

**HOUSE COMMITTEE ON AUDITS**

**April 5, 2005 Hearing Room D**

**8:30 A.M. Tapes 55 - 56**

**MEMBERS PRESENT:           Rep. Jerry Krummel, Chair**

**Rep. Tom Butler, Vice-Chair**

**Rep. Diane Rosenbaum, Vice-Chair**

**Rep. Alan Brown**

**Rep. Jackie Dingfelder**

**STAFF PRESENT:           Jim Keller, Committee Administrator**

**Bradley Campbell, Committee Assistant**

**MEASURES/ISSUES HEARD:**

**HB 2028 – Work Session**

**HB 2027 – Work Session**

**HB 2166 – Public Hearing**

**HB 2001 – Public Hearing and Work Session**

**HB 2029 – Public Hearing and Work Session**

**HB 2382 – Pubic Hearing**

**These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.**

<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 55, A</b>		
04	Chair Krummel	Calls meeting to order at 8:41 a.m. Opens work session on HB 2028.

**HB 2028 - WORK SESSION**

27	Jim Keller	Committee Administrator. Reads summary of HB 2028 and explains the HB 2028-1 amendments ( <b>EXHIBIT A</b> ).
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34	Rep. Butler	Questions whether the -1 amendment give the desired effect the committee wants.
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042	Rep. Butler	<b>MOTION: Moves to ADOPT HB 2028-1 amendments dated 02/21/05.</b>
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**VOTE: 5-0-0**

	Chair Krummel	<b>Hearing no objection, declares the motion CARRIED.</b>
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044	Rep. Butler	<b>MOTION: Moves HB 2028 to the floor with a DO PASS AS AMENDED recommendation.</b>
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045		<b>VOTE: 5-0-0</b>
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**AYE: In a roll call vote, all members present vote Aye.**

	Chair Krummel	<b>The motion CARRIES.</b>
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63	Rep. Butler	Wonders if bill could move to consent calendar.
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71	Rep. Butler	<b>MOTION: Moves HB 2028 be placed on the CONSENT CALENDAR.</b>
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**VOTE: 5-0-0**

	Chair Krummel	<b>Hearing no objection, declares the motion CARRIED.</b>
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70 Chair Krummel Closes work session on HB2028 and open work session on HB 2027.

**HB 2027 - WORK SESSION**

76 Jim Keller Committee administrator. Reads summary of HB 2027 and explains the HB 2027-1 amendments and subsequent referral to Ways and Means (**EXHIBIT B**).

84 Chair Krummel Discusses the change of director portion of the bill.

91 Rep. Butler Questions if language is clear and satisfactory for the purpose of the bill.

104 Chair Krummel Answers he has not talked about the removal of a term in regard to audits.

112 Rep. Dingfelder Questions the million dollar fiscal impact of the bill.

130 Chair Krummel States newcomers will enter the agency with a clean bill of health.

145 Rep. Dingfelder Says for the record this bill needs a review before the Ways and Means committee.

**154 Rep. Butler MOTION: Moves to ADOPT HB 2027-1 amendments dated 04/01/05.**

165 Rep. Rosenbaum Expresses concern over amount of money and audits.

176 Chair Krummel Eases tension about the monetary amount granted for this bill.

183 Rep. Butler Asserts confidence in the people who do the reviews.

214 Chair Krummel Asks for motion.

217 Rep. Dingfelder Objects due to concern over fiscal impact.

217 Rep. Rosenbaum Objects to the amendments.

**VOTE: 3-2-0**

**AYE: 3 - Brown, Butler, Krummel**

**NAY: 2 - Dingfelder, Rosenbaum**

**Chair Krummel The motion CARRIES.**

245 Rep. Butler Moves HB 2027 moves to Ways and Means without recommendation to let them sort through the issues of concern.

**246 Rep. Butler MOTION: Moves HB 2027 to the Ways and Means committee with NO RECOMMENDATION.**

**VOTE: 5-0-0**

**Chair Krummel Hearing no objection, declares the motion CARRIED.**

253 Chair Krummel Closes work session on HB 2027 and opens public hearing on HB 2166.

**HB 2166 - PUBLIC HEARING**

260 Jim Keller Committee administrator. Reads summary of HB 2166.

268 Rep. Butler Questions obsolete provisions.

274 Phil Hopkins Audit Manager, the Secretary of State. Answers question regarding installation.

310 Rep. Butler Wants board to look at administrative cost of audit licensure. Has no interest on audits, but notes they can help out many state agencies. Asks for an amendment. Thinks the bill could be a good vehicle for municipal licenses. Notes the municipal requirements in Oregon are very unique. States the current laws dissuade other firms from entering the Oregon market. Says the bill could go back to LC, but that move could be the death of the bill.

412 Chair Krummel Denotes the committee is still in a public hearing.

#### **TAPE 56, A**

001 Hopkins Address numerous steps an auditor goes through to ensure credibility.

041 Chair Krummel Wonders if other steps are worth the money.

054 Rep. Butler Asks if broad and unique auditor laws are necessary.

081 Hopkins States there are very few differences between auditor laws among states.

097 Carol Reeves Administrator, Oregon Board of Accountancy. Walks through auditor/ CPA certification steps.

142 Rep. Butler Volunteers his time during the interim to rework Oregon guidelines.

151 Chair Krummel Closes public hearing on HB 2166 and opens public hearing on HB 2001.

#### **HB 2001 - PUBLIC HEARING**

164 Jim Keller Committee Administrator. Reads summary of HB 2001 and amendments (**EXHIBIT C**).

194 Krummel Noting there are no witnesses, closes the public hearing and opens a work session on HB 2001.

#### **HB 2001 - WORK SESSION**

202 Rep. Butler **MOTION: Moves to ADOPT HB 2001-3 amendments dated 04/01/05.**

**VOTE: 5-0-0**

**Chair Krummel Hearing no objection, declares the motion CARRIED.**

- 214 Rep. Butler **MOTION: Moves HB 2001 as amended to the committee on Ways and Means with a DO PASS recommendation.**
- 216 Rep. Rosenbaum Comments on constitutionality of the bill. States there isn't any need for a change in current audit functions related to the bill.
- 222 Rep. Butler Addresses the reporting mechanism within the provisions of the bill.
- 242 Rep. Dingfelder Expresses concern on the costs in relation to duplicating functions. Supports independent review.

**VOTE: 3-2-0**

**AYE: 3 - Brown, Butler, Krummel**

**NAY: 2 - Dingfelder, Rosenbaum**

**Chair Krummel The motion CARRIES.**

- 272 Chair Krummel Closes work session on HB 2001 and opens a public hearing on HB 2029.

### **HB 2029 - PUBLIC HEARING**

- 280 Jim Keller Committee administrator. Reads summary of HB 2029.
- 310 Bob Keith Administrator, Certificatory and Licensure Board. Provides answers with regard to state agency reporting.(**EXHIBIT D**)
- 362 Chair Krummel States his wish to move the bill to Senate side to be amended.
- 384 Keith Agrees with idea. Pleads not to have his group treated differently.
- 406 Chair Krummel Closes public hearing on HB 2029 and opens a work session on HB 2029.

### **HB 2029 - WORK SESSION**

426 Rep. Rosenbaum MOTION: Moves HB 2029 to the floor with a DO PASS recommendation.

VOTE: 4-0-1

EXCUSED: 1 - Butler

Chair Krummel Hearing no objection, declares the motion CARRIED.

431 Chair Krummel Calls committee to ease at 9:40am.

441 Chair Krummel Calls committee back to order at 9:43am.

461 Rep. Rosenbaum MOTION: Moves HB 2029 be placed on the CONSENT CALENDAR.

461 VOTE: 3-0-2

EXCUSED: 2 - Butler, Dingfelder

Chair Krummel Hearing no objection, declares the motion CARRIED.

#### TAPE 55, B

019 Chair Krummel Closes the work session on HB 2029 and opens a public hearing on HB 2382.

#### HB 2382 - PUBLIC HEARING

019 Jim Keller Committee administrator. Reads a summary of HB 2382 and -1 amendments and notes the subsequent referral to Ways and Means (EXHIBIT E).

039 Phil Hopkins Audit Manager, Secretary of State. Points out three items of concern.

075 Chair Krummel Notes Legislative Counsel will examine bill. Needs a simple fix.

115 Hopkins Agrees it is a simple fix and addresses a final issue concerning an expenditure driven change. Looks at how money is spent. (**EXHIBIT F**).

220 Chair Krummel Asks Committee Administrator to discuss policy issues.

234 Hopkins Closes testimony.

268 Chair Krummel Asks for 2 amendments drafted and closes public hearing on 2382 and re-opens work session on HB 2029.

### **HB 2029 - WORK SESSION**

291 Rep. Krummel **MOTION: Moves to SUSPEND the rules for the purpose of allowing Rep. Dingfelder to vote on the motion to send HB 2029 to the floor with a DO PASS recommendation.**

292 **VOTE: 5-0-0**

Chair Krummel **Hearing no objection, declares the motion CARRIED.**

302 Chair Krummel Closes the work session on 2029 and adjourns the meeting at 10:03am.

### **EXHIBIT SUMMARY**

- A. **HB 2028, -1 amendments, Staff, 1 p**
- B. **HB 2027, -1 amendments, Staff, 1 p**
- C. **HB 2001, -1 amendments, Staff, 2 pp**
- D. **HB 2029, written testimony of Bob Keith, 1 p**
- E. **HB 2382, -1 amendments, Staff, 1 p**
- F. **HB 2382, actuary tables, Phil Hopkins, 2 pp**