
MEMORANDUM

Legislative Fiscal Office
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To: Education Subcommittee of the Joint Committee on Ways and Means

From: Kim To, Legislative Fiscal Office, 503-986-1830

Date: May 28, 2013

Subject: SB 106
Work Session Recommendation

SB 106 removes statutory references and caps relating to the certain fees for the Board of Chiropractic Examiners and the Board of Pharmacy. Additionally, the measure makes a technical change in statutes governing the Board of Chiropractic Examiners removing the term “ancillary personnel” and replacing the term with “chiropractic assistant”.

The measure previously had hearings in the Senate Committee on Health Care and Human Services on 2/5/2013 and 2/12/2013. A public hearing was held for the bill in this Subcommittee on 5/6/2013.

The measure, the original staff measure summary, and the fiscal impact statement are attached to this memo, and available on the Oregon Legislative Information System (OLIS).

What the measure does

Currently, many of the health professional licensing boards have statutory language allowing them to set fees by administrative rule. Two health boards, the Board of Pharmacy and the Board of Chiropractic Examiners, still have fees and maximums stated in statute. Passage of this bill would allow these two Boards to modify fees by administrative rule, subject to legislative approval. According to ORS 291.050 (commonly known as the SB 333 approval process), agencies must obtain legislative approval after administratively changing fees. If the changes are not ratified by the Legislature, the fees must return to their original levels. The bill applies to fees assessed on or after July 1, 2013.

Fiscal impact

Passage of this bill has no immediate direct fiscal impact to the Board of Chiropractic Examiners and the Board of Pharmacy. The Board of Pharmacy reports that it does not anticipate increasing fees during the 2013-15 and 2015-17 biennia.

However, included in the 2013-15 budget request for the Board of Chiropractic Examiners is a policy package (#100) proposing four fee increases that would generate approximately \$203,256 in revenues. Passage of this bill would allow the proposed fee increases to be adopted. The Board proposes using this additional revenue to fund existing operations and the additional expenditures related to two proposed policy packages: Package #102 establishing a Health Care Investigator/ Advisor position [\$83,192 Other Funds and 0.50 FTE]; and package #101 to cover attorney general costs [\$43,491 Other Funds].

The Legislative Fiscal Office notes that without an increase in fee revenue, the Board is projected to have a structural imbalance between revenues and expenditures resulting in an erosion of the Board’s ending fund balance.

Recommendation

The measure is recommended to be moved to the Full Committee on Joint Ways and Means.

Motion

Motion: Senator/Representative _____ move SB 106 to the Joint Committee on Ways and Means with a “do pass” recommendation.

Assignment of Carriers

Full: _____

Senate: _____

House: _____

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 106

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Kim To
Reviewed by: Matt Stayner
Date: 5/2/2013

Measure Description:

Allows State Board of Chiropractic Examiners and State Board of Pharmacy to establish certain fees by rule.

Government Unit(s) Affected:

Board of Chiropractic Examiners, Board of Pharmacy

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

Senate Bill 106 removes statutory references and caps relating to the following fees for the Board of Chiropractic Examiners and the Board of Pharmacy:

Board of Chiropractic Examiners

- Application Fee
- Criminal Record Check Fee
- Examination Fee
- Chiropractic License Fee
- Certified Chiropractic Assistant Application Fee
- Certified Chiropractic Assistant Examination Fee
- Certified Chiropractic Assistant Certificate Fee
- Certified Chiropractic Assistant Renewal Fee
- Reciprocity Licensing Fee
- Annual Registration Fee
- Late Renewal Fees

Board of Pharmacy

- Examination Fee
- Pharmacist License Fee
- Reciprocity Licensing Fee
- Licensed Intern Fee
- Duplicate Pharmacist Certificate Fee
- Pharmacist License Late Renewal Fee
- Continuing Education Certification Fee
- Initial Drug Outlet Registration Fee
- Drug Outlet Registration Renewal Fee
- Non-Prescription Drug Outlet Registration Fee
- Re-inspection Fee
- Late Renewal Fees
- Renewal Fees

The bill applies to fees assessed on or after July 1, 2013. Passage of this bill would allow these two Boards to modify fees by administrative rule, subject to legislative approval. According to ORS 291.050 (commonly known as the SB 333 approval process), agencies must obtain legislative approval after administratively changing fees. If the changes are not ratified by the Legislature, the fees must return to their original levels.

Passage of this bill has no immediate direct fiscal impact to the Board of Chiropractic Examiners and the Board of Pharmacy. The Board of Pharmacy reports that it does not anticipate increasing fees during the 2013-15 and 2015-17 biennia. However, included in the 2013-15 budget request for the Board of Chiropractic Examiners is a policy package (#100) proposing four fee increases:

Proposed Fee Increases

Chiropractic Annual Renewal from \$300 to \$350 (\$50 increase)	\$121,540
Senior Active Renewal from \$225 to \$262.50 (\$37.50 increase)	\$ 18,540
Chiropractic Assistant Application from \$25 to \$50 (\$25 increase)	\$ 21,465
Chiropractic Assistant Renewal from \$50 to \$75 (\$25 increase)	<u>\$ 41,711</u>
TOTAL	\$203,256

Project Revenue

The Board of Chiropractic Examiners estimates that these proposed fee increases would generate \$203,256 in revenues. Passage of this bill would remove the caps and allow the proposed fee increases to be adopted. The Board proposes using this additional revenue to fund existing operations and the additional expenditures related to two proposed policy packages: Package #102 establishing a Health Care Investigator/Advisor position [\$83,192 Other Funds and 0.50 FTE]; and package #101 to cover attorney general costs [\$43,491 Other Funds]. The Legislative Fiscal Office notes that without an increase in fee revenue, the Board is projected to have a structural imbalance between revenues and expenditures resulting in an erosion of the Board's ending fund balance.

Joint Committee on Ways and Means

Carrier – House: Rep.
Carrier – Senate: Sen.

Revenue: No revenue impact

Fiscal: Fiscal statement issued

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Kim To, Legislative Fiscal Office

Meeting Date: 5/31/2013

WHAT THE MEASURE DOES: Allows State Board of Chiropractic Examiners and State Board of Pharmacy to establish certain fees by rule. Distinguishes chiropractic assistant from other ancillary personnel used by chiropractors. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- ORS 291.050 (commonly known as the SB 333 approval process), agencies must obtain legislative approval after administratively changing fees. If the changes are not ratified by the Legislature, the fees must return to their original levels.
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EFFECT OF COMMITTEE AMENDMENT:

BACKGROUND: Currently, many of the health professional licensing boards have statutory language allowing them to set appropriate licensing, application, registration and other fees by administrative rule. The Board of Pharmacy and the Board of Chiropractic Examiners are the two health boards which have fees and maximums stated in statute.

Additionally, “ancillary personnel” is referenced in the Board of Chiropractic Examiners governing statutes. The Board of Chiropractic Examiners is requesting that the term be deleted and replaced with chiropractic assistant.