



October 29, 2025

TO: Representative Tawna Sanchez
Senator Kate Lieber
Joint Interim Committee on Ways and Means

RE: MHRA 2025-27 Agency Reduction Options

Agency Statutory Mission

The Mental Health Regulatory Agency (MHRA) was created to provide administrative and regulatory oversight to two regulated boards that oversee mental health professions in the State: the Board of Psychology (BOP) and the Board of Licensed Professional Counselors and Therapists (BLPCT). Agency operations are completely funded by Other Funds derived from licensing and related fees.

BOP's mission is to promote, preserve, and protect public health and welfare by ensuring the ethical and legal practice of psychology. It determines the qualifications of applicants to practice psychology in Oregon, issues and renews licenses, and investigates complaints of professional misconduct. BOP is charged with safeguarding Oregonians from the dangers of unqualified and improper practice of psychology.

BLPCT's mission is to protect the public by overseeing the practice of qualified mental health counselors and marriage and family therapists. It licenses and regulates licensed professional counselors and licensed marriage and family therapists, issues and renews licenses and associate registrations, and investigates complaints of professional misconduct. BLPCT is charged with safeguarding Oregonians from the dangers of unqualified and improper practice of the regulated counseling and therapy professions.

Reduction Options

MHRA's approach to developing and prioritizing reduction options was to focus on areas of the budget that most reasonably achieve the 5% reduction requirement while minimizing service disruptions that may compromise public protection and threaten Oregon's crucial behavioral health provider pipeline. Key to MHRA's core operations in licensing and compliance are the staff that process licensure applications and renewals, conduct investigations, and respond to inquiries. To that extent, the two highest priority budget reductions leverage vacancy savings from one currently vacant investigator position and four currently vacant public board member positions. This allows MHRA to reduce spending without laying off employees, minimizing disruptions to service, operations, and morale. It also retains flexibility to hold or fill vacancies depending on the ongoing statewide budget environment. The remainder of the reduction options similarly avoid staffing reductions and focus on the lowest impact options.

The third and fourth preferred options eliminate all travel, which precludes attendance at national meetings and conferences and in-person board and committee meetings. Board members and staff rely on these events to collaborate and keep current on best practices and regulatory trends, including licensure mobility and interstate compacts. Reductions in these areas limit training opportunities that support skills to build MHRA's regulatory functions. Accordingly, the fifth preferred option reduces employee training by 50%. These options may temporarily hinder staff development and professional growth, but do not directly impact daily licensing and compliance functions and are expected to have minimal ongoing impact on overall competence.

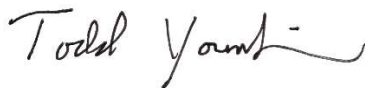
The final least desired reduction options include decreases in professional and attorney general services, split into 5% and 3% respectively to meet the first 2.5% reduction increment, and an additional 11% and 15% to achieve the full 5% reduction options. These budget areas primarily support the board's compliance functions, including contested case hearings and appeals to board regulatory findings, and general legal advice. MHRA has historically underspend in these areas; however, cuts to these budget items do create risk, particularly in the current environment where the Boards are seeing a notable trend of increasing complaints over the last five years. The volume of new investigations received during FY 25 (347) represents a 42.2% increase over the volume received during FY 24 (244). Highly complex and litigated contested cases are difficult to predict and can amass costs into six figures. With a relatively small overall agency budget, the Boards may be faced with financial decisions that compromise public protection.

Overall, however, the above reductions create lower short-term risk in comparison to cutting mission-critical staff that serve the Boards' core statutory functions in licensing and compliance. Additionally, MHRA's policy package 550 that requested funding to support a new licensing system was not approved for its Legislatively Adopted Budget. The current legacy system receives inadequate vendor support, is susceptible to malfunctions, and requires staff to complete manual tasks. This further supports MHRA's approach to retain trained staff that are necessary to sustain continued growth in licensing and compliance while utilizing a problematic system.

New and Expanded Programs

MHRA does not have any programs established or expanded since July 1, 2021.

Sincerely,



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Executive Director

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Encl: MHRA's 2025-27 LAB - Agency Reduction Options Form

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Mental Health Regulatory Agency (MHRA)																		
2025-27 Biennium																		
				2025-27 LAB	-	-	7,351,536	-	-	-	7,351,536							
Detail of Reductions to 2025-27 Legislatively Adopted Budget																		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
Priority (ranked most to least preferred)		Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	Gov. Reduction Target Yes / No	One-Time Yes / No	Describe the reduction and associated impact on services and outcomes. Please identify the source of Other Funds reductions.		
Dept	Prgm/ Div																	
2.5% Increment 1																		
-	1	MHRA	10800	Investigator Position Vacancy Savings			50,666				\$ 50,666			No	Yes	Holds one agency investigator position vacant for 6 months. Reduces the Boards' ability to properly protect the public through timely and thorough compliance investigations.		
-	2	MHRA	10800	Board Member Vacancy Savings			32,279				\$ 32,279			No	Yes	Holds two public board member positions vacant for seven months, and two positions vacant for the entire biennium. Reduces diversity of perspective- in particular for the consumer- on the two regulated boards, and may jeopardize public perceptions of trust and accountability.		
-	3	MHRA	10800	Eliminate Out-of-State Travel			13,588				\$ 13,588			No	Yes	Eliminates out-of-state travel. Decreases the ability for national networking, reducing the Agency's ability to keep up on national trends and contacts.		
-	4	MHRA	10800	Eliminate Instate Travel			30,417				\$ 30,417			No	Yes	Eliminates instate travel, which precludes in-person board and committee meetings and strategic planning sessions. Reduces relationship building, thoughtful engagement, and creativity in discussions of complex ideas and strategy.		
-	5	MHRA	10800	Reduce Employee Training by 50%			10,562				\$ 10,562			No	Yes	Reduces employee training by 50%. Decreases staff development and professional growth, contributing to reduced regulatory competency and increased risk of errors and delays that may increase costs in the long run.		
-	6	MHRA	10800	Reduce Professional Services by 5%			20,883				\$ 20,883			No	Yes	Reduces professional services by 5%. Reduces resources available for compliance hearings, threatening the Agency's ability to support and uphold enforcement actions that protect the public from improper mental health practice.		
-	7	MHRA	10800	Reduce AG Services by 3%			25,393				\$ 25,393			No	Yes	Reduces access to assigned assistant attorney general by 3%. May impair the Agency's access to legal advice to interpret and enforce laws and rules, and to pursue and uphold enforcement actions that protect the public from improper mental health practice.		
											\$ -							
				Subtotal			183,788				\$ 183,788							
2.5% Increment 2																		

Mental Health Regulatory Agency (MHRA)																	
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Dept	Prgm/ Div																
											\$ -						
-	8	MHRA	10800	Reduce Professional Services by 11%			45,436				\$ 45,436			No	Yes		Reduces professional services by an additional 11%. Reduces resources available for compliance hearings, threatening the Agency's ability to support and uphold enforcement actions that protect the public from improper mental health practice.
-	9	MHRA	10800	Reduce AG Services by 16%			138,353				\$ 138,353			No	Yes		Reduces access to assigned assistant attorney general by an additional 16%. May impair the Agency's access to legal advice to interpret and enforce laws and rules, and to pursue and uphold enforcement actions that protect the public from improper mental health practice.
											\$ -						
				Subtotal			183,789				\$ 183,789						
											\$ -						
				TOTAL	-	-	367,577	-	-	-	\$ 735,154	0	0.00				

Difference	Target (2.5%)			183,788	<div></div>
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	Target (5%)	-	-	367,577	
	Difference	-	-	0	