Pursuant to ORS 182.472, A Report of the Work of the Board with focus on the 2009-2011 Biennium

Submitted by the

OREGON STATE
BOARD OF GEOLOGIST EXAMINERS

to

The Governor,
The President of the Senate,
The Co-Speakers of the House of Representatives,
And The Legislative Fiscal Officer

April 1, 2012

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Oregon Board of Geologist Examiners
Biennial Report, April 1, 2012

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ACKNOWLEDGEMENTS: This report was prepared on behalf of the Board by Christine Valentine, Board Administrator with assistance from Marilou Arrobang, Board Registration Specialist and with input from several Board members.

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, 2012

I. INTRODUCTION

The Oregon State Board of Geologist Examiners (OSBGE) is a regulatory Board established in 1977 to safeguard the health, safety, welfare and property of the people of Oregon. "These safeguards are in the fields of geology as related to engineering, 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 the people of the state" (ORS 672.515). Since Senate Bill 546 was passed by the 1997 Legislative Assembly and signed into law by Governor Kitzhaber 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 statute (ORS 182.454-472), the practice statute (ORS 672.505-705), Oregon Administrative Rules (OAR) Chapter 809, and its own operational policies.

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 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, two board members were reappointed by Governor Kitzhaber for second terms. Two other board members completed second terms in December 2011. The Governor appointed two new members to the Board, each starting terms in December 2011. See **Appendix 1** for a current roster of Board members, including officers. The Board is comprised of highly competent individuals driven to serve the profession and the citizens of Oregon.

The Board has appointed a Chair and Vice Chair. Members are also assigned 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 eight standing committees and establishes ad hoc committees as needed to address priority work items. Each committee is composed of one or more Board members and 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 and Engineering Geology Examination Committee include volunteer members from the registrant community. The Engineering Geology Examination Committee is also a joint committee with the State of Washington Geologist Licensing Board as the two states have jointly developed and maintained the exam for this specialty certification. The Compliance Committee solicits technical review expertise from the registrant community on an as needed basis. The Board also participates in a Joint Compliance Committee with the Oregon Board of Examiners for Engineers and Land Surveyors (OSBEELS) in accordance with a Memorandum of Understanding (MOU) signed by the two boards in 2001. See **Appendix 3** for a copy of the OSBGE-OSBEELS MOU.

During this reporting period, OSBGE scheduled quarterly Board meetings (4/year or 8/biennium) and convened additional special meetings as needed to carry out the responsibilities of the Board. See **Appendix 4** for a list of Board meetings held July 1, 2009 through December 31, 2011. 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.) The staff carries out the actions of the Board. Staff is kept very busy with a multitude of tasks from opening mail and processing application materials to drafting administrative rules and attending to rulemaking processes, assisting with the investigation of complaints, writing newsletter articles, preparing meeting minutes and board meeting packets, researching issues, managing contracts, handling deposits and payments, and above all working to ensure good customer service.

II. FINANCIAL REVIEW

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, 2009 through June 30, 2011 instead of a traditional audit. The contractor selected to perform the review was Wicklund and Lew, LLC. The financial review occurred in late fall of 2011, and the report was completed before the end of the calendar year. A copy of the financial review report is enclosed as **Appendix 5**. The report includes a series 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 5**.

III. BUDGET INFORMATION

The following budget information is enclosed in **Appendix 6**:

- the adopted budgets for the 2007-2009, 2009-2011 and 2011-2013 biennia
- final (actual) budgets for the 2007-2009 and 2009-2011 biennia;
- balance sheet as of June 30, 2011 supporting the ending fund balance for the 2009-2011 biennium
- an estimated ending fund balance for the 2011-2013 biennium*;
- fund analysis showing side-by-side comparison of the beginning and ending balances for three biennia (2007-2009, 2009-2011, 2011-2013);

(*The 2011-2013 ending fund balance is a projection based on budgeted amounts. A copy of the actual financial information through December 31, 2011 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 annual registration fees paid 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. However, examination fees are passed on to the national office of the National Association of State Boards of Geology (ASBOG). These exam fees do not contribute to Board income. 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 and both are required in combination with education and work experience to gain 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.

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 when formulating budget projections as can be seen in the budgets for the three biennia included in **Appendix 6**.

Because renewal income is the primary revenue source for the Board, renewal trends are closely monitored. Renewals vary from month to month, making it difficult to project any income trends in just a one-quarter period in order to make projections for the biennium. Nonetheless, the Board carefully monitors the quarterly renewal income at each Board meeting to determine if budget adjustments need to be made. The Board did not experience

much decline in renewal revenues from 2007-2009 to 2009-2011 but decided to take a conservative approach to setting revenue projections for the 2011-2013 biennium due to concerns about the potential impacts on renewals from the continuing slow economy. The Board also considered that more registrants over 70 may retire 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. (See the Fees Section of this report for more on the OSBGE fee schedule.)

As shown in the Funds Analysis included in **Appendix 6**, the Board planned for a reduction in revenues for the 2011-2013 biennium compared to the previous two biennia. The Board does however have an increased beginning fund balance in 2011-2013 compared to the previous two biennia which provides some cushion. The Board intent is to not fully tap the beginning fund balance amount, which includes Board investments, but to keep those dollars as a contingency fund to address emergencies, other unforeseeable issues, or revenue declines. The maintenance of a contingency fund is prudent as 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 services or other means.

Expenses: The Board's expenses for the 2009-2011 biennium were overall less than projected. Expenses were only more than projected for a handful of budget line items, including office services and supplies, professional services, and government services. Actual expenses were less than anticipated for numerous budget line items, including travel, ASBOG membership dues, computer data processing, and attorney fees. The biggest reduction in expenses came in the line item for personnel services, reflecting the Board's lack of an administrator from early December 2010 through nearly the end of March 2011.

Budget Hearing Process: The Board adopts its budgets through the formal rulemaking process pursuant to ORS 182.462(2). The public rulemaking hearings for the two most recent budgets were convened as follows:

- May 19, 2011 for purposes of accepting comments on the 2011-2013 budget
- June 5, 2009 for purposes of accepting comments on the 2009-2011 budget

See also the Budget Hearing Reports included in **Appendix 7**. The Board also approved its draft budgets and adopted its final budget rules in public meetings.

Investments: The Board maintains limited investments as authorized by ORS 182.470(2) and ORS 294.035-145. The investments serve as a "rainy day" fund to cover emergencies, 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 revenue on hand to address emergencies and other unforeseeable issues 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 to fund services or other needs.

IV. FEES

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

No fee increases occurred in relation to the 2009-2011 budget. Fee increases did not greatly influence the development of the 2011-2013 budget as renewal fees (i.e. the Board's primary income source) were not changed. The Board did approve 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 does 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 version routinely available via the Board's website ($50). Neither fee is expected to generate much revenue compared to renewals and application fees but would help offset costs for these specialized services. 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.

V. RULEMAKING ACTIVITIES

Other than the biennial budget rule and fee rule previously discussed, the Board updated three other administrative rules over the course of the 2009-2011 biennium. See the first table in **Appendix 9** for details. The Board adopted revised geology coursework requirements in relation to qualifying to take the Geologist Fundamentals exam section. Additional courses deemed appropriate by the Board were added to the list of acceptable courses. This rule also clarified that applicants must supply official transcripts, not copies, as part of applications. The Board also updated its compliance rule, which addresses how complaints are processed by the Board, to reflect modernized procedures. The final rule action was adoption of a new rule for signature. This rule provides procedures for signature of documents by registrants, including the use of electronic and digital signatures.

The Board worked on some additional rules during the 2009-2011 biennium that did not proceed all the way to formal rulemaking during the biennium. These rules are listed in the second table in **Appendix 9**, and the Board does anticipate initiating formal rulemaking for these in the 2011-2013 biennium. These rules, when noticed, will reflect work completed by the Board and its Rules Advisory Committee in the 2009-2011 and current biennium. One rule is new and would establish procedures for Board consideration of a request to reinstate a license revoked through disciplinary action of the Board. The remaining rules are amendments designed to clarify what the statutory term "responsible charge" means with respect to registration and the public practice of geology in Oregon. The rule amendments

also will serve to clarify requirements for different types of registration and temporary permits while enhancing the overall clarity and readability of the rules. The Board is also proposing to amend qualification standards for the specialty certification in engineering geologist. The change would be to allow for a combination of supervised and responsible charge work experience as qualifying experience.

VI. CONSUMER PROTECTION

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

Newsletters: The Board publishes quarterly newsletters, which are posted on the Board's web page. Starting in 2011, the newsletters are 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, and regional universities. The newsletter also serves as an informational resource for citizens and others considering the services of a geologist. Newsletters from 1999 to present are available at http://www.oregon.gov/OSBGE/newsletters.shtml.

Website: The Board 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 also maintains a listing of all current individual registrations on the website. This listing is updated monthly, and consumers have access to this information 24/7. 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. The current address for the website is: http://www.oregon.gov/OSBGE/index.shtml

Universities: The Board strives to hold one quarterly meeting per year on a university campus to facilitate communication with geology program professors and students. During the reporting period, the Board was able to hold a meeting at Oregon State University in December 2009 and another at Western Oregon University in March 2011. 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.

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 and thereby those that will help protect the public through their work.

Compliance Investigations: The Board regulates the public practice of geology and has adopted a Code of Professional Conduct for its registrants in accordance with ORS 672.555. The Code is adopted in administrative rule at OAR 809 Division 20 and outlines the responsibilities all registrants have to the profession, employers, and the Board.

The Board responds to complaints filed with the Board in accordance with ORS 672.665 and on rare occasions initiates complaints based on information that has 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 does not enforce the use of specific titles by practitioners as the licensing statute for geologists is a practice only law.

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 as authorized by ORS 672.690, up to $1,000 per offense. Disciplinary actions are processed through contested case procedures per ORS 183.

The Board maintains a memorandum of understanding (MOU) with the state's Engineering Board (OSBEELS) that addresses the two boards' mutual goal of working cooperatively to address issues of practice overlap between engineering geology and engineering. See Appendix 3 for a copy of the MOU. 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 the scope of practice for engineering geologists and the need to work together to 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 10**.

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 11** for a comparison of licensure activities in the 2009-2011 and 2007-2009 biennia.

The number of exam candidates was down in the 2009-2011 biennium compared to the previous biennium. The total number of renewing registrants was up slightly, but the number of new licenses was slightly down for a nearly flat trend in number of OSBGE registrants. The number of total registrants at the end of the 2007-2009 biennium was 2520, including registrants that had renewed or received new licenses. The Board had 2550 registrants at the

end of the 2009-2011 biennium, for a net gain of 30 registrants. This is similar to the small change in the overall registration numbers that occurred from the 2005-2007 to the 2007-2009 biennium.

One expected and continuing trend is the increase in "retired" (over 70) Registered Geologists and Certified Engineering Geologists. Registration began in 1978, just over 30 years ago. Considering the large number of initial registrants that were grandfathered, those registrants are now at or reaching age 70. The Board charges a substantially reduced fee at age 70 and maintains those registrants as active on the roster as long as the annual renewals are paid. The Board is uncertain of whether those registrants will start to retire from the profession, thereby resulting in lower overall renewal numbers in the 2011-2013 biennium or beyond but must be cognizant of this possibility.

New licenses were down in 2009-2011 by 21%, and the Board speculates that this is related to the slow economy. Exam candidates were down by over 30%. This could translate into fewer new registrations in the 2011-2013 biennium, as this means there are fewer individuals that have recently completed the exam series. It could also result in a surge in exam candidates if potential candidates were delaying due to economic conditions but decide to pursue licensure as the economy slowly improves.

VIII. ENFORCEMENT ACTIVITIES

OSBGE opened sixteen (16) and closed eighteen (18) compliance cases in the 2009-2011 biennium. Of the eighteen (18) cases closed in the biennium, seven (7) were opened in the previous biennium and eleven (11) within the 2009-2011 biennium. Three (3) more cases opened in the 2009-2011 were closed early in the current biennium with two (2) cases opened during the 2009-2011 biennium still open at the end of calendar year 2011. See **Appendix 10** for more details about compliance cases. The Board's total number of investigations and complaints resolved was fairly consistent with the previous biennium.

The Board traditionally has not had a high compliance case load but takes its compliance role seriously and commits a substantial amount of staff and Board time to the processing of compliance 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 the education process.

The Board can impose through the contested case process letters of reprimand, civil penalties, or even suspend, revoke or refusal to renew licenses. Historically, the Board has rarely found it necessary to impose these disciplinary actions based on compliance investigations, and this was true again in the 2009-2011 biennium. The Board issued only one penalty in relation to a 2009-2011 compliance case. The Board has not been able to collect the penalty due to inability to locate the current whereabouts of the respondent in that case after repeated attempts.

The Board was successful in defending the first-ever OSBGE compliance case to reach all the way to the Oregon Supreme Court. On March 5, 2010, the Coffey vs. Oregon Board of Geologist Examiners case (#CA A134319) was argued and submitted for review by the Oregon Supreme Court. The Supreme Court's decision (S057511) 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 Court's findings have helped focus the Board's attention to the role of guidelines and standards of practice. The Board continues to look at options for defining some standards of practice globally and others through the expert witness process.

The Board also continues to examine compliance procedures with an eye towards continuing process improvement. The Board has been implementing revised procedures for the processing of compliance cases that developed out of experience with the above-mentioned court case and a January 10, 2009 Board "retreat" in Monmouth, OR that was noticed and open to the public. Questions evaluated during the retreat included how complaints are processed, the need for a standard complaint form, and the role of technical reviewers from the registrant pool. As a result of the retreat discussions, the Board developed new complaint and technical reviewer evaluation forms and completed a compliance process flowchart. All of these have been put those to use during this reporting period. The Board has been discussing during the reporting period, partially in response to issues that were debated in the Supreme Court case, whether standards of practice should or can be defined through guidance documents, rules or a combination of methods. The Board has also continued to actively look at ways to keep improving upon procedures for technical reviewers (i.e., expert witnesses) to follow when evaluating compliance cases. A 2011 Legislative proposal to provide immunity to volunteer technical reviewers did not advance but may be revisited in the 2013 legislative session.

The average number of days for investigations, i.e. the time between opening an investigation and closing an investigation, improved some for the 2009-2011 biennium compared to the previous two biennia. The average time was around 300-400 days in those biennia but less than 300 days in 2009-2011. See the compliance case statistics included in **Appendix 10** for more details. The Board is mindful of the need to keep compliance cases moving and would like to further reduce the average time for compliance 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 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: The Board continued its participation in the ASBOG Council of Examiners. Because the regulatory examination administered by the Board is developed by ASBOG through this Council of Examiners, the Board has maintained active participation. 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 has allowed, two Board Members, one participating in the Council of Examiners for the fundamental exam and the other participating in the Council for the practice exam, have attended these events twice each year. However, Board participation was limited during this reporting period by budgetary and related concerns. One Board member attended a 2009 meeting, and no Board members or staff attended 2010 meetings. One Board member and the Board's new Administrator (effective end of March 2011) attended the fall 2011 meeting. The Board has been fortunate to have a former board member willing and able to attend ASBOG events at personal expense to serve as a proxy for the Board at times when Board members could not attend. This has helped to assure Oregon's continued voice with ASBOG but is not a sustainable solution. The Board hopes to continue sending Board members to ASBOG events in the remainder of the 2011-2013 biennium.

Science Standards for Oregon Public Schools: In October 2007, the Board invited the Science Education Specialist from the Oregon Department of Education to present information about Oregon science education. The Department was forming a large committee with an outcome of establishing the science standards for the next seven years. This led to the Board's Outreach Committee Chair and Board Chair at the time, Dr. Stephen Taylor, RG, agreeing to serve on the committee. During this reporting period, Taylor completed his two years of service on this committee. Over this time, the Board newsletter communicated information to practicing geologist about the work of the committee, and many practicing geologists provided input to the committee about geology and science education needs. The result of the Board's involvement is that the Kindergarten –12th Grade science standards now include enhanced earth science components, representing a quantum leap in the depth and breadth of high school science education in Oregon. Students taught under the revised standards should better understand the importance of the geologic profession to the State of Oregon and beyond. As Oregon is a state with very diverse geology within its borders, how wonderful it is that Oregon students can come to know more about their own state past and present.

Licensure Presentations: The Board Chair Dr. Stephen Taylor, RG gave several presentations during his tenure as Chair about the role of licensure and the mission of the Board. One such presentation was to a group of professionals from various disciplines working in river and floodplain restoration. Chair Taylor explained that geologic components of watershed projects require a registered geologist or engineering geologist but also noted that given the inherent overlap between natural resource disciplines, there is a need for professional alliances to ensure public welfare. Another presentation was given to those interested or involved in the water resources profession at a forum held at Oregon State University. Chair Taylor addressed the role of geosciences in water resources professions, the role of licensure, and the importance of ethics in professional practice. Chair Taylor also created a generic presentation about the Board that can be used into the future by other Board members or staff.

Professional Practice/Report Guidelines: During the reporting period, the Board put considerable energy towards determining the role of Board-issued Professional Practice Guidelines in relation to the Board's mission and determination of standards of practice for geology practitioners. This work included a Saturday "retreat" on February 6, 2010 held in Salem to formulate a strategy about whether and how to update the Board's old and outdated Professional Practice and Geology Report Guidelines. The retreat was open to the public. The Board reached agreement on the desired purpose of the guidelines as encouraging best practices in the industry to optimize the protection of Oregonians and their interests, as mandated by ORS 672.505(7). The Board further agreed that guidelines could: (1) provide a reference resource to assist practitioners in crafting quality technical documents that exemplify industry best practices and (2) assist regulatory personnel in evaluating the content of geologic reports and related records. Unfortunately, the Board members were forced to conclude that they did not have sufficient capacity as Board volunteers or with existing staff to complete an overhaul of the guidelines. The Board has carried this topic over into the 2011-2013 biennium in hopes that a plan for securing outside technical assistance can be developed and implemented.

Engineering and Geology Practice Guidelines: The Board also responded to a proposal by the Association of Environmental and Engineering Geologists (AEG), a membership organization that provides leadership, advocacy, and applied research in environmental and engineering geology, to adopt and promote "Engineering and Geology Practice Guidelines." The AEG was joined in this effort by representatives from the American Institute of Professional Geologists (AIPG), the Association of Environmental and Engineering Geologists (AEG), and the Geo-Institute (G-I) of the American Society of Civil Engineers (ASCE). The stated objectives of the guidelines were to help define areas of practice for geologists and civil engineers. The Board provided detailed comments to AEG addressing a variety of concerns and sharing expertise based on Oregon experiences. For example, the Board found that AEG's description of "overlapping areas of practice" was professionally divisive, did not accurately align with existing geologic and engineering geologic practice in Oregon, and implicitly limited the scope of work that is currently extended to geologists and engineering geologists under Oregon state law. The Board also highlighted that AEG's document failed to delineate the practice of Engineering Geology as it currently exists in Washington, Oregon and California and that the document claimed to address geologists without adequately representing the work of geologists or geology as a science as compared to engineering and engineering geology.

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 several jurisdictions interested in updating their hazard area ordinances to offer advice about qualifications to complete various report elements. The Board also worked with one local government on hydrogeologic assessments for development in groundwater limited areas.

Oregon Board of Geologist Examiners
Biennial Report, April 1, 2012

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Appendix 1: Board Roster

OREGON STATE BOARD OF GEOLOGIST EXAMINERS

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Terms: 12/26/2007-2/28/2008
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03/01/2011-2/28/2014

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1/1/2010 to 12/31/2012

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Terms: 04/04/2008-02/14/2011
02/15/2011-02/14/2014

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

W. Todd Jarvis, PhD, RG, CEG
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Terms: 12/5/2011 to 12/4/2014

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

Appendix 2: Board Committees

OREGON STATE BOARD OF GEOLOGIST EXAMINERS

STANDING COMMITTEES

As of March 2012

BUDGET COMMITTEE

Christine Valentine, Administrator (Committee Chair)
Mark Yinger, RG, Board Chair
Vicki McConnell, PhD, RG, Ex Officio Board Member

ENGINEERING GEOLOGY EXAM COMMITTEE

Rodney Weick, RG, CEG, Board Vice Chair (Committee Chair)
Todd Jarvis, PhD, RG, CEG, Board Member
Chris Humphrey, RG, CEG, Appointed by the Chair

GEOLOGY GUIDELINES COMMITTEE

To be Determined

JOINT COMPLIANCE COMMITTEE [MOU/OSBEELS]

Rodney Weick, RG, CEG, Board Vice Chair (Committee Chair)
Peter Stroud, RG, CEG, Board Member
Gary Peterson, RG, CEG, Appointed by the Chair

LEGISLATIVE COMMITTEE

Vicki McConnell, PhD, RG, Ex Officio Board Member (Committee Chair)
Additional members to be determined/as needed

OUTREACH COMMITTEE

Todd Jarvis, PhD, RG, CEG, Board Member (Committee Chair)
Steve Taylor, PhD, RG, Appointed by the Chair

PROFESSIONAL PRACTICES COMMITTEE

Mark Yinger, RG, Board Chair (Committee Chair)
Vick McConnell, PhD, RG, Ex Officio Board Member

RULES COMMITTEE

Mark Yinger, Board Chair

Registrants:

Jennifer Berry	Terry Crotwell
Audrey Eldridge	Bernie Kleutsch
David Livermore	Ted Weasma

OTHER ASSIGMENTS

COMPLIANCE COORDINATOR

Richard Heinzkill, Chair, Public Member of Board
Registrant Technical Reviewers (engaged as needed on a case by case basis)

Appendix 3: OSBGE-OSBEELS Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING

Between

THE OREGON STATE BOARD OF EXAMINERS FOR ENGINEERING AND LAND SURVEYING

And

THE OREGON STATE BOARD OF GEOLOGIST EXAMINERS

1. The Boards recognize that certain aspects of geology and engineering are interrelated and that in certain projects, the discipline of both professions may be required to adequately evaluate the parameters.

2. The Boards also recognize that some individuals, by both their formal training and experience, have become qualified in both geology and engineering, and, according to the standards of both fields, are eligible for registration by either or both.

3. The Boards also recognize that the respective definitions in statute of Engineering, Engineering Geology, and Geology provide for areas of common practice involving the two professions.

4. The Boards acknowledge that an individual who is principally either a geologist, engineering geologist or an engineer may have acquired knowledge, training and experience in aspects of the other field.

5. Both Boards acknowledge that such qualified individuals, acting within their statutory responsibilities, should not be restricted from activities in the secondary field which are incidental to their primary field of professional practice. Registrants will be guided and constrained by their respective Board's Code of Professional Conduct [Code of Ethics] and relevant legal interpretations provided by appropriate counsel.

6. When inquiries or investigations in areas of common practice involving engineering and geology are raised, the respective Boards will support a collaborative process outlined herein to develop mutually acceptable solutions which focus on the public good, and allow the Boards to focus on their core interests. Toward this end, the Boards shall establish a Joint Compliance Committee generally composed of two members by each Board and of which, at least one is from each Board. The committee shall meet semi-annually at a minimum to discuss issues of common concern and may meet more often given the provisions of section 9.

7. Consideration of complaints or enforcement actions in areas of common practice involving geology and engineering may raise questions that cannot be reasonably and properly resolved by routine administration of the registration laws by the respective Boards. Insofar as is practical given the procedures of the respective Boards and staffs, the Joint Compliance Committee shall assess cases and recommend a preferred course of action for the Boards and staff.

8. Both Boards acknowledge that primary enforcement action against a registrant shall be the responsibility of a Lead Board, which shall typically be the Board holding the registration of the respondent.

9. Investigation of complaints and contemplation of enforcement actions on an individual or registrant in areas of common practice, or upon reasonable request by the registrant the following procedure shall be followed:

   a) Recipient Board[1] will notify the Joint Compliance Committee and the other board in writing within 30 days of receipt of a complaint by the recipient Board. The recipient board should recommend which board should be designated as Lead Board[2] for possible enforcement action;

b) The Joint Compliance Committee will investigate the complaint or inquiry, and may request additional information, such as work examples, experience, qualifications and background information from the respondent[3] through the Recipient Board.
c) The Joint Committee will provide a written recommended resolution to both Boards within 90 days;
d) If the Joint Committee is unable to provide a written recommended action, or if either of the Boards is unable to accept the recommendation, the respective Boards shall work directly to develop a common course of action with a goal of completion within 60 days.
e) The Lead Board (being the best positioned) will interpret ethics, evaluate qualifications and enact disciplinary action. (If the individual is a registrant of both Boards or of neither Board, the Boards will work collaboratively to take a unified set of actions.)
f) If the two Boards are unable to develop a mutually acceptable course of action, a third party acceptable to both Boards [mediator or facilitator] may be invited to assist the Boards in the development of an acceptable resolution. A resolution will be developed within timeframe goal of 60 days.
g) If a resolution is not achieved through this effort, legal counsel will be consulted formally to help develop a proper course of action.

1 Recipient Board is the Board initially receiving the complaint.
2 Lead Board is the designated enforcement Board which shall typically be the Board holding the registration of the respondent.
3 Respondent is a registered or unregistered person against whom a complaint has been filed.

Approved at the November 13, 2001 Board Meeting of Examiners for Engineering and Land Surveying. On behalf of the Board the signature of the Board President and seal of the Board are affixed.

Joel Smith, PE, OSBEELS President

12/06/01
Date

Approved at the September 18, 2001 Board Meeting of Geologist Examiners. On behalf of the Board the signature of the Board Chairperson and the seal of the Board below are affixed.

William N. Orr, RG, OSBGE Chairperson

12/3/01
Date

Appendix 4: Board Meetings

Oregon State Board of Geologist Examiners

Meeting Schedule
July 1, 2009 – December 31, 2011

2009

09/18/09
12/04/09

2010

*02/06/10
03/04/10
06/11/10
09/10/10
12/03/10

2011

03/03/11
*03/29/11
06/03/11
09/09/11
12/02/11

*=Special Meetings called in addition to regular, quarterly meetings.

Appendix 5: 2009-2011 Financial Review/OSBGE Response

Wicklund & Lew, CPAs, LLC

Oregon Board of Geologist Examiners
Financial Review

Report No. 1109
December 15, 2011

Wicklund & Lew, CPAs, LLC

Valerie Wicklund, CPA
vwicklundcpa@comcast.net
503-851-4435

Don Lew, CPA
donlewcpa@comcast.net
503-779-7182

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 671.991 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 specialty, grant reciprocity 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. The prior Administrator retired in December 2010 after 11 years with the OSBGE and the current Administrator was hired in March 2011. The Registration Specialist has been with the Board since 2005. 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 an audit or financial review according to schedules set by 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, 2011. The procedures were solely to assist management and the Secretary of State in evaluating the financial 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 financial, accounting, and licensing processes. This work included obtaining and reviewing the adequacy of policies, procedures and desk manuals related to (1) receiving, calculating, recording, and reporting transactions and (2) registration 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 revenues 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 for such a small staff of only two individuals. However, we also found several opportunities to strengthen internal controls.

Financial and Accounting Internal Controls

Financial and accounting internal controls in place during the biennium were generally well designed and appropriately implemented. 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 in such a small office. Some of the risks of a lack of segregation of duties were mitigated through the use of a bank lockbox for registration renewals.

The OSBGE is a small agency, with two employees, including the Administrator. During the two years under review, one employee performed the work of the agency for approximately eight months due to the prolonged absence of the other employee. A temporary employee was hired to assist during peak renewal periods. Three months before the end of the period under review a new Administrator was hired and she is now coming up to speed on OSBGE procedures and processes.

OSBGE policies and procedures are not complete or current. The Board adopted, by Oregon Administrative Rule, the State of Oregon's procurement, contracting, and personnel policies and procedures in effect November 1, 2000. The State of Oregon policies and procedures have been revised since 2000; however, the Board's Rules have not been updated to reflect the changes. The lack of connection between OSBGE policies and procedures and current State of Oregon policies and procedures creates confusion and limits use of DAS guidance, expertise, and templates. We also found agency-specific written procedures do not all reflect current practices. The Administrator

plans to revise or create the policies and procedures. In such a small agency, where the loss of an employee can severely affect delivery of service, the ability to transfer knowledge of policies and procedures to new employees or temporary employees is important. Complete and up-to-date documented policies and procedures provide guidance for employees, allowing them to understand their roles and responsibilities.

We recommend the Administrator follow through with plans to develop written policies and revise procedures. We recommend the Board consider developing OSBGE-specific contracting, purchasing, and personnel policies. If the Board decides to continue its adoption of the State of Oregon policies, we recommend the Board revise its rules so they do not tie the Board to state policies and procedures as of a specific date.

Employees share a common user id and password on the agency's two main automated systems, Filemaker and QuickBooks. Filemaker is the agency's registration system and it contains information on the OBSGE's registrants, including their name, address, educational information and much more. It is used to process fees and issue registrations. QuickBooks is the agency's accounting system. It contains historical financial information and is used to prepare checks, record receipts, and prepare financial statements. Employees share a common user id and password on each system. The OSBGE owns one single-user license for each system.

In the absence of a unique user id and password, it is not possible to determine the identity of employees entering transactions into the systems. Generally accepted business practices call for establishing accountability over transactions. In an automated environment, accountability is established through the use of unique user ids and passwords for each employee. OAM 10.20.00 PR.123.f prohibits the use of shared passwords in accounting systems. Although the agency is not required to follow the Oregon Accounting Manual (OAM), it does provide sound guidance for state agencies.

We recommend the OSBGE obtain a multi-license version of QuickBooks and assign each employee a unique user id and password. We also recommend the agency obtain an additional license for Filemaker and assign each employee a unique user id and password.

We recommend the agency prohibit the use of shared user ids and passwords as part of a formal policy or procedure.

The OSBGE does not have a formal policy on timekeeping and timesheets are not used. The current practice is for employees to inform each other of planned or unplanned absences by email or phone. Leave taken during the month is documented in an email from one employee to another, as was recommended by prior auditors. However, there is no requirement for supervisory review of employee's attendance and time information, or approval of leave taken, other than the review and approval of summary leave information by the Administrator and Board Chair. Accrued leave for each employee is recorded and tracked on a spreadsheet by the Registration Specialist. There is no third-party review of the monthly accrued leave balances.

The risk of employees taking inappropriate leave increases in the absence of a process for the supervisory review and approval of leave. Without a formal record of attendance, it is difficult to determine the historical dates and hours employees worked and there is no documentation of overtime hours earned. In the absence of a review of monthly leave accruals, there is a risk an error in calculating the accruals will occur and not be detected.

We recommend the Board establish a time and attendance system requiring each employee to prepare a monthly timesheet. We further recommend:

1. Employees obtain documented approval to use accrued leave prior to using the leave, as possible.
2. The Registration Specialist's timesheet be reviewed and approved by the Administrator.
3. The Administrator's timesheet be reviewed and approved by the Board Chair.

These reviews should take place before the monthly payroll is prepared. We recommend these procedures be documented in a policy and procedure manual.

We also recommend the Administrator review the accrued leave spreadsheet each month as part of her review and approval of payroll.

We tested a sample of ten payroll expenditure transactions to determine if internal controls over the payroll function were functioning as intended by the Board. The Board's payroll procedures call for the Board Chair to review and approve the monthly payroll sheet prior to submission to the payroll company. The stated time reporting procedure is for employees to report their leave time taken to each other in an email. We found the Board Chair's review and approval of monthly payroll was not always completely documented or performed in a timely manner. We found one instance where there was no evidence the monthly payroll had been reviewed by the Board Chair. We also found seven instances where there was no email between employees regarding leave taken. Five of these occurred during the extended absence of one employee. In her absence it was not possible for the employees to email each other with leave taken.

We recommend the Board Chair ensure their review and approval of payroll is performed prior to processing payroll. We recommend the Board Chair document his or her review by initialing and dating the monthly payroll sheet. We also recommend the OSBGE adopt a process where employees prepare timesheets for supervisory review and approval, as discussed above.

Although it has no formal policy for records retention, the OSBGE informally adopted the Oregon State Record Retention Schedule for Boards and Commissions (Schedule). The Schedule sets both minimum and maximum retention period for Board records. It requires records to be appropriately disposed of when the retention period has been met. OSBGE records have been retained for an indefinite period. The Administrator plans to develop an agency-specific record retention schedule and take appropriate action to purge or archive OSBGE records based on that schedule.

We recommend the Administrator complete her plan to create an agency-specific retention schedule and take action to purge or archive records based on that schedule.

Registration Controls

Individuals and businesses 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. We have recommendations to further improve controls within the automated registration system, Filemaker, and to improve the security and accountability of certificate stock.

Filemaker is used to record registration activities, including registration fees received. The system is not programmed to require entry of the required fee prior to printing an initial registration certificate. There is nothing to prevent issuance of an initial registration certificate when the receipt of the required fee has not been entered.

Segregation of duties is a key concept of internal controls. By separating duties between individuals, the opportunity for errors or inappropriate activities to occur and go undetected is minimized. When duties cannot be segregated, due to the small size of the agency, compensating controls can reduce the risk of the control weakness. Compensating controls can include a third party review as well as an automated control to ensure all steps of a process are completed.

We recommend OSBGE set up controls to ensure initial registration fees have been received and recorded in the system before initial registration certificates are issued. This could be accomplished by modifying the system to require the registration fee to be entered before the system will print an initial registration certificate. It could also be accomplished by printing the accounting screen and including it in the file for the Administrator's review during the final review and approval of the new registrant.

Registration certificate stock is not preprinted with inventory control numbers. Good business practice suggests that valuable stock, such as registration stock, is properly accounted for and controlled. In the absence of controls over the use of registration card stock, there is a risk that it could be inappropriately used to prepare unauthorized registration cards and the preparation of unauthorized cards would not be detected.

We recommend the OSBGE obtain registration card stock containing pre-numbered inventory control numbers and use a log to control issuance of the stock. We also recommend the agency store the stock and the log in a secure area.

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 Board requirement for the Board Chair's review of monthly bank reconciliations and the Board's regular review of investment statements 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. Investment accounts were managed with informal pre-approval by the Board of investment account transactions. We have recommendations to improve the segregation of duties in the bank reconciliation process, ensure receipts are deposited timely, and improve and document investment policies.

   Monthly bank account reconciliations are prepared by the Registration Specialist, who also opens the mail, records receipts, prepares deposits, physically takes deposits to the bank, and prepares disbursements. We reviewed all monthly reconciliations for the two year period under review and found all reconciliations were prepared in a timely manner. We also found evidence that all reconciliations, except for one, were reviewed and approved by the Board Chair. We noted four instances where the reconciliations were approved by the Board Chair more than one month after the date of the bank statement and eight instances where the date of the Board Chair's review did not accompany his signature so we were unable to determine if those statements were reviewed timely.

   Good internal controls call for reconciliation of bank statements by a person not involved in the cash receipts and disbursements functions. The reconciliation is a key control because it identifies errors, irregularities, and adjustments needed to the cash account. Having an independent person prepare the reconciliation helps establish an adequate separation of duties. Timely review and approval of bank reconciliations is a key control to ensure accountability of Board funds. Section V.4.1.3 of the Board's draft Operational Guidelines requires the Board Chair to review, initial, and date the monthly bank statement and monthly bank reconciliation. Although the Operational Guidelines do not call for the review to be performed within a specific time period, we consider the review to be performed in a timely manner if it is performed by the 30th day of the month for the preceding month's reconciliation.

   We recommend OSLAB take steps to divide duties so the Administrator prepares the monthly bank reconciliation. We recommend the Board Chair review the bank reconciliations in a timelier manner and initial and date the reconciliation to document his or her review.

   OSBGE receives the majority of its revenues through a bank lockbox; however, it does regularly receive checks at its office. Based on discussions with employees, checks received at the office are normally delivered to the bank by employees on a weekly basis. During our testing of fees received for administration of OSLAB, we found

administrative fees were not always deposited in a timely manner. We examined six deposits of administrative fees and found three of the six deposits were made nine days, fourteen days, and over one month from the date of receipt in the office.

Oregon Accounting Manual (OAM) 10.20.00, PR.123.c calls for checks to be deposited daily, not less than one business day after receipt. Although the agency is not subject to the requirements of the OAM, it does provide generally accepted guidance in establishing control over receipts.

We recommend the agency deposit all checks within one day of receipt unless there is valid business reason for using a longer period of time. If there is a valid business reason to routinely use a longer period of time, we recommend that reason be documented and approved by the Board.

We recommend the agency consider using an electronic check scanner to electronically deposit checks to the bank from the OSBGE office.

We recommend the agency consider working with OSLAB to set up an automated recurring transfer from the OSLAB bank account to the OSBGE bank account for the recurring monthly administrative fee.

The OSBGE had investments in money market and certificates of deposits totaling $71,637 at June 30, 2011. Three individuals, the Administrator, the Board Chair and an alternate Board member are authorized to transact business on the accounts. Only one signature is required to transact business on the accounts. The OSBG does not have a formal policy to guide the agency's investment activities. Although the current practice includes Board approval of all investment transactions, it is not documented in a formal policy.

Generally accepted good business practices call for establishing processes to mitigate the risks of error or inappropriate action that can occur when one individual handles all aspects of a transaction.

We recommend the OSBGE improve internal controls over management of its investment accounts by requiring two signatures, one from a Board member, to transact business on investment accounts.

We recommend the Board create an investment policy that provides general guidance on the Board's investment practices. We also recommend the policy include the requirement for formal Board approval of investment transactions.

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, 0401 Exam Fee (GIT), and 0407.1 Annual Renewal.

Our testing showed, except for administrative fees as discussed above, deposits were made timely. We also found revenues were appropriately classified in the accounting records, and, except as discussed below, registration and renewal criteria were met.

Our examination of a sample of nine annual renewals found one instance where a registrant in an expired status did not pay the prior year's unpaid $100 renewal fee prior to being reinstated. We also noted two instances where the registrant's renewal month was not the same as their initial registration month. OAR 809-015-0005 allows an expired registration to be reinstated within five years without reapplication or retaking of an examination. To reinstate a registration, the registrant must pay the applicable renewal fee for all years in which the registration was expired. OAR 809-015-000 states that a certificate of registration expires on the last day of the anniversary month of the initial date of issuance.

The reinstatement of registration without payment of the prior year's unpaid renewal fee occurred during a period when one of two OSBGE employees was absent for an extended period of time. During that time, a temporary employee was hired to assist processing renewals and it is likely this person reinstated the registration without collecting the required fee.

OAR 809-015-0000 was revised in 2005 to require registrants to renew on the last day of the anniversary month of the initial date of issuance of the registration. Employees informed us that during the two years under review, management took steps to revise renewal dates in Filemaker to come into compliance with the requirements of the OAR. Based on discussion with employees, a decision was made not to change renewal dates in the system for individuals over 70 years old. The agency is unable to locate documentation of Board approval of this exception. Due to employee turnover it is uncertain if the Board was aware of or approved the exception.

We recommend the Board review and, if appropriate, formally approve the decision to exempt registrants over 70 years old from complying with OAR 809-015-000 renewal date requirements.

We examined supporting documentation for selected transactions from three expense accounts; 5050.1 Legal Fees, 5801 Examination Services, 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 with the exception of the payroll controls discussed above, in alignment with OSBGE policy.

4. We compared adjusted budgeted revenues and expenditures to actual revenues and expenditures for the two years ending June 30, 2011. We noted budget variances are reasonable and actual net income of $78,005 was $68,327 higher than budgeted net income of $9,678. Total expenditures of $412,422 were within the approved budget limitation of $483,975.

   Total revenues of $490,427 were less than 1% higher than budgeted while total expenses were 13% or $61,875 lower than budgeted expenditures. Renewal fees were 4.5% higher

than budgeted. The main cause of the expense variance was a nearly four-month vacancy in the Administrator position which contributed to the $49,957 savings in payroll expenditures. Actual Attorney General legal fees were 23% or $6,800 less than budgeted as the Board experienced a lower than anticipated level of compliance cases or other issues requiring legal counsel. Instate travel expenses of $4,686 were 52% less than budgeted expenses of $9,742. The Board decided during the biennium to curtail any travel not deemed essential due to concern about revenues. Travel was reimbursed only as required for quarterly meetings. Computer data processing costs of $5,082 were $4,418 or 47% less than budgeted as database design changes were successfully implemented during the biennium and amounts budgeted for potential database implementation problems were not needed. Professional services expense was $5,928 higher than budgeted expenses of $6,060. During the absence of the Administrator, the Board found it necessary to hire a temporary employee to assist with renewal processing

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.

WICKLUND & LEW, CPA'S, LLC

Valerie Wicklund

Valerie Wicklund, CPA
December 15, 2011

Oregon
John A. Kitzhaber, MD, Governor

Board of Geologist Examiners
707 13th Street SE, Suite 260
Salem, OR 97301
Phone: 503-566-2837, Fax: 503-485-2947
E-mail: osbge.info@state.or.us
Website: www.oregon.gov/OSBGE/index.shtml

March 19, 2012

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 2009-2011 Financial Review

Dear Ms. Bond,

At the December 2, 2011 and March 9, 2012 meetings of the Oregon Board of Geologist Examiners (OSBGE), the Board reviewed with staff the recommendations resulting from the financial review conducted for the 2009-2011 biennium by Wicklund and Lew, CPAs, LLC. An electronic copy of the review report was previously provided to you. This letter provides a brief summary of the Board's response to the review. In general, the Board finds the financial review recommendations to be sound with few exceptions, and staff has already started the process of implementing many of the recommendations.

Update personnel, procurement, & contracting policies and procedures: The Board and staff identified this as a need prior to the review, and the work was already underway at the time of the review. The goal is to have the Board adopt updated policies, where necessary, within the calendar year. Any new policies will be handled in accordance with ORS 182.460(4).

Prohibit shared user IDs and passwords: The Board has approved the purchase of additional software licenses as may be necessary to facilitate assignment of unique login IDs & passwords for each of the Board's two employees. The new software should be online within the fiscal year.

Improve Time/Attendance Reporting & Management: The Board has directed staff to establish a new time and attendance system and to update procedures for review of timesheets and accrued leave spreadsheets each month. These changes should be online within the fiscal year. The Board Chair will provide timely review and approval of payroll.

Create an agency-specific records retention schedule & take action to destroy or archive records: The Board and staff identified this as a need prior to the review, and the work was already underway at the time of the review. The goal is to have the Board adopt a records management policy, subject to approval by the State Archivist, within the calendar year.

Setup controls to ensure fees received/recorded before initial registration cards are issued: Even though the Board was not experiencing implementation problems, staff implemented this control as an extra safeguard starting in December 2011.

Change to having the Administrator prepare the monthly bank reconciliations, continue Chair review: Staff has already implemented this recommendation, starting January 2012.

Deposit checks daily via check scanner or document Board approval to hold checks for longer period: The Board is in the process of securing a check scanner from its financial institution. The scanner should be operational within the next month or two.

Work with the Oregon State Landscape Architect Board (OSLAB) to set up automated payment of monthly administrative fee: This was established starting with the January 2012 payment from OSLAB to OSBGE for administrative services.

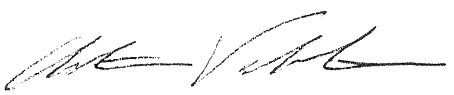
Require two signatures for transactions on investment accounts, with three authorized signers for each account: The Board decided to address protocols for investments in an investment policy. See below.

Prepare an investment policy to guide investment practices and define duties of Investment Committee: The Board agrees that protocols and procedures in place need to be formalized and that additional information about the Board's investment decisions should also be incorporated into policy. Work on this policy is underway. The goal is to have the Board adopt an investment policy within the calendar year. For the record, the Board does not have an Investment Committee.

The Board will not take further action in response to two recommendations from the financial review. These recommendations address use of pre-numbered registration card stock and reconsideration of a past decision related to grandfathered registrants over 70 years old with non-standard renewal dates. Regarding the card stock, the Board feels the risk of not implementing the recommendation is extremely low as shown by experience to date. This means that implementation would create more work for little to no gain in risk reduction. The issue with the grandfathered registrants impacts how annual renewal dates were set for only about 40 registrants, and those ranks will continue to decline as these individuals retire from practice.

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. M. Yinger, RG, Board Chair

Appendix 6.a.: 2009-2011 Adopted Budget

	Oregon State Board of Geologist Examiners					
	2009-2011 Budget, Adopted at March 18, 2009 Board Meeting					
	REVENUE	Fee		**Year 1**	**Year 2**	**Biennium**
	Projected Carryover Balance					*$3,500*
1	Application Fee, Registration	75	75	$3,075	$3,000	$6,075
2	Application Fee, Examination	75		$4,050	$4,050	$8,100
3	Examination Fee, Fundamental	175	175	$4,725	$4,725	$9,450
4	Examination Fee, Practice	225	225	$5,625	$5,625	$11,250
5	Examination Fee, CEG	200	200	$1,200	$1,200	$2,400
6	RG Renewals	100	100	$106,700	$106,700	$213,400
7	Over 70 RG Renewal	15	15	$960	$960	$1,920
8	Over 70 CEG Renewal	15	15	$435	$435	$870
9	CEG Renewals	75	75	$19,575	$19,575	$39,150
10	GIT Renewals	50	50	$2,650	$2,650	$5,300
11	Restoration Fee	Varies		$3,000	$3,000	$6,000
12	Other penalty/sales income	Varies		$200	$200	$400
13	Interest	190		$2,280	$2,280	$4,560
14	**Revenue subtotal**			$154,475	$154,400	$312,375
15	*OSLAB Contract*	7100	7200	$85,200	$86,400	$171,600
16	**Total Revenue**			**$239,675**	**$240,800**	**$483,975**
17						
18	**EXPENSES**					
19	**Personal Services**					
20	Staff salary and benefits			$162,130	$165,329	$327,459
21	PERS Bond repayment to DAS			$6,708	$6,714	$13,422
22	Temp Employee			$300	$300	$600
23	Board Member Stipends		100	$3,000	$3,400	$6,400
24	Technical Reviewer Honorarium		100	$1,500	$1,500	$3,000
25	**Total Personal Services**			**$172,138**	**$175,743**	**$350,881**
26						
27	**Services and Supplies**					
28	Office Supplies (incl. postage, copying, printing, etc.)	440	480	$5,280	$5,760	$11,040
29	Bank Charges	130		$1,560	$1,560	$3,120
30	Website support	50		$600	$600	$1,200
31	Email provider (Dial Oregon)			$50	$50	$100
32	Instate Meals and Lodging			$1,580	$1,580	$3,160
33	Instate Ground Transportation	0.555	0.555	$3,275	$3,308	$6,582
34	Out of State Meals, Lodging, Misc			$0	$0	$0
35	Out of State Transportation			$0	$0	$0
36	Communication (Phone, Internet)			$1,550	$1,550	$3,100
37	Computer Hardware support	62.5		$750	$750	$1,500
38	Computer Hardware upgrades				$0	$0
39	Computer Software support	100	100	$4,000	$4,000	$8,000
40	Computer Software upgrades			$0	$0	$0
41	Professional Services	250	255	$3,000	$3,060	$6,060
42	Government Services (including financial audit)			$3,900	$6,000	$9,900
43	AG Fees	151	151	$16,308	$16,308	$32,616
44	Rental, Office space	505	521	$6,060	$6,252	$12,312
45	Rental, Exam Site			$0	$0	$0
46	Board/Staff Training			$0	$0	$0
47	ASBOG Examination Expense			$10,350	$10,350	$20,700

Appendix 6.a.: 2009-2011 Adopted Budget

48	ASBOG Membership Dues			$2,950	$4,100	$7,050
49	ASBOG Registration Fee			$0	$0	$0
50	CEG Task Analysis					$0
51	Fund for Additional Legal Fees					$0
52	**Total Services and Supplies**			$61,213	$65,228	**$126,440**
53						
54	**Total Expenses**					**$477,321**
55	**Total Revenues**					**$483,975**
56	**Net Projected 2009/2011 Revenue**					**$6,654**

*Added beginning balance
**Reduce renewals by 5% for all three license categories
***Remove out of state expenses
****Remove annual meeting registration fee

Appendix 6.b.: OSBGE Budgets vs. Actuals

Budgets for Three Biennia

		Adopted Budget 2007-2009	Actual Figures 2007-2009 Biennium	Adopted Budget 2009-2011	Actual 2009-2011 Biennium	Adopted Budget 2011-2013
Income	*Carryover*			$3,500.00		
	Administration Fee	$ 138,000.00	$ 153,600.00	171,600.00	171,600.00	$ 160,800.00
	Application Fee	6,225.00	12,775.00	14,175.00	13,375.00	13,500.00
	CEG Exam Fee	2,800.00	2,675.00	2,400.00	1,400.00	2,400.00
	Exam Fee (GIT)	14,350.00	11,900.00	9,450.00	9,975.00	8,750.00
	Exam Fee RPG	11,250.00	9,750.00	11,250.00	8,150.00	11,000.00
	LIC RENEW (GIT)	6,200.00	7,170.82	5,300.00	6,329.08	7,605.00
	Lic Renew (RPG)	228,200.00	226,284.76	213,400.00	226,455.78	209,200.00
	Lic Renew (CEG)	43,800.00	41,462.50	39,150.00	39,747.87	37,208.00
	Restoration Fee	5,200.00	6,945.00	6,000.00	8,500.00	6,000.00
	Cert Fee (RPG & CEG)	400.00	150.00	400.00	525.00	400.00
	Over 70 RG Renewal	1,995.00	2,104.50	1,920.00	1,995.00	1,680.00
	Over 70 CEG Renewal	1,095.00	1,132.50	870.00	1,110.00	870.00
	Civil Penalties	0.00	500.00			0.00
	Interest, Checking	8,400.00	5,065.18	4,560.00	561.90	240.00
	Miscellaneous Cash Receipts	0.00	112.88	0.00	89.89	0.00
	TOTAL REVENUE	467,915.00	481,628.14	483,975.00	489,814.52	$ 459,653.00
	44000 · Fee Refunds					
	CEG Exam Fee	0.00	0.00	0.00		0.00
	Fundamental Exam Fee	0.00	(175.00)	0.00		0.00
	Practice Exam Fee	0.00	(450.00)	0.00	-275	0.00
	Refund Application Fee	0.00	(50.00)	0.00	-225	0.00
	GIT Renewal	0.00	(245.80)	0.00	-174.94	0.00
	RPG Renewal Fee	0.00	(940.00)	0.00	-625	0.00
	CEG Renewal	0.00	(370.00)	0.00	-90	0.00
	Restoration Fee Refund	0.00	(270.00)	0.00	-225	0.00
	Over 70 RPG Renewal	0.00	0.00	0.00	-75	0.00
	Over 70 CEG Fee	0.00	(70.00)	0.00	-15	0.00
	Fee Refunds	0.00	(2570.80)	0.00	-1704.94	0.00
Total Income		$ 467,915.00	$ 479,057.34	483,975.00	488,109.58	$ 459,653.00
Expense						
	Miscellaneous Expenses					-
	IS Travel Expenses	6,502.00	9,937.97	9,742.00	4,686.44	9,200.00
	OS Travel Expenses	8,530.00	7,696.14	0.00	1,179.34	6,120.00
	Office, Services & Supplies	15,300.00	13,072.95	11,040.00	13,976.05	9,000.00
	Dues	5,900.00	7,195.00	7,050.00	5,900.00	10,500.00
	Web Page	1,200.00	1,262.50	1,200.00	1,150.00	1,200.00
	Telephone-related Services	3,100.00	3,075.32	3,200.00	2,664.26	4,100.00
	Computer Data Processing	12,840.00	5,032.50	9,500.00	5,082.24	6,000.00
	Computer Hardware Upgrade					2,000.00
	Computer Software Upgrade					1,000.00
	Training	1,200.00	863.00	0.00	450.00	1,200.00
	Professional Services	2,400.00	5,036.54	9,660.00	11,988.21	7,700.00
	Attorney General Legal Fees	54,000.00	46,712.44	29,592.00	22,791.66	30,000.00
	Gov Services	20,000.00	17,275.42	9,900.00	12,887.75	9,900.00
	Facilities Rent	8,580.00	9,097.20	12,312.00	11,133.40	11,856.00
	Examinations	41,100.00	35,543.72	20,700.00	15,700.00	19,750.00
	Bank Charges	3,120.00	3,039.36	3,120.00	1,908.81	3,000.00
	Regular Employees	284,143.00	289,445.92	347,281.00	300,924.00	324,894.00
Total Expense		$ 467,915.00	$ 454,285.98	474,297.00	412,422.16	457,420.00
Net Ordinary Income		0.00	$ 24,771.36	9,678.00	75,687.42	$ 2,233.00
Other Income						
	Interest on CDs	0.00	$6,312.21	0.00	2,317.27	0.00
Net Income		$0.00	$ 30,167.57	9,678.00	78,004.69	$ 2,233.00
Fund Balance,Beginning			184,454.00	214,621.57	214,621.57	292,626.26
Fund Balance, Ending			$ 214,621.57	$224,299.57	292,626.26	$ 294,859.26

Appendix 6.c.: 2011-2013 Adopted Budget vs. Actuals (12/31/11)

Oregon State Board of Geologist Examiners	Adopted Budget 2011-2013	Actual Figures 07.01.2011 - 12.31.2011
Income *Carryover*		
Administration Fee	160,800.00	50,400.00
Application Fee	13,500.00	2,975.00
CEG Exam Fee	2,400.00	400.00
Exam Fee (GIT)	8,750.00	1,925.00
Exam Fee RPG	11,000.00	2,425.00
LIC RENEW (GIT)	7,605.00	1,675.00
Lic Renew (RPG)	209,200.00	64,425.00
Lic Renew (CEG)	37,208.00	12,973.00
Restoration Fee	6,000.00	2,345.00
Cert Fee (RPG & CEG)	400.00	100.00
Over 70 RG Renewal	1,680.00	930.00
Over 70 CEG Renewal	870.00	450.00
Civil Penalties	0.00	0.00
Interest, Checking	240.00	9.70
Miscellaneous Cash Receipts	0.00	150.00
TOTAL REVENUE	$ 459,653.00	$ 141,182.70
44000 · Fee Refunds		
CEG Exam Fee	0.00	0.00
Fundamental Exam Fee	0.00	-175.00
Practice Exam Fee	0.00	-325.00
Refund Application Fee	0.00	-25.00
GIT Renewal	0.00	0.00
RPG Renewal Fee	0.00	-185.00
CEG Renewal	0.00	-75.00
Restoration Fee Refund	0.00	-150.00
Over 70 RPG Renewal	0.00	0.00
Over 70 CEG Fee	0.00	0.00
Fee Refunds	0.00	-935.00
Total Income	459,653.00	140,247.70
Expense		
Miscellaneous Expenses	0	0.00
IS Travel Expenses	9,200.00	1,490.84
OS Travel Expenses	6,120.00	3,020.33
Office, Services & Supplies	9,000.00	2,353.28
Dues	10,500.00	3,910.00
Web Page	1,200.00	300.00
Telephone-related Services	4,100.00	899.86
Computer Data Processing	6,000.00	1,367.50
Computer Hardware/Software Upgrade	3,000.00	
Training	1,200.00	447.50
Professional Services	7,700.00	2,844.44
Attorney General Legal Fees	30,000.00	4,224.10
Gov Services	9,900.00	4,576.00
Facilities Rent	11,856.00	3,453.24
Examinations	19,750.00	3,550.00
Bank Charges	3,000.00	375.00
Regular Employees	324,894.00	82,300.84
Total Expense	457,420.00	115,112.93
Net Ordinary Income	2,233.00	$ 25,134.77
Other Income		
Interest on CDs	0.00	234.53
Net Income	$ 2,233.00	$ 25,369.30

Appendix 6.d.

Oregon State Board of Geologists Examiners
Balance Sheet
As of June 30, 2011

2:52 PM
01/30/12
Accrual Basis

	06/30/2011
ASSETS	
Current Assets	
Checking/Savings	
1001 · Pioneer Trust Bank	$233,049.09
Total Checking/Savings	233,049.09
Total Current Assets	233,049.09
Other Assets	
1540 · Cash & Money Market	23,445.18
1500 · CD's	
1580 · 18 Month CD - B of A 6/18/2012	23,000.00
1570 · 18 Month CD - B of A,9/19/2011	25,000.00
Total 1500 · CD's	48,000.00
Total Other Assets	71,445.18
TOTAL ASSETS	**304,494.27**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	9,532.23
Total Accounts Payable	9,532.23
Other Current Liabilities	
2100 · Payroll Liabilities	
2100f · Employee Paid Insurance	-0.09
2100d · Work Comp	13.28
2100b · Social Security - Employee	-5.65
Total 2100 · Payroll Liabilities	7.54
2150 · Accrued Vacation	2,328.37
Total Other Current Liabilities	2,335.91
Total Current Liabilities	11,868.14
Total Liabilities	11,868.14
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	123,160.61
Net Income	59,465.52
Total Equity	292,626.13
TOTAL LIABILITIES & EQUITY	**304,494.27**

Appendix 6.e.: Fund Analysis (covering 3 biennia)

Oregon State Board of Geologist Examiners
Biennium Budgets

Fund Analysis

Source	2007-09 Biennium Actual	2009-2011 Biennium Actual	2011-2013 Biennium Approved Budget
Beginning Fund Balance	$ 184,454.00	$ 214,621.57	$ 292,626.26
Total Revenue	485,370.00	490,426.85	459,653.00
Total Funds Available	669,824.00	705,048.42	752,279.26
Total Expenditure	454,286.00	412,422.16	457,420.00
Ending Fund Balance	$ 215,538.00	$ 292,626.26	$ 294,859.26
Adjustment	916.43		
Adjusted Ending Balance	$ 214,621.57		

Appendix 7.a.: Budget Hearing, 2009-2011

Presiding Officer's Report to Agency on Rulemaking Hearing

Date: June 5, 2009
To: Members of Board of Geologist Examiners
From: Susanna Knight, Board Administrator, Presiding Officer
Subject: Presiding Officer's Report on Rulemaking Hearing

Hearing Date:	June 5, 2009
Hearing Location:	Sunset Center South, Conference Room Salem, Oregon
Title of Proposed Rules:	OAR 809-010-0025, Operating Budget
Staff Present:	Susanna Knight, Administrator Marilou Arrobang, Licensing Specialist
Guests Present:	None present

The rulemaking hearing on OAR 809-010-0025, Operating Budget convened at 9:00 AM. Presiding Officer Knight stated that comments would be received from anyone completing a registration card. No Registration Cards were received for presentation during the formal hearing.

Summary of Comments

The purpose of this hearing was to provide an opportunity for public comment on the Board's budget for the 2009-11 biennium approved by the Board at a Special Budget Meeting convened March 18, 2009. The budget will become effective July 1, 2009. Notification was published in the May 2009 Oregon Bulletin. Notification was also provided in the Board's April newsletter. Written comments were accepted until 5:00 PM on June 5, 2009.

No requests for a copy of the budget or written comments about the budget were received prior to the hearing for by the June 5, 2009, 5:00 PM deadline. No oral comments were received during the hearing.

The hearing was adjourned at 9:05 AM.

Respectfully submitted,
Susanna R. Knight
OSBGE Administrator
June 8, 2009

Appendix 7.b.: Budget Hearing, 2011-2013

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

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
June 3, 2011

Appendix 8: Board Fees

Oregon State Board of Geologist Examiners

809-010-0001, Fees

Fees, as established by the Board of Geologist Examiners, are:

(1) Fundamental Section of the national examination for Geologist registration — $175.00.

(2) Practice Section of the national examination for Geologist certification – 275.00.

(3) Examination for Engineering Geologist certification — $200.00.

(4) Geologist-in-Training initial registration and annual renewal — $50.00.

(5) Geologist initial registration and annual renewal — $100.00.

(6) Engineering Geologist initial certification and annual renewal — $75.00. Engineering Geologist must have a current Geologist registration.

(7) Duplicate or replacement of lost, destroyed, or mutilated registration card — $25.00; duplicate or replacement of lost, destroyed, or mutilated wall certificate — $25.00.

(8) 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.

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

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

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

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

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

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

Stat. Auth.: ORS 182.466, 670.310 & 672.705, Stats. Implemented: ORS 672.705
Hist.: GE 1(Temp), f. & ef. 11-3-77; GE 2, f. & ef. 12-13-77; GE 2-1979, f. 10-2-79, ef. 10-3-79; GE 1-1981, f. & ef. 8-3-81; GE 1-1982, f. & ef. 5-14-82; GE 2-1983(Temp), f. 10-14-83, ef. 11-1-83; GE 1-1984, f. & ef. 2-1-84; GE 1-1985, f. & ef. 7-1-85; GE 2-1986, f. & ef. 3-5-86; GE 1-1989, f. 12-18-89, cert. ef. 1-1-90; GE 1-1993(Temp), f. 3-1-93, cert. ef. 3-2-93; GE 2-199; GE 2-1996, f. & cert. ef. 8-30-96; BGE 1-1999, f. & cert. ef. 6-17-99; BGE 2-2001, f. & cert. ef. 3-23-01; BGE 1-2002, f. & cert. ef. 2-6-02; BGE 3-2002, f. & cert. ef. 7-9-02; BGE 6-2004, f. & cert. ef. 8-5-04; BGE 2-2005, f. & cert. ef. 9-28-05; BGE 3-2005, f. & cert. ef. 12-7-05; BGE 2-2007, f. 6-25-07, cert. ef. 7-1-07; BGE 1-2011, f. 6-21-11, cert. ef. 7-1-11

Appendix 9: Summary of Rulemaking Activities

Oregon State Board of Geologist Examiners
Rulemaking Completed Since the Last Report to the Legislature was Submitted: 1/1/2010 - 12/31/2011

OAR #	Rule Title	Description	Effective Date	New Rule	Amended Rule
809-010-0001	Fees	Updated the Board's fee schedule, adjusting fee for the national geology exams due to increase by test provider, adding fees for maintenance of exam files for passing examinees that choose not to register in Oregon and for providing customized registrant list	7/1/2011		X
809-010-0025	Budget	Adopted the Board's budget for 2011-2013	7/1/2011		X
809-030-0025	Qualifications for Geologist Fundamentals Examination and Certification as a Geologist-in-Training	Updated geology coursework requirements to qualify for taking the geologist fundamental exam, clarified official transcripts needed to document coursework completion	7/1/2011		X
809-050-0005	Signature	Updated procedures for signature of documents by registrants, including use of electronic or digital signatures	7/1/2011	X	
809-055-0000	Complaint Process	Updated to reflect modernized process for the review and evaluation of complaints presented to the Board	12/11/2009		X

Note: No rules were renumbered, repealed, or suspended and no temporary rules were adopted during the reporting period.

Appendix 9: Summary of Rulemaking Activities

Oregon State Board of Geologist Examiners
Summary of Proposed Rulemaking: 1/1/2012 - 3/31/2012

OAR #	Rule Title	Description	Effective Date	New Rule	Amended Rule
809-003-0000	Definitions	Add new definitions to clarify what constitutes "responsible charge" of work and to clarify that stamp and seal have the same meaning	Pending		X
809-015-0020	Reissuance of Revoked Registration	Establish procedures for Board consideration of a request for reissuance of registration by an individual whose registration was revoked	Pending	X	
809-030-0005	Experience Standards	Clarify language referring to "responsible charge" of work	Pending		X
809-030-0015	Qualifications for Geologist Practice Examination	Clarify how experience is granted for undergraduate and graduate geology coursework and work under the supervision of a geologist, also clarify basic requirements for geologist registration	Pending		X
809-030-0020	Qualifications for Engineering Geologist Examination	Clarify how experience is granted for work under the supervision of an engineering geologist, allow for a combination of supervised and "responsible charge" work experience, clarify requirements for geologist registration	Pending		X
809-050-0000	Use of Seal	Clarify when reports vs. stand-alone work products must be sealed and signed and address requirement for being in "responsible charge" of work	Pending		X
809-050-0010	Qualifications for Registration Without Examination	Clarify education, examination, and experience standards for cooperative registration for individuals licenses in other jurisdictions, also enhance explanation of when temporary permits may be obtained by geologist not registered to work in Oregon	Pending		X

Appendix 10: Enforcement Activities

ORS 182.472 Section 5 (e - i)
Cases Closed

ORS 182.472(5)	Opened 2007-2009, Closed 2009-2011 Biennium	Opened & Closed 2009-2011 Biennium	Opened 2009-2011 Biennium & Closed 7/1/2011 - 12/31/2011
(g) The number and types of resolutions of complaints;	7	11	3
Case Dismissed, Allegations Unfounded	2	2	1
Closed with No Action or Issue Resolved Without Action	0	2	0
Outreach Letter Issued	4	1	0
Letter of Concern Issued	1	6	1
Notice of Intent Issued	0	0	1**
Settlement Agreement	0	0	0
Penalty Imposed	0	0	1**
(h) The number and type of sanctions imposed;	0	0	1**
Reprimand	0	0	0
License Suspension, Revocation	0	0	0
Civil Penalty	0	0	1**
(i) The number of days between beginning an investigation and reaching a resolution.	214	135	274**

**For the case involving a penalty, the time the case was open was exacerbated by the Board's inability to serve the Final Notice to the respondent as his physical location could not be ascertained after several attempts. The Board spent close to a year just trying to locate the individual after deciding to impose penalties and ultimately was unsuccessful.

Appendix 10: Enforcement Activities

ORS 182.472 Section 5 (e - i)

Compliance Cases Opened

ORS 182.472(5)	2009-2011 Biennium Total	7/1/2011-12/31/11		Breakdown by Fiscal Year 7/1/2009 to 6/30/2010	7/1/2010 to 6/30/2011	7/1/2011 to 12/31/2011
(e) The number/types of complaints received about persons holding licenses; (Note: # of cases involving registrants.)	10	2		8	2	2
(f) The number and types of investigations conducted; (NOTE: # of cases opened within specifed time period)	16	4		12	4	4
Gross Negligence, Negligence, Incompetence, or Misconduct by a Registrant	2	1		1	1	1
Unprofessional Practices or Reports (including questions of practice overlap with engineering)	3	1		3	0	1
Unlicensed Public Practice of Geology	6	2		4	2	2
Improper or Fraudulent Use of Geologist Stamp	5	0		4	1	0

Appendix 11: Licensure Activities

ORS 182.46=72 Section 5 (a-d)

Section 5	7/1/2007 to 6/30/2009	07/01/2009 to 06/30/2011	Total # Change	% Change (Rounded)
Total registrants	**2407****	**2460**	**53**	**2%**
Renewing, Geologists and Engineering Geologists	2183	2202	19	1%
Renewing, Retired Geologists and Engineering Geologists	108	154	46	30%
Renewing Geologists-in-training	116	105	-11	-9%
(a) The number of license applications;	**114**	**92**	**-22**	**-19%**
Geologists-in-Training	27	22	-5	-18%
Registered Geologist	80	63	-17	-21%
Certified Engineering Geologist	7	7	NC	NC
(b) Total new number of licenses issued	**113**	**89**	**-24**	**-21%**
New Geologists-in-Training	27	22	-5	-18%
New Registered Geologist	79	62	-17	-21%
New Certified Engineering Geologist	7	5	-2	-28%
(c) The number of examinations held;	**8**	**8**	**NC**	**NC**
Number of examination candidates	**128**	**85**	**-43**	**-33%**
ASBOG Fundamental candidates	71	44	-27	-38%
ASBOG Practice candidates	48	32	-16	-33%
Engineering Geologist candidates	9	9	NC	NC
(d) The average time between application for and issuance of licenses;	2 -3 weeks (for complete applications)		NC	NC

***During preparation of this report, staff discovered a reporting error in the previous report (for 2007-2009 biennium). Registrant numbers listed in that report only covered one year of registration. The numbers are corrected here to show total registrants in the 2007-2009 biennium, thereby allowing for an accurate comparison to the 2009-2011 biennium.*