Ohio State Chiropractic Board

Senate Finance and Financial Institutions Committee

Clay Weidner, Budget Analyst

Legislative Service Commission

April 22, 2003

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LSC Redbook

for the

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Attachments: ***Compare Document: Permanent and Temporary Law, As Introduced to As Passed by the House***

LSC Budget Spreadsheet, Executive to House Comparison

April 22, 2003

Ohio State Chiropractic Board

- The Executive recommends $591,724 in both fiscal years, which represents level funding from estimated FY 2003 expenditures
- 2,125 licensees in FY 2002

OVERVIEW

In 1975, the Ohio General Assembly created the Ohio State Chiropractic Board to regulate the chiropractic industry. The Board is responsible for the examination and licensure of chiropractors and the enforcement of the provisions of Chapter 4734. of the Revised Code. The Chiropractic Board oversees the licensure and regulation of over 2,000 chiropractic physicians.

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. Revenues and expenditures for FY 2002 totaled $571,805 and $488,902 respectively. The Board contributed $82,903 more to Fund 4K9 than it expended during the FY 2002 renewal cycle.

Substitute House Bill 506 of the 123rd General Assembly

During the current biennium, much of the Board's activities have revolved around the implementation of Substitute House Bill 506 of the 123rd General Assembly, the Patient Protection and Professional Standards Act of 2000. This law increases the Board's mandate considerably. Among other things, the law requires the Board to form new committees (Quality Intervention, Chemical Dependency, and Mental Illness Monitoring), create a code of ethics, eliminate state board exams in favor of the standardized national examination, and perform more extensive criminal background checks on all licensure applicants. The law allows the Board to impose fines for minor license infractions and appoint advisory committees. The Board spent most of FY 2002 drafting administrative rules in accordance with the legislation.

Licensing System

The occupational licensing boards, in partnership with the Department of Administrative Services, 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 Fund 4K9. The Chiropractic Board will pay an annual fee of $602 during the next biennium and a monthly fee of $45 in FY 2004 and $47 in FY 2005.

Administrative Fees

During the current biennium, occupational licensing boards have had to absorb increased administrative costs charged by other state agencies. Many boards contracted for services that were once provided for free by other state agencies.

The Chiropractic Board estimates that increased administrative fees cost the Board approximately $26,340 in FY 2003 for the DAS Central Service Agency fees, computer technical support, and computer networking fees.

ANALYSIS OF EXECUTIVE PROPOSAL

Ohio State Chiropractic Board

Purpose: License and regulate the chiropractic profession

The following table shows the line item that is used to fund the Ohio State Chiropractic Board, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
4K9	878-609	Operating Expenses	$591,724	$591,724
Total funding: Ohio State Chiropractic Board				

Ohio State Chiropractic Board

Program Description: In accordance with Chapter 4734. of the Revised Code, the Ohio State Chiropractic Board protects the health and welfare of Ohio's citizens by setting standards for licensure and by enforcing these standards through examination, renewal, clinical inspection, investigation, and disciplinary action.

Funding Source: General Services Fund Group (Fund 4K9). Currently, all revenue from 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: 878-609 Operating Expenses

Implication of the Executive Recommendation: The Executive recommends an appropriation of $591,724 in both FY 2004 and FY 2005. This represents level funding from estimated FY 2003 expenditures. The executive recommendation will enable the Board to maintain its current level of service and cover increased administrative fees.

The executive recommendations will allow the Board to implement the mandates of Sub. H.B. 506 of the 123rd General Assembly, create an advisory committee to address scope of practice issues, and replace five computers during the biennium. The Board is confident that it can meet its statutory requirements with the executive recommendations.

ADDITIONAL FACTS AND FIGURES

Program Series/Division	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Board Members	5	5	5	5	5	5
Administrative Staff	4	4	4	4	4	4
Investigators	3	3	3	3	3	3
Totals	**12**	**12**	**12**	**12**	**12**	**12**

Number of Licensees

License Type	FY2001	FY2002
Chiropractic Physician	2,098	2,125

Current License Fees

Licenses are renewed on an annual basis. Fees were last increased in July 1997.

Chiropractic Physician	
Initial License	$250
Renewal License	$250

Revenues and Expenditures

Fund 4K9	FY 1999	FY 2000	FY 2001	FY 2002
Revenues	$548,881	$564,378	$574,849	$571,805
Expenditures	$451,747	$527,056	$489,885	$488,902
Net	$97,134	$37,322	$84,964	$82,903
Two Year Net	$134,456		$167,867	

PERMANENT AND TEMPORARY LAW

There are no permanent or temporary law provisions with fiscal effects on the Ohio State Chiropractic Board.

REQUESTS NOT FUNDED

All of the Chiropractic Board's budget requests were fully funded.

General Services Fund Group

4K9 878-609 Operating Expenses

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
$527,056	$489,885	$488,900	$591,724	**$591,724**	**$591,724**
	-7.1%	-0.2%	21.0%	**0.0%**	**0.0%**

Source: GSF: License fee revenue collected from Chiropractic physicians.

Legal Basis: ORC 4743.05 (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This appropriation supports the general operating expenses, including payroll, supplies, and equipment for the Ohio State Chiropractic Board. The Board sets standards for licensure and registration for Ohio's chiropractic physicians.

As Introduced	As Passed by the House
Subject: Chiropractic License Examination Requirements	
Section: *27*	**Section: *27***
Requires the Board to reconsider any applicants that were denied licensure solely because the individual did not meet the examination requirements of section 4734.20 of the Revised Code, as specified on and after the effective date of Am. Sub. H.B. 506 of the 123rd General Assembly, but before the effective date of this section. Fiscal effect: This provision was included in Am. Sub. H.B. 94 of the 124th General Assembly. The window for reconsideration of applicants has passed. According to the Board, this provision is no longer needed and has no fiscal effect.	No change.

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

Fund	ALI	ALI Title	Estimated 2003	As Introduced 2004	House Sub Bill 2004	% Change Est. 2003 to House 2004	As Introduced 2005	House Sub Bill 2005	% Change House 2004 to House 2005
CHR		**Chiropractic Examiners, State Board of**							
4K9	878-609	Operating Expenses	$591,724	$ 591,724	$ 591,724	0.0%	$ 591,724	$ 591,724	0.0%
		General Services Fund Group Total	**$ 591,724**	**$ 591,724**	**$ 591,724**	**0.0%**	**$ 591,724**	**$ 591,724**	**0.0%**
		Total All Budget Fund Groups	***$ 591,724***	***$ 591,724***	***$ 591,724***	***0.0%***	***$ 591,724***	***$ 591,724***	***0.0%***