

State Board of Orthotics, Prosthetics, & Pedorthics

Senate Finance and Financial Institutions Committee

Clay Weidner, Budget Analyst

Legislative Service Commission

April 23, 2003

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

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

LSC Budget Spreadsheet, Executive to House passed Comparison

April 23, 2003

State Board of Orthotics, Prosthetics, & Pedorthics

- 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 expended during 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

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

The following table shows the line item that is used to fund the State Board of Orthotics, Prosthetics, and Pedorthics, 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
Total funding: State Board of Orthotics, Prosthetics, and Pedorthics				

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 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
Totals	8	8	8	8

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 House Passed	2005 House Passed
\$0	\$0	\$84,889	\$100,518	\$0	\$0
	N/A	N/A	18.4%	-100.0%	N/A

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.

As Introduced

As Passed by the House

Subject: Elimination of Sunset of the State Board of Orthotics, Prosthetics, and Pedorthics

R.C. 4743.05, 4779.08, 4779.17, 4779.18, Section 3 of S.B. 238 of the 123rd G.A.

Eliminates a sunset provision effective December 31, 2004, that repeals the law establishing the State Board of Orthotics, Prosthetics, and Pedorthics.

Fiscal effect: If this provision is not included in the bill, the Board would no longer exist as of December 31, 2004.

R.C. 4743.05, 4779.08, 4779.17, 4779.18, Section 3 of S.B. 238 of the 123rd G.A.

No provision.

Subject: Abolishment of the State Board of Orthotics, Prosthetics, and Pedorthics

No provision.

R.C. 4779.05, 4779.06-4779.13, 4779.15-4779.18, 4779.20-4779.27, 4779.30, 4779.32, 4779.33, Section 145.03C

Abolishes the State Board of Orthotics, Prosthetics, and Pedorthics and transfers that Board's duties to the State Medical Board. Restores existing law's sunset provision that repeals the Board on December 31, 2004. Transfers all of the appropriations and cash of the Board to the State Medical Board.

Fiscal effect: The provision transfers the Board's one employee to the State Medical Board subject to the layoff provisions in sections 124.321 to 124.328 of the Revised Code. The provision could result in savings by reducing duplication in office operations. However, the extent of the savings depends on future decisions. There could be one-time administrative costs associated with office reorganization (e.g., moving expenses, office space, storage, etc.). Revenue deposited in the Occupational Licensing and Regulatory Fund (Fund 4K9) will be reduced by approximately \$150,000 per year (see also "Transfer of Orthotics, Prosthetics, and Pedorthics of State Medical Board" in State Medical Board).

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

<i>Fund ALI ALI Title</i>	<i>Estimated 2003</i>	<i>As Introduced 2004</i>	<i>House Sub Bill 2004</i>	<i>% Change Est. 2003 to House 2004</i>	<i>As Introduced 2005</i>	<i>House Sub Bill 2005</i>	<i>% Change House 2004 to House 2005</i>
OPP Orthotics, Prosthetics and Pedorthics							
4K9 973-609 Operating Expenses	\$100,518	\$ 100,206	\$ 0	-100.0%	\$ 102,395	\$ 0	N/A
General Services Fund Group Total	\$ 100,518	\$ 100,206	\$ 0	-100.0%	\$ 102,395	\$ 0	N/A
Total All Budget Fund Groups	\$ 100,518	\$ 100,206	\$ 0	-100.0%	\$ 102,395	\$ 0	N/A