

Ohio State Dental Board

House Primary & Secondary Education Subcommittee

*Wendy Risner, Budget Analyst
Legislative Service Commission*

February 23, 2005

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LSC Redbook

for the

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February 23, 2005

Dental Board

- Contributed \$202,695 more to Fund 4K9 than expended during FY 2004-2005 biennium.
- The Board received no funding for FY 2007 and will be absorbed into the Department of Health that year.
- Proposed fee increase was not recommended.

OVERVIEW

The Ohio State Dental Board is part of the 4K9 Fund group. The 4K9 Fund (Occupational Licensing and Regulatory Fund) is a General Services Fund that is a repository for license fees and other assessments collected by the state's professional and occupational licensing boards. The 4K9 Fund was established by Am. Sub. H.B. 152 of the 120th General Assembly. Prior to the creation of the fund, appropriations for each licensing board were made from the GRF. This created some problems as some boards contributed more revenues than they expended and others had to be subsidized by the GRF since the revenues generated did not meet their expenditures. The 4K9 Fund eliminated these problems. The philosophy of the fund is that each board must generate enough revenues to cover their expenses. It is also quite common for the boards to develop a surplus in the fund to cover unforeseen economic hardships.

The Ohio State Dental Board regulates the dental profession under Chapter 4715. of the Revised Code. The Board protects the health and welfare of the public by mandating appropriate training, ethical standards, and competency levels for its licensees. 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.

In fiscal year (FY) 2004, the Board licensed 6,848 dentists, 6,772 dental hygienists, and 7,168 dental radiographers. Revenue is generated from new and renewal license fees, which are collected biennially. Expenditures are for operating expenses associated with the licensure, regulation, and enforcement processes. Expenditures and revenue for the FY 2003-2004 two-year renewal cycle were \$2,514,517 and \$2,717,212, respectively. Thus, the Board contributed \$202,695 more to Fund 4K9 than it expended during the two-year licensing cycle.

QUIP

In the current biennium, the Board worked to initiate and implement a quality intervention program (QUIP). The program has been up and running for approximately one year. The Board maintains that the system allows minor license violations, those in which patients were not in any harm, to be addressed while bypassing the administrative hearing process, which can cost thousands of dollars per day. QUIP provides early intervention and remedial education services (at the licensee's expense), monitors the remediation process, and provides a means to efficiently review and follow-up complaints. So far, six cases have been referred to the QUIP program.

CAVU Licensing System

The Board, in partnership with the Department of Administrative Services, has implemented a new web-based multi-board CAVU licensing system. Each board pays their share of the costs out of Fund 4K9. The Dental Board will pay an annual fee of approximately \$14,000 to maintain the system.

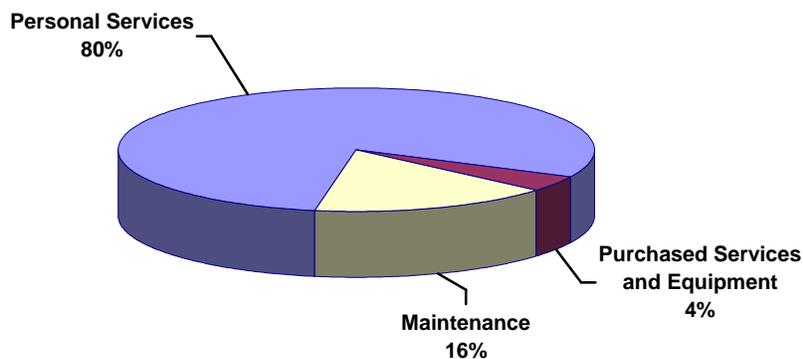
Administrative Fees

During the past few years, 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 such as lock-box services and computer technical support. The boards now share the costs and services of an IT Support person. The Dental Board will pay approximately \$10,000 in each upcoming fiscal year for this service. The Board estimates that lock-box charges will be \$8,000 in FY 2006 and \$3,500 in FY 2007.

Governor's Recommendations

The Governor recommended funding of \$1,424,791 in FY 2006 and \$0 in FY 2007. The Board requested \$1,423,956 in FY 2006 and \$1,423,956 in FY 2007. The Executive recommends that the 27 independent occupational licensing boards be absorbed into the Departments of Health, Commerce, and Public Safety. As such, the Executive recommended no funding in FY 2007 for the boards. In the case of the Dental Board, the Board and its duties will be absorbed into the Department of Health. The specifics of this transfer will be addressed during FY 2006 by a task force consisting of the departments of Commerce, Health, Public Safety, and Administrative Services, the Office of Budget and Management (OBM), and the Governor's Office. According to OBM, current staff will be retained through FY 2006 and a hiring freeze and early retirement incentives will be offered to regulatory board staff. Effective July 1, 2006, all remaining regulatory board staff will be transferred to the relevant agency. Board and commission members will be retained.

Total Budget by Object Code for FY 2006



As can be seen from the chart above, a majority of funding for the Dental Board goes to personal services. Personal services increases by 5.4% in FY 2006 over estimated FY 2005 levels.

The Board had requested to increase dentist and dental hygienist licensing fees by 10%. The Executive did not recommend this fee increase.

Staffing Levels

Dental Board Staffing Levels						
Program Series/Division	2002	2003	2004	2005	<i>Estimated</i>	
					2006	2007
Board Members	7	7	7	13	13	13
Dental Board	13	14	14	14	14	14
Totals	20	21	21	27	27	27*

*In FY 2007, the 27 occupational licensing boards will be consolidated into various agencies. According to OBM, current staff will be retained through FY 2006. However, it is expected that some staff reductions will occur as a result of the implementation of a hiring freeze and early retirement incentive. Remaining staff for the Board will be transferred to the Department of Health in FY 2007. Board members will be retained.

In FYs 2002 through 2004, there were 7 board members. Beginning in FY 2005, as a result of Am. Sub. S.B. 51 of the 125th General Assembly, there are 13 members of the Board. Board members attend approximately nine meetings per year and receive a per diem.

FACTS AND FIGURES

Number of Licensees

License Type	June 30, 2004
Dentist	6,848
Dental Hygienist	6,772
Dental Assistant Radiographer	7,168

Current License Fees

Licenses are renewed on a biennial basis, with dentists and hygienists renewing licenses in even-numbered years and radiographers renewing in odd-numbered years.

	Dentist	Dental Hygienist	Dental Radiographers
Initial License	\$337	\$147	\$25
Renewal License	\$245	\$105	\$15

Revenues and Expenditures

Fund 4K9	FY 2003	FY 2004
Revenues	\$344,161	\$2,373,051
Expenditures	\$1,243,831	\$1,270,686
Net	(\$899,670)	\$1,102,365
Two Year Net	\$202,695	

ANALYSIS OF EXECUTIVE PROPOSAL

Ohio State Dental Board

Purpose: License and regulate the dentistry profession

The following table shows the line items that are used to fund the Ohio State Dental Board, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2006	FY 2007
General Services Fund				
4K9	880-609	Operating Expenses	\$1,424,791	\$0
General Services Fund Subtotal			\$1,424,791	\$0
Total Funding: Dental Board			\$1,424,791	\$0

Ohio State Dental Board

Program Description: In accordance with Chapter 4715. of the Revised Code, the Ohio State Dental Board regulates the practice of dentistry, dental hygiene, and dental assistant radiography by setting and enforcing standards of practice through licensure, regulation, and enforcement.

Funding Source: General Services Fund Group (Fund 4K9). Currently all revenue from 27 occupational licensing boards is placed in Fund 4K9 and then reallocated to each board. Each board is expected to raise enough revenue through its license fees to cover its expenses.

Line Items: 880-609, Operating Expenses

Implication of Executive Recommendation: The Board requested \$1,423,956 in each fiscal year. The Executive recommended funding of \$1,424,791 in FY 2006 and \$0 in FY 2007. The recommended funding for FY 2006 will maintain FY 2005 service levels. The \$835 recommended above the requested amount in FY 2006 is likely to be used to help pay costs associated with CAVU licensing costs. In FY 2007, the Board will be absorbed into the Department of Health. The specifics of this transfer will be addressed during FY 2006 by a task force consisting of the departments of Commerce, Health, Public Safety, and Administrative Services, the Office of Budget and Management (OBM), and the Governor's Office.

Temporary and Permanent Law Provisions: H.B. 66, As Introduced, includes a provision that consolidates the Board into the Department of Health beginning in FY 2007. The provision also includes the creation of a transition team to ensure the consolidation occurs smoothly and on schedule. The temporary language states that the necessary statutory changes and appropriations needed for the consolidation will be introduced in FY 2006.

REQUESTS NOT FUNDED

Fund Line Item	FY 2006 Requested	FY 2006 Recommended	Difference	FY 2007 Requested	FY 2007 Recommended	Difference
880-609	\$1,423,956	\$1,424,791	\$835	\$1,423,956	\$0	(\$1,423,956)
TOTALS	\$1,423,956	\$1,421,791	\$835	\$1,423,956	\$0	(\$1,423,956)

In FY 2006, the Executive recommended \$835 above requested levels. These extra funds are likely to be used for costs associated with the CAVU licensing system. In FY 2007, the Board requested funding of \$312,656 for operating expenses for things such as licensure and enforcement. The Executive recommended funding of \$0. The Board will be absorbed into the Department of Health in FY 2007. Specifics of this transfer will be addressed by a task force made up of the departments of Commerce, Health, Public Safety, and Administrative Services, the Office of Budget and Management (OBM), and the Governor's Office.

General Services Fund Group

4K9 880-609 Operating Expenses

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$1,199,283	\$1,243,832	\$1,270,687	\$1,381,656	\$1,424,791	\$0
	3.7%	2.2%	8.7%	3.1%	-100.0%

Source: GSF: License fees and other assessments collected by the state's professional and occupational licensing boards. Types of licenses include dentists, dental hygienists, dental assistants, teachers of the dentistry practice, teachers of radiology used in dentistry, and sponsors of general anesthesia/conscious sedation courses.

Legal Basis: ORC 4715.02 and 4743.05 (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This appropriation supports the Ohio State Dental Board, which licenses and regulates the practice of dentistry, dental hygiene, and dental assistant radiography in the state. Funds from this line item are used for general operating expenses, including payroll, supplies, and equipment.

LSC Budget Spreadsheet by Line Item, FY 2006 - FY 2007

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2004</i>	<i>Estimated 2005</i>	<i>Executive 2006</i>	<i>% Change 2005 to 2006</i>	<i>Executive 2007</i>	<i>% Change 2006 to 2007</i>
<i>DEN Dental Board, Ohio State</i>								
4K9	880-609	Operating Expenses	\$ 1,270,687	\$1,381,656	\$ 1,424,791	3.1%	\$ 0	-100.0%
General Services Fund Group Total			\$ 1,270,687	\$ 1,381,656	\$ 1,424,791	3.1%	\$ 0	-100.0%
Total All Budget Fund Groups			\$ 1,270,687	\$ 1,381,656	\$ 1,424,791	3.1%	\$ 0	-100.0%