

# **State Board of Orthotics, Prosthetics, & Pedorthics**

**House Human Services Subcommittee**

*Clay Weidner, Budget Analyst  
Legislative Service Commission*

*February 26, 2003*

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**LSC Redbook**  
**for the**  
**State Board of Orthotics,**  
**Prosthetics, & Pedorthics**

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*February 26, 2003*

<p>Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.</p>
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# State Board of Orthotics, Prosthetics & Pedorthics

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- The Executive recommends \$100,206 in FY 2004 (a 0.3% increase over estimated FY 2003 expenditures) and \$102,395 in FY 2005 (a 2.2% increase over the FY 2005 recommended appropriation)
- 343 unique licensees in FY 2002

## OVERVIEW

The State Board of Orthotics, Prosthetics, and Pedorthics, created by S.B. 238 of the 123rd General Assembly, licenses and regulates orthotists, prosthetists, and pedorthists, ensuring those individuals meet minimum education and experience qualifications. The Board meets its responsibilities through management of the licensure process, overseeing regulation of the industry, and enforcement through surveillance of licensees and investigation of complaints.

The Board's first year in operation was FY 2002. The Board accomplished initial licensing procedures through grandfathering and issued 503 licenses in its first year. It is important to note, however, that although 503 licenses were issued, the Board estimates that there are 343 unique licensees since some individuals carry more than one license. Although an individual may carry more than one license, the person only has to pay one renewal fee, as fees are charged per licensee and not per license.

Revenue is generated from new and renewal license fees, which are collected annually. Expenditures are for operating expenses associated with the licensure, regulation, and enforcement processes. Expenditures and revenue for FY 2002 were \$151,775 and \$84,889 respectively. The Board contributed \$66,886 more to Fund 4K9 than it was appropriated for the last renewal cycle.

The Board is still in the early stages of development. Thus, the Board is experiencing issues with office organization, licensure, staff turnover (i.e., Board Director), and basic organization. The Director, as the only FTE, is solely responsible for processing all Office of Budget and Management (OBM) and Department of Administrative Services (DAS) paperwork, all license applications and renewals, all investigative and enforcement proceedings, coordinating staff meetings, and assisting in rules promulgation.

### Administrative Fees

During the current biennium, occupational boards have had to absorb increased administrative costs charged by other state agencies. Many boards contracted for services that were once provided for free such as lock-box services and computer technical support. The State Board of Orthotics, Prosthetics, and Pedorthics will be able to manage renewal in-house and will not have to contract for these services.

**Licensing System**

The occupational licensing boards, in partnership with DAS, are working to implement a new licensing system. The system will be phased in over the next biennium and each board will pay their share of the costs out of Fund 4K9. The Board will pay an annual fee during the next biennium of about \$400 and a monthly fee of about \$140.

## ANALYSIS OF EXECUTIVE PROPOSAL

### State Board of Orthotics, Prosthetics, and Pedorthics

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**Purpose:** License and regulate the practice of orthotics, prosthetics, and pedorthics.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
4K9	973-609	Operating Expenses	\$100,206	\$102,395
<b>Total funding: State Board of Orthotics, Prosthetics, and Pedorthics</b>				

### State Board of Orthotics, Prosthetics, and Pedorthics

**Program Description:** In accordance with Chapter 4779. of the Revised Code, the State Board of Orthotics, Prosthetics, and Pedorthics protects the health and safety of Ohio citizens by regulating the practice of orthotics, prosthetics, and pedorthics by setting and enforcing the standards of practice through annual licensure requirements and investigating complaints against unlawful practices.

**Funding Source:** General Services Fund Group (Fund 4K9). Currently, all revenue from the 24 occupational licensing boards is placed in Fund 4K9 and then reallocated to each board. Each board must raise enough revenue through its license fees to cover its expenses.

**Line Item:** 973-609, Operating Expenses

**Implication of the Executive Recommendation:** The executive recommendation includes an appropriation of \$100,206 for FY 2004, which represents a 0.3% decrease, or \$312 under the FY 2003 appropriation. The Executive recommends an appropriation of \$102,395 for FY 2005, which is an increase of 2.2% increase or \$2,189 from FY 2004. The executive recommendations provide for current service levels and will cover the increased administrative costs passed onto the Board by other state agencies. The recommendations also include funding for the Board to hire a part-time clerical employee to reduce the heavy workload of the only current FTE (i.e., the Board Director).

## ADDITIONAL FACTS AND FIGURES

State Board of Orthotics, Prosthetics, & Pedorthics Staffing Levels				
			<i>Estimated</i>	
Program Series/Division	2002	2003	2004	2005
Board Members	7	7	7	7
Administrative Staff	1	1	1	1
Investigators	0	0	0	0
<b>Totals</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

### Number of Licensees

License Type	FY2002
Orthotists	228
Prosthetists	182
Pedorthists	93

### Current License Fees

All License Types	Fees
Initial License	\$125
Temporary	\$150
Renewal	\$300
Reinstatement	\$150

### Revenues and Expenditures

Fund 4K9	FY 2002
Revenues	\$151,775
Expenditures	\$84,889
Net	\$66,886

## PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the Board's activities and spending decisions during the next biennium.

### Permanent Law Provisions

**Repeal of the Sunset of the State Board of Orthotics, Prosthetics, and Pedorthics (R.C. sections 4779.08, 4779.17, 4779.18, and Section 3 of S.B. 238 of the 123rd General Assembly).**

The bill proposes the repeal of the sunset provision, which would eliminate the Board on December 31, 2004. If this provision is not included in the bill, the Board will no longer exist as of December 31, 2004.

## REQUESTS NOT FUNDED

Board of Orthotics, Prosthetics, and Pedorthics						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
4K9 973-609	\$102,656	\$100,206	(\$2,450)	\$112,077	\$102,395	(\$9,682)

The Board requested an additional \$2,450 in appropriations in FY 2004 and \$9,682 in FY 2005 that was not funded.

According to OBM, the Board overestimated its payroll in its budget request. The executive recommendations take this into account. The Office of Budget and Management is confident that the Board can meet its payroll with the recommended funds.

The additional appropriations in FY 2005 would have covered a mid-year pay increase for the Board's Director in FY 2005. Currently, the Board's Director is an unclassified-exempt employee that carries no steps or salary increases.

## General Services Fund Group

### 4K9 973-609 Operating Expenses

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$0	\$0	\$84,889	\$100,518	\$100,206	\$102,395
	N/A	N/A	18.4%	-0.3%	2.2%

**Source:** GSF: Fee revenue received by the State Board of Orthotics, Prosthetics, and Pedorthics

**Legal Basis:** ORC 4743.05 (originally established in Section 84 of Am. Sub. H.B. 94 of the 124th G.A.)

**Purpose:** This appropriation supports the general operating expenses, including payroll, supplies, and equipment for the State Board of Orthotics, Prosthetics, and Pedorthics.

**LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005**

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2002</i>	<i>Estimated 2003</i>	<i>Executive 2004</i>	<i>% Change 2003 to 2004</i>	<i>Executive 2005</i>	<i>% Change 2004 to 2005</i>
<b>OPP Orthotics, Prosthetics and Pedorthics</b>								
4K9	973-609	Operating Expenses	\$ 84,889	\$100,518	\$ 100,206	-0.3%	\$ 102,395	2.2%
<b>General Services Fund Group Total</b>			<b>\$ 84,889</b>	<b>\$ 100,518</b>	<b>\$ 100,206</b>	<b>-0.3%</b>	<b>\$ 102,395</b>	<b>2.2%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 84,889</b>	<b>\$ 100,518</b>	<b>\$ 100,206</b>	<b>-0.3%</b>	<b>\$ 102,395</b>	<b>2.2%</b>