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# MEMORANDUM

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**To:** Ways and Means Subcommittee on Education

**From:** John Terpening, Legislative Fiscal Office  
(503) 986-1824

**Date:** April 25, 2013

**Subject:** Oregon Health Licensing Agency  
Work Session Recommendations

SB 5524 includes the Other Funds expenditure limitation for the Oregon Health Licensing Agency. The 2013-15 LFO recommended budget for OHLA is \$7,657,718 Other Funds, which is a 16% increase over the 2011-13 Legislatively Approved Budget. If approved, the agency will have an estimated ending balance of \$1,344,520, or approximately 4 months of operating expenditures. Attached are the recommendations from the Legislative Fiscal Office for the Oregon Health Licensing Agency.

## Oregon Health Licensing Agency – Agency Totals

	2009-11 Actual	2011-13 Legislatively Approved	2013-15 Current Service Level	2013-15 LFO Recommended
Other Funds	\$6,433,623	\$6,607,687	\$7,524,737	\$7,657,718
<b>Total Funds</b>	<b>\$6,433,623</b>	<b>\$6,607,687</b>	<b>\$7,524,737</b>	<b>\$7,657,718</b>
Positions	37	33	33	35
FTE	34.25	33.00	33.00	35.00

The Legislative Fiscal Office recommendation includes:

- Adjustments to personnel including the reclassification of six positions and establishment of two positions to provide increased support in the licensing and regulatory divisions of the agency. The reclassification of existing positions is to better address the agencies need for the demand for services and increased consumer protection.
- The abolishment of an accounting position and the establishment of an investigator position dedicated to inspecting Body Art Practitioner facilities.
- Reductions for statewide administrative adjustments and PERS Taxation policy changes.

It should be noted that the Direct Entry Midwifery Board is currently operating with a negative cash balance and is being subsidized by the other boards within OHLA. The agency requested a fee increase during the 2011 session which was reduced by the Legislature. Current fees are not sufficient to make the Board independently financed.

**Adjustments to Current Service Level:**

See attached “Work Session Presentation Report” form.

***Accept LFO Recommendation***

*Move the LFO recommendation to SB 5524.*

**OR**

***Change LFO recommendation***

*Move the LFO recommendation to SB 5524, with modifications.*

**Performance Measures**

See attached “Legislatively Proposed 2013-15 Key Performance Measures” form.

***Accept LFO Recommendation***

*Move the LFO recommendation on Key Performance Measures*

**OR**

***Change LFO recommendation***

*Move the LFO recommendation on Key Performance Measures, with modifications.*

**SB 5524 Final Subcommittee Action:**

*I move that the Education Subcommittee move Senate Bill 5524 to the full Joint Committee on Ways and Means with a “do pass” recommendation.*

LFO102 - Work Session Presentation Report  
2013-15 BienniumVersion: L - 01 - LFO Analyst Recommended  
Cross Reference: 83100-001-00-00-00000  
Oregon Health Licensing Agency

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2011-13 Agy. Leg. Adopted</b>	-	-	6,612,566	-	-	-	6,612,566	33	33.00
2011-13 Ebds, SS & Admin Act	-	-	(4,879)	-	-	-	(4,879)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2011-13 Leg Approved Budget</b>	-	-	6,607,687	-	-	-	6,607,687	33	33.00
<b>2011-13 Leg Approved Budget (Base)</b>	-	-	6,591,815	-	-	-	6,591,815	33	33.00
Summary of Base Adjustments	-	-	485,044	-	-	-	485,044	-	-
<b>2013-15 Base Budget</b>	-	-	7,076,859	-	-	-	7,076,859	33	33.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	34,374	-	-	-	34,374	-	-
030: Inflation & Price List Adjustments	-	-	413,504	-	-	-	413,504	-	-
<b>2013-15 Current Service Level</b>	-	-	7,524,737	-	-	-	7,524,737	33	33.00
<b>Adjusted 2013-15 Current Service Level</b>	-	-	7,524,737	-	-	-	7,524,737	33	33.00
<b>Total LFO Recommended Packages</b>	-	-	132,981	-	-	-	132,981	2	2.00
<b>2013-15 Legislative Actions</b>	-	-	7,657,718	-	-	-	7,657,718	35	35.00
Net change from 2011-13 Leg Approved Budget	-	-	1,050,031	-	-	-	1,050,031	2	2.00
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	15.9%	0.0%	0.0%	0.0%	15.9%	6.1%	6.1%
Net change from 2013-15 Current Service Level	-	-	132,981	-	-	-	132,981	2	2.00
Percent change from 2013-15 Current Service Level	0.0%	0.0%	1.8%	0.0%	0.0%	0.0%	1.8%	6.1%	6.1%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 091 Statewide Administrative Savings**

Package Description This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor's 2013-15 recommended budget. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(73,984)	-	-	-	(73,984)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 092 PERS Taxation Policy**

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(13,531)	-	-	-	(13,531)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 093 Other PERS Adjustments**

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(108,117)	-	-	-	(108,117)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 101 Personnel Adjustments**

Package Description This package includes the reclassification of six positions and establishes two permanent full-time positions, an Admin Specialist 2 and Operations and Policy Analyst 2, to provide increased support in the licensing and regulatory divisions of the agency.

LFO Recommendation Approve the package.

LFO Recommended	-	-	287,005	-	-	-	287,005	2	2.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 102 Board of Body Art Practitioners Inspector**

Package Description This packages abolishes an Accounting Tech 2 position and establishes an Investigator 1 position that will be dedicated to inspecting Body Art Practitioner facilities. Included in the package is an increase in Services and Supplies costs for instate travel and telecommunication needs.

LFO Recommendation Approve the package.

LFO Recommended	-	-	41,608	-	-	-	41,608	-	-
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## Legislatively Proposed 2013-2015 Key Performance Measures

**Agency: OREGON HEALTH LICENSING AGENCY**

Mission: <p>The Oregon Health Licensing Agency (OHLA) protects the health, safety and rights of Oregon consumers by ensuring only qualified applicants are authorized to practice. OHLA establishes, communicates and ensures compliance of regulatory standards for multiple health and related professions. In addition, OHLA conducts inspections of licensed facilities, responds to and investigates consumer complaints, and disciplines practitioners found in violation of state law and administrative rule.</p>

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - Percent of high risk health complaints with an investigation initiated within two business days of receipt.		Proposed New KPM		90.00	90.00
1 - Percent of critical status complaints investigated within one week of receipt (unlicensed activity and high risk health issues).		Proposed Delete KPM	0.00		
2 - Percent of online renewals compared to total renewals processed by agency.		Approved KPM	49.00	50.00	50.00
3 - Percent of customers rating their satisfaction with the agencies customer service as good or excellent: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	94.00	90.00	90.00
3 - Percent of customers rating their satisfaction with the agencies customer service as good or excellent: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	95.00	90.00	90.00
3 - Percent of customers rating their satisfaction with the agencies customer service as good or excellent: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	92.00	90.00	90.00
3 - Percent of customers rating their satisfaction with the agencies customer service as good or excellent: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	93.00	90.00	90.00
3 - Percent of customers rating their satisfaction with the agencies customer service as good or excellent: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	93.00	90.00	90.00

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
3 - Percent of customers rating their satisfaction with the agencies customer service as good or excellent: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	95.00	90.00	90.00

**LFO Recommendation:**

Approve the requested Key Performance Measures and associated targets.

**Sub-Committee Action:**

# Senate Bill 5524

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Oregon Department of Administrative Services)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Limits biennial expenditures from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by Oregon Health Licensing Agency.

Declares emergency, effective July 1, 2013.

## A BILL FOR AN ACT

1  
2 Relating to the financial administration of the Oregon Health Licensing Agency; limiting expen-  
3 ditures; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Notwithstanding any other law limiting expenditures, the amount of**  
6 **\$7,657,718 is established for the biennium beginning July 1, 2013, as the maximum limit for**  
7 **payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts,**  
8 **but excluding lottery funds and federal funds, collected or received by the Oregon Health**  
9 **Licensing Agency.**

10 **SECTION 2. This 2013 Act being necessary for the immediate preservation of the public**  
11 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**  
12 **July 1, 2013.**

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**Note: For budget, see 2013-2015 Biennial Budget**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.