

**Legislative
Fiscal Office**

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**Joint Committee on
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair
Rep. Peter Buckley, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Nancy Nathanson, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

MEMORANDUM

To: *General Government Subcommittee*
From: *Krista McDowell, Legislative Fiscal Office (503) 986-1838*
Date: *April 17, 2015*
Subject: *HB 5007 Board of Chiropractic Examiners*

Board of Chiropractic Examiners – Agency Totals

	2011-13 Actuals	2013-15 Leg. Approved*	2015-17 Current Service Level	2015-17 LFO Recommended
Other Funds	1,345,507	1,600,901	1,540,715	1,915,058
Total Funds	1,345,507	1,600,901	1,540,715	1,915,058
Positions	5	6	5	6
FTE	4.50	4.88	4.50	5.10

* includes Emergency Board and administrative actions through December 2014

Summary Information:

Package 100 makes permanent the Health Care Investigator 2 position at 0.60 full time equivalent and a budget cost of \$147,286 Other Funds. Package 101 accounts for escalating legal costs by adding \$140,000 Other Funds expenditure limitation. Package 102 accounts for additional costs associated with administrative hearings and adds \$40,219 Other Funds expenditure limitation. Package 103 increases merchant fees by \$26,360 Other Funds for online license renewal system fees. Package 105 accounts for the new Directors salary differential and increase Other Funds expenditure limitation by \$20,478.

Package 106 increases Other Funds revenue by \$323,164 by increasing license fees for the following: application, initial license, renewal, and the late renewal penalty. These fee increases will allow the Board to retain an ending balance of an estimated \$352,552 which is approximately 4.4 months of operating expenses.

Adjustments to Current Service Level:

See attached "Work Session Presentation Report".

Accept LFO Recommendation:

Sen./Rep. _____ Moves the LFO recommendation to HB 5007.

Accept LFO Recommendation with Modifications:
Sen./Rep. _____ Moves the LFO recommendations on HB 5007, with modifications.

Budget Notes:

There are no Budget Notes in the BCE budget bill: HB 5007.

Performance Measures

See attached "Legislatively Proposed 2015-17 Key Performance Measures" form.

Accept LFO Recommendation:
Sen./Rep. _____ Moves the LFO recommendation on Key Performance Measures to HB 5007.

Accept LFO Recommendation with Modifications:
Sen./Rep. _____ Moves the LFO recommendations on Key Performance Measures, with modifications, to HB 5007.

Recommended Changes to Appropriation Bill:

The Legislative Fiscal Office recommends a budget of \$1,915,058 Other Funds, and 6 positions (5.10 FTE) and that House Bill 5007 be amended accordingly.

Accept LFO Recommendation:
Sen./Rep. _____ Moves the -1 amendment to HB 5007.

Final Subcommittee Action:

Final Motion:
Sen./Rep. _____ Moves House Bill 5007, as amended, to the full committee with a "do pass" recommendation.

Chair to assign carriers:

Full: _____
1st Chamber: _____
2nd Chamber: _____

LFO102 - Work Session Presentation Report
2015-17 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 81100-000-00-00-00000
Chiropractic Examiner, State Board of

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	1,454,717	-	-	-	1,454,717	6	4.88
2013-15 Ebds, SS & Admin Act	-	-	146,184	-	-	-	146,184	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	1,600,901	-	-	-	1,600,901	6	4.88
2013-15 Leg Approved Budget (Base)	-	-	1,480,033	-	-	-	1,480,033	6	4.88
Summary of Base Adjustments	-	-	(40,928)	-	-	-	(40,928)	(1)	(0.38)
2015-17 Base Budget	-	-	1,439,105	-	-	-	1,439,105	5	4.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	879	-	-	-	879	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(12,651)	-	-	-	(12,651)	-	-
030: Inflation & Price List Adjustments	-	-	113,382	-	-	-	113,382	-	-
2015-17 Current Service Level	-	-	1,540,715	-	-	-	1,540,715	5	4.50
Adjusted 2015-17 Current Service Level	-	-	1,540,715	-	-	-	1,540,715	5	4.50
Total LFO Recommended Packages	-	-	374,343	-	-	-	374,343	1	0.60
2015-17 Legislative Actions	-	-	1,915,058	-	-	-	1,915,058	6	5.10
Net change from 2013-15 Leg Approved Budget	-	-	314,157	-	-	-	314,157	-	0.22
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	19.6%	0.0%	0.0%	0.0%	19.6%	0.0%	4.5%
Net change from 2015-17 Current Service Level	-	-	374,343	-	-	-	374,343	1	0.60
Percent change from 2015-17 Current Service Level	0.0%	0.0%	24.3%	0.0%	0.0%	0.0%	24.3%	20.0%	13.3%

LFO102 - Work Session Presentation Report
2015-17 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 81100-001-00-00-00000
Operations

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2013-15 Agy. Leg. Adopted	-	-	1,454,717	-	-	-	1,454,717	6	4.88
2013-15 Ebds, SS & Admin Act	-	-	146,184	-	-	-	146,184	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2013-15 Leg Approved Budget	-	-	1,600,901	-	-	-	1,600,901	6	4.88
2013-15 Leg Approved Budget (Base)	-	-	1,480,033	-	-	-	1,480,033	6	4.88
Summary of Base Adjustments	-	-	(40,928)	-	-	-	(40,928)	(1)	(0.38)
2015-17 Base Budget	-	-	1,439,105	-	-	-	1,439,105	5	4.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	879	-	-	-	879	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(12,651)	-	-	-	(12,651)	-	-
030: Inflation & Price List Adjustments	-	-	113,382	-	-	-	113,382	-	-
2015-17 Current Service Level	-	-	1,540,715	-	-	-	1,540,715	5	4.50
Adjusted 2015-17 Current Service Level	-	-	1,540,715	-	-	-	1,540,715	5	4.50
Total LFO Recommended Packages	-	-	374,343	-	-	-	374,343	1	0.60
2015-17 Legislative Actions	-	-	1,915,058	-	-	-	1,915,058	6	5.10
Net change from 2013-15 Leg Approved Budget	-	-	314,157	-	-	-	314,157	-	0.22
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	19.6%	0.0%	0.0%	0.0%	19.6%	0.0%	4.5%
Net change from 2015-17 Current Service Level	-	-	374,343	-	-	-	374,343	1	0.60
Percent change from 2015-17 Current Service Level	0.0%	0.0%	24.3%	0.0%	0.0%	0.0%	24.3%	20.0%	13.3%

	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 Health Care Investigator

Package Description This package requests \$159,286 Other Funds expenditure limitation to make permanent a part time, limited duration Health Care Investigator 2 position at 0.60 full time equivalent. The current limited duration position was approved for the 2013-15 biennium as an 18 month half time position. This package increases the FTE to ensure the Board has sufficient resources to address the investigative workload. The analyst recommends this package with a reduction of \$12,000 in Services & Supplies for a reduced total of \$147,286 Other Funds expenditure limitation, which accounts for the reduced need for consultant chiropractors resulting from the addition of the Health Care Investigator position.

The Health Care Investigator:

- 1) Investigates complaints from a clinical perspective which provides the Board with additional information for their review.
- 2) Conducts reviews of patient files for the doctors whose clinical practices are subject to monitoring.
- 3) Conducts interviews of licensees and produces investigative reports for the Board's review.
- 4) Assists with responding to licensees' practice and policy questions, many that other staff were not able to address.

LFO Recommendation Approve as Modified

LFO Recommended	-	-	147,286	-	-	-	147,286	1	0.60
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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 Legal Services

Package Description This package attempts to account for the escalating legal costs associated with utilizing the services of legal counsel in the Business, Trial, Civil Enforcement and Appellate Sections of the Department of Justice (DOJ). The Board entered into a flat-rate contract with the DOJ for the 2013-15 biennium. Actual usage of DOJ services has been roughly 200% more than what was projected when the flat-rate contract was drafted, therefore a rate increase is anticipated for the 2015-17 biennium.

Not covered by the Flat-Rate contract are ancillary legal costs, such as AAG travel, witness fees, court reporters, filing fees, and most significantly the hearing transcription costs required for every FMLA board order that is appealed to the Court of Appeals.

LFO Recommendation Approve

LFO Recommended	-	-	140,000	-	-	-	140,000	-	-
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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 Professional Services (Admin Hearings)

Package Description This package increases Professional Services by \$40,219 for a total allocation of \$94,739 OF. The Professional Services category funds administrative law judges from a select panel to preside over contested case hearings. This includes pre-hearing conferences, review of pre-hearing motions, considering and ruling on those motions, the actual hearing itself (from 1 to 12 days), and the subsequent writing of a proposed order for the Board's final consideration. OAH billings are expected to increase, as the number and length of contested case proceedings/hearings increases. Other contract services include key witnesses such as handwriting experts and Spanish translators.

LFO Recommendation Approve

LFO Recommended	-	-	40,219	-	-	-	40,219	-	-
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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 103 Merchant Fees for Online License Renewal

Package Description The Board has implemented online license renewal for chiropractic physicians and chiropractic assistants. Expense estimates assume that 70% of licensees will renew online in 2015-16, and 80% in 2016-17. The Board's partners in this project are DAS E-Gov, State Treasury, the state's Egov Contractor, and NIC-USA. A \$2 per transaction fee compensates NIC-USA for the system's ongoing development and maintenance, and merchant fees (credit card costs) are estimated at 2% of the transaction.

LFO Recommendation Approve

LFO Recommended	-	-	26,360	-	-	-	26,360	-	-
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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 105 New Executive Director Differential

Package Description This package adds \$16,509 in Salaries & Wages for the new director's differential and \$3,969 in Other Payroll Expenses for a total of \$20,478. The executive director position did not receive a differential in 2013-15 when LAB rolled into the 2015-17 base budget, so this existing expense is not included in the current service level.

LFO Recommendation Approve

LFO Recommended	-	-	20,478	-	-	-	20,478	-	-
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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 106 Fee Increase

Package Description This package increases Other Funds revenue by \$323,164 by increasing license fees for the following: application, initial license, renewal, and the late renewal penalty. This fee increase will allow the Board to retain an ending balance of an estimated \$352,552 which is approximately 4.4 months of operating expenses.

During the 2013 regular session SB 106 was passed, which allowed the OBCE to set fees by administrative rule. According to ORS 291.050 (commonly known as the SB 333 approval process) agencies must obtain legislative approval for fee changes. If the changes are not ratified by the Legislature, the fees must be rescinded and therefore return to their original levels. Since this new fee process is in affect for OBCE this biennium we do not need HB 5008 (fee bill).

LFO Recommendation Approve

LFO Recommended	-	-	-	-	-	-	-	-	-
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Legislatively Proposed 2015-2017 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 2016	Target 2017
1 - Average number of days to resolve a complaint.		Approved KPM	263.00	180.00	180.00
2 - Percent of sexual misconduct/boundary complaints resolved in 180 days		Approved KPM	0.00	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	96.00	80.00	80.00
4 - Percentage of chiropractic physicians meeting the annual continuing education requirements.		Approved KPM	94.00	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	94.00	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.	Accuracy	Approved KPM	91.00	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	91.60	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	90.42	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.	Helpfulness	Approved KPM	92.22	75.00	75.00

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 2016	Target 2017
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	92.20	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	92.80	75.00	75.00
7 - Board Best Practices - Percent of total best practices met by the Board.		Approved KPM	94.00	100.00	100.00

LFO Recommendation:

Sub-Committee Action:

HB 5007-1
(LC 9007)
4/20/15 (TR/ps)

**PROPOSED AMENDMENTS TO
HOUSE BILL 5007**

1 In line 6 of the printed bill, delete "\$1,905,258" and insert "\$1,915,058".

2
