\$ 312,322
15 OSLAB Contract	\$ 80,400	\$ 86,400	\$ 80,400	\$ 86,400	\$ 160,800	\$ 172,800
16 Total Revenue	\$ 229,827	\$ 240,215	\$ 229,827	\$ 244,907	\$ 459,654	\$ 485,122
17						
18 EXPENSES						
19 Personal Services						
20 Staff salary and benefits	\$ 151,871	\$ 156,451	\$ 151,871	\$ 160,329		\$ 316,780
21 PERS Bond repayment to DAS	\$ 6,777	\$ 7,014	\$ 6,777	\$ 7,194		\$ 14,208
22 Temp Employee	\$ 300	\$ -	\$ 300	\$ -		\$ -
23 Board Member Stipends	\$ 2,000	\$ 2,200	\$ 2,000	\$ 2,200		\$ 4,400
24 Technical Reviewer Honorarium	\$ 1,500	\$ -	\$ 1,500	\$ -		\$ -
25 Subtotal Personal Services	\$ 162,447	\$ 165,665	\$ 162,447	\$ 169,723	\$ 324,894	\$ 335,388
26						
27 Services and Supplies						
28 Office Supplies (+postage, copying, newsletter, freight)	\$ 4,500	\$ 4,597	\$ 4,500	\$ 5,245		\$ 9,842
29 Bank Charges	\$ 1,500	\$ 1,010	\$ 1,500	\$ 1,500		\$ 2,510
30 Website support	\$ 600	\$ 600	\$ 600	\$ 600		\$ 1,200
31 Email provider (Dial Oregon)	\$ 50	\$ -	\$ 50	\$ -		\$ -
32 Instate Meals and Lodging	\$ 1,600	\$ 506	\$ 1,600	\$ 1,000		\$ 1,506
33 Instate Ground Transportation	\$ 3,000	\$ 1,196	\$ 3,000	\$ 2,000		\$ 3,196
34 Out of State Meals, Lodging, Misc	\$ 2,040	\$ 2,709	\$ 1,020	\$ 1,950		\$ 4,659
35 Out of State Transportation	\$ 1,920	\$ 1,614	\$ 1,140	\$ 1,050		\$ 2,664
36 Communication (Phone, Internet)	\$ 2,000	\$ 1,659	\$ 2,000	\$ 1,800		\$ 3,459
37 Computer Hardware support (Confuzer)	\$ 750	\$ 1,288	\$ 750	\$ 3,212		\$ 4,500
38 Computer Hardware upgrades	\$ 1,000	\$ 680	\$ 1,000	\$ 500		\$ 1,180
39 Computer Software support (Netforest)	\$ 3,000	\$ -	\$ 3,000	\$ 6,000		\$ 6,000
40 Computer Software upgrades	\$ 500	\$ 301	\$ 500	\$ 700		\$ 1,001
41 Professional Services	\$ 3,100	\$ 4,261	\$ 3,100	\$ 24,500		\$ 28,761
42 Government Services (including financial audit)	\$ 3,900	\$ 4,576	\$ 6,000	\$ 2,500		\$ 7,076
43 AG Fees	\$ 15,000	\$ 12,404	\$ 15,000	\$ 15,000		\$ 27,404
44 Rental, Office space	\$ 5,928	\$ 5,920	\$ 5,928	\$ 7,611		\$ 13,531
45 Rental, Exam Site	\$ -	\$ 250	\$ -	\$ 250		\$ 500
46 Board/Staff Training	\$ 600	\$ 538	\$ 600	\$ 600		\$ 1,138
47 ASBOG Examination Expense	\$ 9,875	\$ 7,750	\$ 9,875	\$ 9,875		\$ 17,625
48 ASBOG Membership Dues	\$ 4,500	\$ 2,950	\$ 4,500	\$ 6,050		\$ 9,000
49 ASBOG Registration Fee	\$ 1,000	\$ 960	\$ 500	\$ 1,000		\$ 1,960
50 CEG Task Analysis	\$ -	\$ -	\$ -	\$ -		\$ -
51 Fund for Additional Legal Fees	\$ -	\$ -	\$ -	\$ -		\$ -
52 Subtotal Services and Supplies	\$ 66,363	\$ 55,769	\$ 66,163	\$ 92,943	\$ 132,526	\$ 148,712
53						
54 TOTAL EXPENSES	\$ 228,810	\$ 221,433	\$ 228,610	\$ 262,666	\$ 457,420	\$ 484,099
55 TOTAL REVENUES	\$ 229,827	\$ 240,215	\$ 229,827	\$ 244,907	\$ 459,654	\$ 485,122
56 Interest on CD		\$ 563		\$ 600		\$ 1,163
<i>Net 2011/2013</i>		\$ 19,344		\$ (17,159)		\$ 2,185

**Appendix 5.b., Line Item Comparison of Revenues and Expenditures 2011-2013
(w/comparison to 2013-2015 adopted budget)**

Oregon State Board of Geologist Examiners (OSBGE)	Adopted Budget	Adjusted Adopted Budget	Total Actual	\$ change Adopted vs. Actual	% change Adopted vs. Actual	Adopted Budget	\$ change Adopted Budgets	% change Adopted Budget
	2011-2013	2011-2013	2011-2013	2011-2013	2011-2013	2013-2015	11-13 vs. 13-15	11-13 vs. 13-15
Income								
Carry Over Balance/Reserve Funds						\$ 44,000.00		
Administration Fee	\$ 160,800.00	\$ 172,800.00	\$ 172,800.00	0.00	nc	\$ 192,000.00	\$ 19,200.00	11.11%
RPG & CEG Fees Income	298,213.00	\$ 311,489.00	\$ 311,989.20	\$ 500.20	0.16%	\$ 319,484.00	\$ 7,995.00	2.57%
Civil Penalties	400.00	\$ 600.00	\$ -	\$ (600.00)	-100.00%	\$ 600.00	\$ -	nc
Interest, Checking Acct.	240.00	\$ 233.00	\$ 526.51	\$ 293.51	125.97%	\$ 250.00	\$ 17.00	7.30%
Miscellaneous Cash Receipts	0.00	\$ 0.00	\$ 120.25	\$ 120.25	n/a	0.00	\$ -	nc
Rental Income	0.00	0.00	\$ 550.00	\$ 550.00	n/a	0.00	\$ -	nc
Fee Refunds	0.00	0.00	\$ (3,225.85)	\$ (3,225.85)	n/a	0.00	\$ -	nc
Total Income	\$ 459,653.00	\$ 485,122.00	\$ 482,760.11	\$ (2,361.89)	-0.49%	\$ 556,334.00	\$ 71,212.00	14.68%
Expense								
IS Travel Expenses	9,200.00	4,702.00	4,620.20	(81.80)	-1.74%	4,974.00	272.00	5.78%
OS Travel Expenses	6,120.00	7,323.00	5,520.36	(1,802.64)	-24.62%	10,658.00	3,335.00	45.54%
Office Services & Supplies	9,000.00	9,842.00	9,519.71	(322.29)	-3.27%	8,120.00	(1,722.00)	-17.50%
Dues	9,000.00	9,000.00	7,520.06	(1,479.94)	-16.44%	9,135.00	135.00	1.50%
Web Page	1,200.00	1,200.00	1,200.00	0.00	nc	0.00	(1,200.00)	-100.00%
Telephone-related Services	4,100.00	3,459.00	3,011.86	(447.14)	-12.93%	3,654.00	195.00	5.64%
Computer Data Processing (NetForest)	6,000.00	6,000.00	1,725.00	(4,275.00)	-71.25%	2,400.00	(3,600.00)	-60.00%
Computer Hardware Support (Confuzer)	1,500.00	4,500.00	3,087.50	(1,412.50)	-31.39%	5,000.00	500.00	11.11%
Computer Hardware Upgrade	2,000.00	1,180.00	2,465.74	1,285.74	108.96%	650.00	(530.00)	-44.92%
Computer Software Upgrade	1,000.00	1,001.00	1,438.83	437.83	43.74%	650.00	(351.00)	-35.06%
Training	1,200.00	1,138.00	562.50	(575.50)	-50.57%	750.00	(388.00)	-34.09%
ASBOG Registration Fee	1,500.00	1,960.00	1,440.00	(520.00)	-26.53%	3,045.00	1,085.00	55.36%
Professional Services	6,200.00	28,761.00	9,001.21	(19,759.79)	-68.70%	28,000.00	(761.00)	-2.65%
Attorney General Legal Fees	30,000.00	27,404.00	21,080.84	(6,323.16)	-23.07%	35,000.00	7,596.00	27.72%
Gov Services	9,900.00	7,076.00	5,686.00	(1,390.00)	-19.64%	12,800.00	5,724.00	80.89%
Facilities Rent	11,856.00	14,031.00	13,780.66	(250.34)	-1.78%	16,610.00	2,579.00	18.38%
ASBOG Examination Expense	19,750.00	17,625.00	12,750.00	(4,875.00)	-27.66%	20,600.00	2,975.00	16.88%
Bank Charges	3,000.00	2,510.00	2,491.26	(18.74)	-0.75%	3,045.00	535.00	21.31%
Payroll Expenses	324,894.00	335,388.00	340,621.69	5,233.69	1.56%	392,069.00	56,681.00	16.90%
Total Expense	\$ 457,420.00	\$ 484,100.00	\$ 447,523.42	(36,576.58)	-7.56%	\$ 557,160.00	73,060.00	15.09%
Net Ordinary Income	\$ 2,233.00	\$ 1,022.00	\$ 35,236.69	34,214.69		\$ (826.00)	(1,848.00)	
Other Income								
Interest on CDs	0.00	1163.00	1275.00	112.00		1200.00	37.00	
Net Income	\$ 2,233.00	\$ 2,185.00	\$ 36,511.69	34,326.69		\$ 374.00	(1811.00)	

Appendix 5.c., OSBGE 2013-2015 Budget

Oregon State Board of Geologist Examiners
Adopted 2013-2015 Budget

(using COLA-1 Step Personnel Expenses Option)

Date: March 2013

NO FEE INCREASES PROPOSED				
Line #	REVENUE	Projected Year 1	Projected Year 2	TOTALS Biennium
0	Carryover Balance/Reserve Funds	\$ 22,000	\$ 22,000	\$ 44,000
1	Application Fee, Registration	\$ 3,225	\$ 3,225	\$ 6,450
2	Application Fee, Examination	\$ 3,600	\$ 3,600	\$ 7,200
3	Examination Fee, Fundamental	\$ 5,075	\$ 5,075	\$ 10,150
4	Examination Fee, Practice	\$ 5,225	\$ 5,225	\$ 10,450
5	Examination Fee, CEG	\$ 1,000	\$ 1,000	\$ 2,000
6	RG Renewals (Includes Initial+Renewals)	\$ 112,900	\$ 112,900	\$ 225,800
7	Over 70 RG Renewal	\$ 975	\$ 975	\$ 1,950
8	Over 70 CEG Renewal	\$ 465	\$ 465	\$ 930
9	CEG Renewals (Includes Initial+Renewals)	\$ 20,067	\$ 20,067	\$ 40,134
10	GIT Renewals (Includes Initial+Renewals)	\$ 3,310	\$ 3,310	\$ 6,620
11	Restoration Fee	\$ 3,900	\$ 3,900	\$ 7,800
12	Other penalty/sales income	\$ 300	\$ 300	\$ 600
13	Bank Account Interest	\$ 125	\$ 125	\$ 250
14	Revenue subtotal	\$ 182,167	\$ 182,167	\$ 364,334
15	OSLAB Contract (estimated @\$8000/month)	\$ 96,000	\$ 96,000	\$ 192,000
16	Total Revenue	\$ 278,167	\$ 278,167	\$ 556,334
17				
18	EXPENSES			
19	Personal Services			
20	Staff salary, health insurance benefits, PERS	\$ 179,668	\$ 187,041	\$ 366,709
21	PERS Bond repayment to DAS	\$ 8,020	\$ 8,340	\$ 16,360
22	Board Member Stipends	\$ 4,500	\$ 4,500	\$ 9,000
23	Subtotal Personal Services	\$ 192,188	\$ 199,881	\$ 392,069
24				
25	Services and Supplies			
26	ASBOG Examination Expense	\$ 10,300	\$ 10,300	\$ 20,600
27	ASBOG Mtg. Registration Fee	\$ 1,500	\$ 1,545	\$ 3,045
28	Bank Charges	\$ 1,500	\$ 1,545	\$ 3,045
29	Communication (Phone, Internet, Fax)	\$ 1,800	\$ 1,854	\$ 3,654
30	Computer Software Upgrades	\$ 300	\$ 350	\$ 650
31	Computer Hardware Upgrades	\$ 300	\$ 350	\$ 650
32	Instate Meals and Lodging	\$ 750	\$ 773	\$ 1,523
33	Instate Ground Transportation	\$ 1,700	\$ 1,751	\$ 3,451
34	Out of State Meals, Lodging, Misc	\$ 3,000	\$ 3,090	\$ 6,090
35	Out of State Transportation	\$ 2,250	\$ 2,318	\$ 4,568
36	Office Supplies (+postage, copying, e-newsletter, freight)	\$ 4,000	\$ 4,120	\$ 8,120
37	Rental, Office space	\$ 7,884	\$ 8,076	\$ 15,960
38	Rental, Exam Site	\$ 300	\$ 350	\$ 650
39	Subtotal Services and Supplies	\$ 35,584	\$ 36,421	\$ 72,005
40				
41	Professional Services			
42	AG Fees	\$ 17,500	\$ 17,500	\$ 35,000
43	ASBOG Membership Dues	\$ 4,500	\$ 4,635	\$ 9,135
44	Computer Database Support (Filemaker)	\$ 1,200	\$ 1,200	\$ 2,400
45	Computer System Support (Server/Desk/Laptop/Website)	\$ 2,500	\$ 2,500	\$ 5,000
46	Government Services (financial review, Risk, SOS, Ethics, etc.)	\$ 10,000	\$ 2,800	\$ 12,800
47	Professional Services (ADP, BHS, facilitator, temp., etc.)	\$ 14,000	\$ 14,000	\$ 28,000
48	Training (Board/Staff)	\$ 350	\$ 400	\$ 750
49				
50	Subtotal Professional Services	\$ 50,050	\$ 43,035	\$ 93,085
51				
52	TOTAL EXPENSES	\$ 277,822	\$ 279,337	\$ 557,159
53	TOTAL REVENUES	\$ 278,167	\$ 278,167	\$ 556,334
54	Interest on CD	\$ 600	\$ 600	\$ 1,200
55	Net	\$ 945	\$ (570)	\$ 375

COLOR CODING KEY

Fiscal Year Estimates
Biennium Estimates
Subject to Final Negotiation

Appendix 5.d., 2013-2015 Budget vs. Actual (through 12/31/2013)

Oregon State Board of Geologist Examiners		
	Adopted Budget	Actual
	2013-2015	07/01/2013 - 12/31/2013
<i>Income</i>		
Carry Over Balance/Reserve Funds	\$ 44,000.00	0.00
Administration Fee	\$ 192,000.00	\$ 45,600.00
RPG & CEG Fees Income	\$ 319,484.00	80,350.00
Other Penalties/Sales	\$ 600.00	0.00
Interest, Checking Acct.	\$ 250.00	232.21
Miscellaneous Cash Receipts	\$ -	
Rental Income	\$ -	600.00
Fee Refunds	\$ -	(316.64)
Total Income	\$ 556,334.00	\$ 126,465.57
<i>Expenses</i>		
Miscellaneous Expenses	0.00	0.00
IS Travel Expenses	4,974.00	554.02
OS Travel Expenses	10,658.00	0.00
Office Services & Supplies	8,120.00	2,205.69
Membership Dues	9,135.00	4,950.00
Web Page	0.00	100.00
Telephone-related Services	3,654.00	700.29
Computer Data Processing (NetForest)	2,400.00	550.00
Computer Hardware Support (Confuzer)	5,000.00	625.00
Computer Hardware Upgrade	650.00	0.00
Computer Software Upgrade	650.00	148.00
Training	750.00	90.00
ASBOG Registration Fee	3,045.00	0.00
Professional Services	28,000.00	12,931.67
Attorney General Legal Fees	35,000.00	4,266.10
Gov Services	12,800.00	8,394.00
Facilities Rent	16,610.00	4,192.00
ASBOG Examination Expense	20,600.00	5,125.00
CEG Task Analysis	0.00	0.00
Bank Charges	3,045.00	743.10
Payroll Expenses	392,069.00	72,932.22
Total Expense	\$ 557,160.00	\$ 118,507.09
Net Ordinary Income	\$ (826.00)	\$ 7,958.48
<i>Other Income</i>		
Interest on CDs	1200.00	470.88
Net Income	\$ 374.00	\$ 8,429.36

Appendix 5.e., OSBGE Balance Sheet, 6.30.2013

Oregon State Board of Geologists Examiners Balance Sheet As of June 30, 2013

	June 30, 2013	
ASSETS		
Current Assets		
Checking/Savings		
1001 · Pioneer Trust Bank	\$	215,999.79
Total Checking/Savings	\$	215,999.79
 Total Current Assets	 \$	 215,999.79
Other Assets		
1540 · Cash & Money Market	\$	720.18
1500 · CD's		
2529 · 18 Month CD - Discover 10/2014	\$	25,000.00
2528 · 18 Month CD - Ally Bank 6/23/14	\$	25,000.00
2527 · 18 Month CD - GE Capital, 1/14	\$	23,000.00
2526 · 18 Month CD - Discover 12/27/13	\$	24,000.00
1524 · 18 Month CD - Bnk of China 7/13	\$	25,000.00
Total 1500 · CD's	\$	122,000.00
 Total Other Assets	 \$	 122,720.18
 TOTAL ASSETS	 \$	 338,719.97
 LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	\$	2,737.66
Total Accounts Payable	\$	2,737.66
Other Current Liabilities		
2100 · Payroll Liabilities		
2100f · Employee Paid Insurance	\$	1.46
2100d · Work Comp	\$	15.79
2100b · Social Security - Employee	\$	(7.65)
Total 2100 · Payroll Liabilities	\$	9.60
2150 · Accrued Vacation	\$	6,834.89
Total Other Current Liabilities	\$	6,844.49
 Total Current Liabilities	 \$	 9,582.15
 Total Liabilities	 \$	 9,582.15
Equity		
3100 · Operating Equity		
3110 · Six-Month Operating Equity	\$	60,000.00
3120 · Compliance Equity	\$	50,000.00
Total 3100 · Operating Equity	\$	110,000.00
3900 · Retained Earnings	\$	201,970.06
Net Income	\$	17,167.76
Total Equity	\$	329,137.82
 TOTAL LIABILITIES & EQUITY	 \$	 338,719.97

Appendix 5.f., OSBGE Forecasted Balance Sheet, 6.30.2015

Oregon State Board of Geologists Examiners Forecasted Balance Sheet As of June 30, 2015

	06/30/2013 Actual	6/30/2015 Forecasted
ASSETS		
Current Assets		
Checking/Savings		
1001 · Pioneer Trust Bank	\$ 215,999.79	\$ 206,791.64
Total Checking/Savings	215,999.79	206,791.64
Total Current Assets	215,999.79	206,791.64
Other Assets		
1540 · Cash & Money Market	720.18	720.18
1500 · CD's		
2529 · 18 Month CD - Discover 10/2014	25,000.00	25,000.00
2528 · 18 Month CD - Ally Bank 6/23/14	25,000.00	25,000.00
2527 · 18 Month CD - GE Capital, 1/14	23,000.00	23,000.00
2526 · 18 Month CD - Discover 12/27/13	24,000.00	24,000.00
1524 · 18 Month CD - Bnk of China 7/13	25,000.00	25,000.00
Total 1500 · CD's	122,000.00	122,000.00
Total Other Assets	122,720.18	122,720.18
TOTAL ASSETS	\$ 338,719.97	\$ 329,511.82
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
2000 · Accounts Payable	2,737.66	0.00
Total Accounts Payable	2,737.66	0.00
Other Current Liabilities		
2100 · Payroll Liabilities		
2100f · Employee Paid Insurance	1.46	0.00
2100d · Work Comp	15.79	0.00
2100b · Social Security - Employee	-7.65	0.00
Total 2100 · Payroll Liabilities	9.60	0.00
2150 · Accrued Vacation	6,834.89	0.00
Total Other Current Liabilities	6,844.49	0.00
Total Current Liabilities	9,582.15	0.00
Total Liabilities	9,582.15	0.00
Equity		
3100 · Operating Equity		
3110 · Six-Month Operating Equity	60,000.00	60,000.00
3120 · Compliance Equity	50,000.00	50,000.00
Total 3100 · Operating Equity	110,000.00	110,000.00
3900 · Retained Earnings	201,970.06	329,137.82
Net Income	17,167.76	374.00
Total Equity	329,137.82	329,511.82
TOTAL LIABILITIES & EQUITY	\$ 338,719.97	\$ 329,511.82

Appendix 5.g., Fund Analysis (covering 3 biennia)

**Oregon State Board of Geologist Examiners
Biennium Budgets**

Fund Analysis

Source	2009-2011 Biennium Actual	2011-2013 Biennium Actual	2013-2015 Biennium Adopted Budget
Beginning Fund Balance	\$ 214,621.57	\$ 292,626.26	\$ 329,137.95
Total Revenue	490,426.85	484,035.11	557,534.00
Total Funds Available	705,048.42	776,661.37	\$ 886,671.95
Total Expenditure	412,422.16	447,523.42	557,160.00
Ending Fund Balance	<u>\$ 292,626.26</u>	<u>\$ 329,137.95</u>	<u>\$ 329,511.95</u>

Appendix 6.a.: Budget Hearing, 2011-2013

Administrator's Report to Board on 2011-2013 Budget Rulemaking Hearing and Public Comments

Date: June 3, 2011
To: Members of Oregon State Board of Geologist Examiners
From: Christine Valentine, Board Administrator
Subject: Report on 2011-2013 Budget Rulemaking Hearing

Hearing Date: May 19, 2011
Hearing Location: Association Center, 707 13th St. SE, Conference Room A, Salem, Oregon
Title of Proposed Rules: OAR 809-010-0025, Operating Budget
Staff Present: Christine Valentine, Board Administrator
Guests Present: *None present*

The rulemaking hearing on OAR 809-010-0025, Operating Budget convened at 9:05 AM and was closed at 9:10 AM. A copy of the hearing script is maintained in the Board's office, with a hard copy in the rule file and an electronic copy in the OSBGE computer files for administrative rules.

Summary of Hearing and Public Comments

The purpose of this hearing was to provide an opportunity for public comment on the Board's budget for the 2011-2011 biennium approved by the Board at a Special Budget Meeting convened March 29, 2011. The budget will become effective July 1, 2011.

Notification about the hearing was sent to interested parties, including all registrants, on April 22, 2011. Notice was also published in the May 2011 Oregon Bulletin and posted on the Board's website. All notices explained that oral and written comments would be accepted at the hearing and that written comments could be submitted through 5:00 PM on May 19, 2011.

For the record, *no one other than staff attended the hearing; thus no oral or written comments about the budget rule were received at the hearing.* Prior to the hearing, the Board Office responded to a few requests for budget details by providing the requested information and received one comment on the budget. The comment indicated no concern with the budget or budget rule. No additional written comments were received by the close of business on May 19.

Respectfully submitted,

Christine Valentine
Board Administrator

Appendix 6.b.: Budget Hearing, 2013-2015

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

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

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

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

Summary of Hearing and Public Comments

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

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

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

Respectfully submitted,

Christine Valentine
Board Administrator

Appendix 7: Board Fees

OAR 809-010-0001 OSBGE Fees¹

Examinations

- (1) Fundamental Section of the national examination for Geologist registration — an amount equal to the actual cost of purchasing this portion of the exam from ASBOG. *{ \$150 currently }*
- (2) Practice Section of the national examination for Geologist registration — an amount equal to the actual cost of purchasing this portion of the exam from ASBOG. *{ \$250 currently }*
- (3) Examination for Engineering Geologist certification — \$200.00.
- (4) Manual rescoring or proctored review:
 - (a) For ASBOG manual rescoring request only — an amount equal to the actual cost charged by ASBOG for this service; *{ \$75 currently }*
 - (b) For ASBOG proctored review request only — an amount equal to the actual cost charged by ASBOG for this service; and *{ \$75 currently }*
 - (c) In addition to (a) & (b) and for all Certified Engineering Geology exam-related requests, an amount payable to the Board for the actual administrative costs of providing the service, including any costs for staff or Board member time, copies, postage, and other processing costs, up to a maximum of \$100.00 payable to the Board per request.

Registration and Renewal

- (5) Geologist-in-Training initial registration and annual renewal — \$50.00.
- (6) Geologist initial registration and annual renewal — \$100.00.
- (7) Engineering Geologist initial certification and annual renewal — \$75.00. Engineering Geologist must have a current Geologist registration.
- (8) Duplicate or replacement of lost, destroyed, or mutilated registration card — \$25.00; duplicate or replacement of lost, destroyed, or mutilated wall certificate — \$25.00.
- (9) Restoration fee if postmarked:
 - (a) One to ninety days after due date: \$25.00;
 - (b) Ninety-one to one-hundred seventy-nine days after due date: \$50;
 - (c) Over one-hundred seventy-nine days after due date: \$100.
- (10) Renewal of registration by Geologist, if applicant is 70 years of age or over by renewal date — \$15.00.
- (11) Renewal of certification by Engineering Geologist, if applicant is 70 years of age or over by renewal date — \$15.00.

Miscellaneous

- (12) Application Fee — \$75.00. This fee is to accompany any application for registration or examination and any reapplication for examination.
- (13) Temporary Permit Fee — \$100.00. This fee is to accompany any notification per 672.545(3)(b).
- (14) File Maintenance Fee — \$25.00 per request. This fee is to cover maintaining examination files for passing examinees who do not register in Oregon.
- (15) Fee for a list of all registrants — \$50.00.

¹ Fee rule revisions implemented or proposed during reporting period: BGE 1-2011, f. 6-21-11, **cert. ef. 7-1-11**; BGE 2-2013, f. & **cert. ef. 9-24-13**. See report narrative for details on these revisions.

Appendix 8: Summary of Completed Rulemaking - 07/01/2011 – 06/30/2013

Oregon State Board of Geologist Examiners								
Administrative Rule Amendments Adopted 07/01/2011-6/30/2013⁺								
#	OAR #	Description of Rule Change	Type (Perm, Temp, Delete)	Notice in OR Bulletin	Board Public Hearing Date	Board Adoption Date	SOS Filing Date	LC Filing Date
1	809-001-0000	Update rule so that deadlines for rulemaking notice are consistent with APA	Perm	11/2012	11/16/2012	12/07/2012	12/13/2012	12/14/2012
2	809-001-0005	Update rule to adopt the 2012 version of the AG's Model Rules of Procedure under the APA	Perm	N/A	N/A (technical change)	06/07/2012	06/15/2012	06/15/2012
3	809-001-0020	Delete obsolete contracting policy rule	Delete	11/2012 ⁺	11/16/2012	12/07/2012	12/13/2012	12/14/2012
4	809-001-0025	Delete obsolete purchasing policy rule	Delete	11/2012 ⁺	11/16/2012	12/07/2012	12/13/2012	12/14/2012
5	809-001-0030	Delete obsolete personnel policy rule	Delete	11/2012 ⁺	11/16/2012	12/07/2012	12/13/2012	12/14/2012
6	809-003-0000	Add new definitions for "geological work", "responsible charge", "seal" and "supervision of geological work" as part of a rulemaking effort to clarify work experience requirements for registration	Perm	04/2012	04/19/2012	06/07/2012	06/15/2012	06/15/2012
7	809-010-0025	Amend biennial budget for 2011-2013	Perm	11/2012	11/16/2012	12/07/2012	12/13/2012	12/14/2012
		Adopt biennial budget for 2013-2015	Perm	05/2013	05/16/2013	05/31/2013	06/03/2013	06/05/2013
8	809-015-0020	Add a rule addressing the process for reissuance of a revoked registration	Perm	04/2012	04/19/2012	06/07/2012	06/15/2012	06/15/2012
9	809-020-0030	Update the Misconduct rule to clarify the link between the Code of Professional Conduct and a Board determination of misconduct by a registrant	Perm	11/2012	11/16/2012	12/07/2012	12/13/2012	12/14/2012
10	809-030-0005	Update terminology in Experience Standards rule as part of a rulemaking effort to clarify work experience requirements for registration	Perm	04/2012	04/19/2012	06/07/2012	06/15/2012	06/15/2012
11	809-030-0015	Update terminology in Qualifications for Geologist Practice Examination and Geologist Registration rule as	Perm	04/2012	04/19/2012	06/07/2012	06/15/2012	06/15/2012

Appendix 8: Summary of Completed Rulemaking - 07/01/2011 – 06/30/2013

		part of a part of a rulemaking effort to clarify work experience requirements for registration						
12	809-030-0020	Update terminology in Qualifications for Engineering Geologist Examination and Certification as an Engineering Geologist rule, plus allow for a combination of work experience types, as part of a part of a rulemaking effort to clarify work experience requirements for registration	Perm	04/2012	04/19/2012	06/07/2012	06/15/2012	06/15/2012
13	809-050-0000	Update the Use of Seal rule to better clarify a registrant's responsibilities related to sealing geology work products completed in responsible charge, in relation to a rulemaking effort to clarify work experience requirements for registration	Perm	04/2012	04/19/2012	06/07/2012	06/15/2012	06/15/2012
14	809-050-0010	Update the Cooperative Registration (i.e., reciprocity) rule to better clarify the Board's standards for such registration applications and add Temporary Permits to rule title while also including the criteria used to evaluate such permits instead of relying solely on statutory language	Perm	04/2012	04/19/2012	06/07/2012	06/15/2012	06/15/2012
15	809-055-0000	Update the Complaint Process rule to change from Compliance Committee to Compliance Coordinator structure and to clarify the role of the Coordinator and support provided by Board staff	Perm	11/2012	11/16/2012	12/07/2012	12/13/2012	12/14/2012
⁺ OSBGE adopted one new rule (#8) and deleted three rules (#3-5) during the reporting period. All other rule updates were revisions to existing rules.								

Appendix 9: Enforcement Activities
ORS 182.472 Section 5 (e)-(f)
Compliance Cases Opened, 07/01/2011-06/30/2013

ORS 182.472(5)	2011-2013 Biennium Total	7/1/2013- 12/31/13	Breakdown by Fiscal Year		7/1/2013 to 12/31/2013
			7/1/2011 to 6/30/2012	7/1/2012 to 6/30/2013	
(e) The number/types of complaints about persons holding licenses; (Note: Total # of cases involving OSBGE registrants)	2	0	1	1	0
# of Total involving Registered Geologist (RG)	1	0	1	0	0
# of Total involving Cert. Engineering Geologist (CEG)	1	0	0	1	0
(f) The number and types of investigations conducted; * (NOTE: # of cases opened within specified time period)	9	0	5	4	0
Gross Negligence, Negligence, Incompetence, or Misconduct by a Registrant	1	0	1	0	0
Unprofessional Practices or Reports (including questions of practice overlap with engineering)	1	0	1	0	0
Unlicensed Public Practice of Geology	6	0	3	3	0
Improper or Fraudulent Use of Geologist Stamp	0	0	0	0	0
* One investigation was dismissed as complaint could not be verified as per ORS 672.665 despite attempts to obtain the needed information.					

Appendix 9: Enforcement Activities
ORS 182.472 Section 5 (g)-(i)
Cases Closed, 07/01/2011 - 06/30/2013

ORS 182.472(5)	Opened 2009-2011 Biennium & Closed 2011-2013 Biennium	Opened & Closed 2011-2013 Biennium	Opened 2011-2013 Biennium & Closed 7/1/2013 - 12/31/2013
(g) The number and types of resolutions of complaints;			
	4	5	0
Case Dismissed, Allegations Unfounded	2	3	[Three (3) 2011-2013 cases remained open at the close of 2013.]
Closed with No Action or Issue Resolved Without Action	0	1	
Outreach Letter Issued	0	0	
Letter of Concern Issued	1	1	
Settlement Agreement	1	0	
Notice of Intent Issued, Disciplinary Action &/or Civil Penalty	0	0	
(h) The number and type of sanctions imposed;			
Disciplinary action (reprimand, suspension, revocation, non-renewal)	0	0	
Civil Penalty	0	0	
(i) The number of days between beginning an investigation and reaching a resolution.	449* †	213*	

*Average for all cases reported closed is 317 days. Range of days/case was 99 to 771.

†2009-2011 cases impacted by 9 months without an active Board Administrator.

**Appendix 10: Licensure Activities
Reported per ORS 182.472 (5)(a)-(d)**

Oregon State Board of Geologist Examiners

ORS 182.472 (5)	7/1/2007 to 6/30/2009	07/01/2009 to 06/30/2011	07/01/2011 to 06/30/2013	Total # Change	% Change (Rounded)
Total registrations**	2,407	2,460	2,392	-68	-3%
Renewing, Geologists and Engineering Geologists	2,183	2,202	2,162	-40	-2%
Renewing, Retired Geologists and Engineering Geologists	108	154	121	-33	-21%
Renewing Geologists-in-Training	116	105	109	4	4%
(a) The number of license applications;	114	92	95	3	3%
Geologists-in-Training	27	22	24	2	9%
Registered Geologist	80	63	62	-1	-2%
Certified Engineering Geologist	7	7	9	2	29%
(b) Total new number of licenses issued	113	89	91	2	2%
New Geologists-in-Training	27	22	24	2	9%
New Registered Geologist	79	62	58	-4	-6%
New Certified Engineering Geologist	7	5	9	4	80%
(c) The number of examinations held; &	8	8	8	0	0%
Number of examination candidates	128	85	65	-20	-24%
ASBOG Fundamental candidates	71	44	35	-9	-20%
ASBOG Practice candidates	48	32	22	-10	-31%
Engineering Geologist candidates	9	9	8	-1	-11%
(d) The average time between application for and issuance of licenses;	2 -3 weeks (for complete applic.)	2 -3 weeks (for complete applic.)	3-4 weeks (for complete applic.)	1-2 weeks	N/A

** Total is the total # of registrations issued by OSBGE during the biennium, which is more than the total # of registrants at the end of the biennium given that registrations must be renewed annually. The registrant count as of 6/30/13 was 1202 registered individuals.

Appendix 11, Operations Data (6 biennia)

Oregon State Board of Geologist Examiners

Biennia	Positions	FTE	Board Meetings	Approximate # Registrants on June 30 (close of biennium)		Board Stipend	Director Salary \$/Month on 6/30 (close of biennium)
				Individuals	Firms/ Business		
2003-2005	*2	2.00	11	1,240	N/A	\$30/a day	\$3,720
2005-2007	*2	2.00	10	1,246	N/A	\$30/a day	\$4,705
2007-2009	*2	2.00	12	1,234	N/A	\$100/ full day \$50/ half day	\$5,772
2009-2011	*2	2.00	12	1,197	N/A	\$100/ full day \$50/ half day	\$6,046
2011-2013	*2	2.00	8	1,202	N/A	\$100/ full day \$50/ half day	\$6,435 <i>(1/2 merit step annually)</i>
<i>(estimates)</i> 2013-2015	*2	2.00	8	1300**	N/A	\$100/ full day \$50/ half day	\$7,333 <i>(Annual merit steps restored)</i>

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

*** Approximately 8% growth in registrants*