



## Facts on semi-independent (SI) boards

The main argument made by Governor Kulongoski, in his letter urging this change is: “Our financial crisis requires us to do business differently than we have in the past.” He’s right!

But the legislature, before Kulongoski was Governor, dealt with boards ... made them stand alone, self governing boards that are fully financed by the profession which regulates it. SI boards have their own budgeting authority. The budget does not require legislative approval, saving everyone a lot of money

just on the budget adoption. **The semi-independent board is a more efficient and less costly way of doing business. It is not broken lets don't try to fix it.**

SI boards have operated in Oregon for more than decade. They have functioned efficiently and with few problems. No one has yet made a case that the laws governing the SI boards are lax or that the boards have failed to carry out their duties. The SI boards operate with significant statutory safeguards. These include:

- The Board is subject to the Public Meetings and Records Law, and the Administrative Procedures Act which governs adoption of rules regulating folks registered by the Board.
- The Board is subject to the State Ethics laws.
- The Attorney General’s Office is the Board’s Legal Counsel.
- The Board is subject to state insurance coverage including tort liability and worker’s compensation.
- The legislature continues to be responsible for the Board’s statutes except for approval of the operating budget.
- Semi-independent boards are self-funded and fully supported by the fees they charge.
- No tax or general fund dollars are involved in the operation of the SI boards.
- SI boards are typically small in size and do not require the same level of administrative processes as larger agencies.
- SI boards have been exempted from certain administrative statues covering functions such as purchasing, contracting, printing, interagency services, financial administration, and human resources.
- Despite being exempted from certain administrative functions the semi-independent boards are held to a higher level of accountability.
- SI boards are audited every two years (regular state agencies are audited at the discretion of the Audits Division).
- SI boards submit a comprehensive biennial report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Legislative Fiscal office.
- The Legislative Fiscal Office is required to review the biennial reports submitted by SI boards and submit a statement of findings and conclusions to the Legislature.
- SI board’s annual financial statements are available to the public and are filed with the Department of Administrative Services.
- SI boards have a budget process that is timely, responsive and accountable to the licensees whom fund the agency.
- SI boards are able to utilize more efficient and effective business practices seen in the private sector.

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