

Chiropractic Board

House Human Services Subcommittee

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Legislative Service Commission*

March 22, 2007

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LSC Redbook
for the
Chiropractic Board

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March 22, 2007

Chiropractic Board

- The Board licensed 122 chiropractic physicians in FY 2005 and 86 in FY 2006
- The Board currently oversees approximately 2,300 chiropractic physicians

OVERVIEW

The Ohio State Chiropractic 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.

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 approximately 2,300 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. Expenditures and revenues for FY 2006 were \$612,095 and \$541,360, respectively. The Board contributed \$105,814 and \$70,735 more to Fund 4K9 than it expended during FY 2008 and FY 2009, respectively.

Licensing System

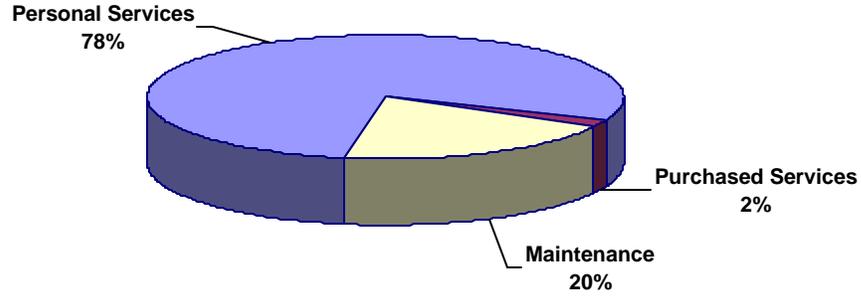
The Board, in partnership with the Department of Administrative Services, implemented a new web-based multi-board licensing system. Each board pays its share of the costs out of Fund 4K9. The Chiropractic Board paid \$1,120 in FY 2006 and \$1,025 in FY 2007. In FY 2008, estimated costs are \$902, and \$1,032 in FY 2009 for this system and for the computer firewall protection.

Governor's Recommendations

The Governor recommended funding of \$607,445 in FY 2008 and \$621,621 in FY 2009. The Board had requested the same amount in both years.

As shown in the following chart, the majority of funding for FY 2006 is for personal services.

Total Budget by Object Code for FYs 2008-2009



Staffing Levels

| Chiropractic Board Staffing Levels | | | | | | |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Program Series/Division | 2004 | 2005 | 2006 | 2007 | Estimated | |
| | | | | | 2008 | 2009 |
| Board Members | 5 | 5 | 5 | 5 | 5 | 5 |
| Board Staff | 7 | 7 | 6 | 6 | 6 | 6 |
| Totals | 12 | 12 | 11 | 11 | 11 | 11 |

In 2005, the Board had an investigator retire and the position was not filled for cost containment purposes.

FACTS AND FIGURES

Number of Licensees

| License Type | FY 2005 | FY 2006 |
|------------------------|---------|---------|
| Chiropractic Physician | 122 | 86 |

The number of students enrolled in chiropractic colleges has dropped overall. Therefore, the number of graduates applying for licensure has declined.

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 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Revenues | \$574,849 | \$571,805 | \$583,538 | \$586,970 | \$619,201 | \$612,095 |
| Expenditures | \$489,885 | \$488,902 | \$520,989 | \$552,162 | \$513,387 | \$541,360 |
| Net | \$84,964 | \$82,903 | \$62,549 | \$34,808 | \$105,814 | \$70,735 |
| Two-Year Net | \$167,867 | | \$97,357 | | \$176,549 | |

The Chiropractic Board was able to net more in Fund 4K9 during FYs 2005-2006 due to the unfilled Investigator position and high turnover in the Customer Service/Investigator Assistant position which was not consistently filled throughout the biennium.

ANALYSIS OF EXECUTIVE PROPOSAL

Single Program Series

Operating Expenses

Purpose: License and regulate the chiropractic profession.

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

| Fund | ALI | Title | FY 2008 | FY 2009 |
|---|---------|--------------------|------------------|------------------|
| General Services Fund | | | | |
| GSF | 878-609 | Operating Expenses | \$607,445 | \$621,621 |
| General Services Fund Subtotal | | | \$607,445 | \$621,621 |
| Total Funding: Ohio State Chiropractic Board | | | \$607,445 | \$621,621 |

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 the 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: 878-609, Operating Expenses

Implication of Executive Recommendation: The Board requested \$607,445 in FY 2008 and \$621,621 in FY 2009. The Executive recommended fully funding the Board's request in both years.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting the Ohio State Chiropractic Board.

REQUESTS NOT FUNDED

| Fund Line Item | FY 2008 Requested | FY 2008 Recommended | Difference | FY 2009 Requested | FY 2009 Recommended | Difference |
|----------------|-------------------|---------------------|------------|-------------------|---------------------|------------|
| 878-609 | \$607,445 | \$607,445 | \$0 | \$621,621 | \$621,621 | \$0 |
| TOTALS | \$607,445 | \$607,445 | \$0 | \$621,621 | \$621,621 | \$0 |

The Chiropractic Board had no requests not funded for FY 2008 or FY 2009.

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General Services Fund Group

4K9 878-609 Operating Expenses

| 2004 | 2005 | 2006 | 2007 Estimate | 2008 Executive Proposal | 2009 Executive Proposal |
|-----------|-----------|-----------|------------------|----------------------------|----------------------------|
| \$556,210 | \$534,066 | \$516,427 | \$621,621 | \$607,445 | \$621,621 |
| | -4.0% | -3.3% | 20.4% | -2.3% | 2.3% |

Source: GSF: License fees and other assessments collected by the state's professional and occupational licensing boards

Legal Basis: ORC 4734.02 and 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.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

| <i>Fund</i> | <i>ALI</i> | <i>ALI Title</i> | <i>2006</i> | <i>Estimated 2007</i> | <i>Executive 2008</i> | <i>% Change 2007 to 2008</i> | <i>Executive 2009</i> | <i>% Change 2008 to 2009</i> |
|--|------------|--------------------|-------------------|---------------------------|---------------------------|----------------------------------|---------------------------|----------------------------------|
| CHR Chiropractic Board, State | | | | | | | | |
| 4K9 | 878-609 | Operating Expenses | \$ 516,427 | \$621,621 | \$ 607,445 | -2.3% | \$ 621,621 | 2.3% |
| General Services Fund Group Total | | | \$ 516,427 | \$ 621,621 | \$ 607,445 | -2.3% | \$ 621,621 | 2.3% |
| Total All Budget Fund Groups | | | \$ 516,427 | \$ 621,621 | \$ 607,445 | -2.3% | \$ 621,621 | 2.3% |