
MEMORANDUM

Legislative Fiscal Office
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To: Education Subcommittee

From: Matt Stayner, Legislative Fiscal Office
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Date: May 7, 2013

Subject: Board of Chiropractic Examiners, SB 5508
Work Session Recommendations

Board of Chiropractic Examiners – Agency Totals

	2009-11 Actual	2011-13 Legislatively Approved	2013-15 Current Service Level	2013-15 LFO Recommended
Other Funds	1,221,987	1,261,261	1,371,217	1,475,711
Total Funds	\$1,221,987	\$1,261,261	\$1,371,217	\$1,475,711
Positions	5	5	5	6
FTE	4.50	4.50	4.50	4.88

Attached are the recommendations from the Legislative Fiscal Office for the Board of Chiropractic Examiners. It contains the following:

- \$22,189 reduction in expenditure limitation resulting from projected cost savings for administrative services, PERS taxation policy changes, and PERS cost of living adjustments
- \$203,256 anticipated increase in biennial revenue due to increased licensing fees.
- \$43,491 increase in expenditure limitation for projected cost of legal fees
- \$83,192 increase in expenditure limitation and the establishment of a part-time (0.38 FTE) position for investigation of complaints and monitoring of licensees on probation with the board.

The LFO recommended budget for the Oregon Board of Chiropractic Examiners is \$1,475,711 Other Funds and includes 6 positions (4.88 FTE). This is a 17% increase from the 2011-13 Legislatively Approved Budget. The budgeted expenditures are expected to result in a biennial ending fund balance of \$350,683* or about 25 weeks of operating capital. Attached are the recommended Policy Option Packages and Key Performance Measures from the Legislative Fiscal Office for the Board of Chiropractic Examiners.

* Please see discussion of SB 106 in the following section

Adjustments to Current Service Level:

See attached "Work Session Presentation Report" dated 4/30/13.

- Package 091 Statewide Administrative Savings
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.
- Package 092 PERS Tax Policy
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%.
- Package 093 Other PERS Adjustments
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.

- Package 100 Fee Increase.
This package reflects planned fee increases for Doctors of Chiropractic (DC) and Chiropractic Assistants (CA). The annual renewal fee for DC licensees would increase by \$50 from \$300 to \$350. DC senior active renewals would increase by \$37.50 from \$225 to \$262.50. CA application fees would increase by \$25 from \$25 to \$50 and CA renewals would increase by \$25 from \$50 to \$75. DC fees have not changed since 2001 and CA fees have not changed since the inception of the license type.

The licensing fees are currently capped in statute and the proposed increases are dependent upon separate legislation (SB 106) that removes the fee maximums in statute and allows the board to set fees by rule, subject to DAS and legislative approval.

Senate Bill 106 eliminates the explicit amount of certain fees and/or the maximum allowable fee amount from statute with respect to certain fees charged by the Board of Chiropractic Examiners and the Board of Pharmacy. The bill retains the current statutory language allowing the boards to set fee amounts by rule where a maximum fee amount was established in statute and extends this process to those fees where an explicit, fixed fee amount is in statute. Agencies increasing fees by rule must still obtain legislative approval either through the inclusion of the fee increase in the agency's budget as adopted by the legislature prior to the implementation of the fee or by ratification through

enabling legislation at the next regular session of the Legislative Assembly if the fee is established or increased during the interim. See ORS 291.055 for details and exceptions.

Policy option package 100 assumes the passage of SB 106 and the agency's projected ending balance of \$350,683 includes the projected revenue resultant from the proposed fee increases contained in the package. In the event that SB 106 is not approved by the legislature, the board would not be able to increase the fees described in the package and the board's revenues would be reduced by \$203,256 resulting in an ending fund balance of \$147,427 or about 10 weeks of projected operating funds.

- Package 101 Additional Legal Fees.
This package requests additional expenditure limitation to cover the projected costs of Attorney General fees for increased involvement in investigations, contested case, and other legal matters. A supplemental expenditure limitation increase of \$69,500 Other Funds was provided to the agency during the 2011-13 biennium, but was after the budget development snapshot and therefore was not carried into the current service level budget for the agency.
- Package 102 Chiropractic Doctor on Staff Investigator Position.
This package requests an establishment of a part-time (.38 FTE) Health Care Investigator position to assist in the investigation of increasingly complex and document heavy cases and complaints and to assist in the monitoring of chiropractic physicians who are on probation.

Motion to Accept LFO Budget Recommendation

Move that the Education Subcommittee approve the LFO recommendation to SB 5508.

Performance Measures

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

Motion to Accept LFO Key Performance Measure Recommendation

Move that the Education Subcommittee approve the LFO recommendation on Key Performance Measures

SB 5508 Final Subcommittee Action:

Final Motion:

Move SB 5508 to the full committee with a "do pass" recommendation

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2011-13 Agy. Leg. Adopted	-	-	1,261,261	-	-	-	1,261,261	5	4.50
2011-13 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2011-13 Leg Approved Budget	-	-	1,261,261	-	-	-	1,261,261	5	4.50
2011-13 Leg Approved Budget (Base)	-	-	1,261,261	-	-	-	1,261,261	5	4.50
Summary of Base Adjustments	-	-	53,217	-	-	-	53,217	-	-
2013-15 Base Budget	-	-	1,314,478	-	-	-	1,314,478	5	4.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	2,760	-	-	-	2,760	-	-
030: Inflation & Price List Adjustments	-	-	53,979	-	-	-	53,979	-	-
2013-15 Current Service Level	-	-	1,371,217	-	-	-	1,371,217	5	4.50
Adjusted 2013-15 Current Service Level	-	-	1,371,217	-	-	-	1,371,217	5	4.50
Total LFO Recommended Packages	-	-	104,494	-	-	-	104,494	1	0.38
2013-15 Legislative Actions	-	-	1,475,711	-	-	-	1,475,711	6	4.88
Net change from 2011-13 Leg Approved Budget	-	-	214,450	-	-	-	214,450	1	0.38
Percent change from 2011-13 Leg Approved Budget	0.0%	0.0%	17.0%	0.0%	0.0%	0.0%	17.0%	20.0%	8.4%
Net change from 2013-15 Current Service Level	-	-	104,494	-	-	-	104,494	1	0.38
Percent change from 2013-15 Current Service Level	0.0%	0.0%	7.6%	0.0%	0.0%	0.0%	7.6%	20.0%	8.4%

	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

LFO Recommended	-	-	(4,262)	-	-	-	(4,262)	-	-
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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

LFO Recommended	-	-	(1,994)	-	-	-	(1,994)	-	-
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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

LFO Recommended	-	-	(15,933)	-	-	-	(15,933)	-	-
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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 100 Fee Increase

Package Description This package reflects planned fee increases for Doctors of Chiropractic (DC) and Chiropractic Assistants (CA). The annual renewal fee for DC licensees would increase by \$50 from \$300 to \$350. DC senior active renewals would increase by \$37.50 from \$225 to \$262.50. CA application fees would increase by \$25 from \$25 to \$50 and CA renewals would increase by \$25 from \$50 to \$75. DC fees have not changed since 2001 and CA fees have not changed since the inception of the license type.

The licensing fees are currently capped in statute and the proposed increases are dependent upon separate legislation (SB 106) that removes the fee maximums in statute and allows the board to set fees by rule, subject to DAS and legislative approval.

LFO Recommendation

LFO Recommended	-	-	-	-	-	-	-	-	-
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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 AG Increase

Package Description This package requests additional expenditure limitation to cover the projected costs of Attorney General fees for increased involvement in investigations, contested case, and other legal matters. A supplemental expenditure limitation increase of \$69,500 Other Funds was provided to the agency during the 2011-13 biennium, but was after the budget development snapshot and therefore was not carried into the current service level budget for the agency.

LFO Recommendation

LFO Recommended	-	-	43,491	-	-	-	43,491	-	-
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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 Chiropractic Doctor on Staff

Package Description This package requests an establishment of a part-time (.38 FTE) Health Care Investigator position to assist in the investigation of increasingly complex and document heavy cases and complaints and to assist in the monitoring of chiropractic physicians who are on probation.

DAS HRSD determined the appropriate classification to be UA C5911. Analyst approves this position request as a limited duration rather than PF and adjusted the Personal Service dollars for the lower pay scale and modified this package to reflect a reduction in the budgeted PERS employer rate of 55-60 basis points by the PERS Board.

LFO Recommendation

LFO Recommended	-	-	83,192	-	-	-	83,192	1	0.38
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Legislatively Proposed 2013-2015 Key Performance Measures

Agency: CHIROPRACTIC EXAMINERS, BOARD of

Mission: The mission of the Oregon Board of Chiropractic Examiners is to serve the public, regulate the practice of chiropractic, promote quality, and ensure competent ethical health care.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - Average number of days to resolve a complaint.		Approved KPM	153.00	180.00	180.00
2 - Percent of sexual misconduct/boundary complaints resolved in 180 days		Approved KPM	20.00	50.00	50.00
3 - The Percentage of new complaints that are assessed, investigated, and presented to the board for an initial decision within a target number of days.		Approved KPM	91.00	80.00	80.00
4 - Percentage of chiropractic physicians meeting the annual continuing education requirements.		Approved KPM	96.00	95.00	95.00
5 - The Percentage of licenses issued within a target number of days once all application components (that are the responsibility of the applicant) have been received.		Approved KPM	100.00	90.00	90.00
6 - Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.		Approved KPM	0.00	75.00	75.00
6 - Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Accuracy	Approved KPM	80.00	75.00	75.00
6 - Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Availability of Information	Approved KPM	75.00	75.00	75.00
6 - Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Expertise	Approved KPM	80.00	75.00	75.00

Agency: CHIROPRACTIC EXAMINERS, BOARD of

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
6 - Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Helpfulness	Approved KPM	83.00	75.00	75.00
6 - Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Overall	Approved KPM	78.00	75.00	75.00
6 - Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Timeliness	Approved KPM	75.00	75.00	75.00
7 - Board Best Practices - Percent of total best practices met by the Board.		Approved KPM	100.00		

LFO Recommendation:

Recommend approval of key performance measures and targets as presented

Sub-Committee Action: