

LSC Redbook

Analysis of the Executive Budget Proposal

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

Jim Ramey, Budget Analyst
Legislative Service Commission

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ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

Orthotics, Prosthetics, and Pedorthics

- Non-GRF agency; funded by fee revenues
- Funding increased by 20.3% in FY 2012 and decreased by 9.6% in FY 2013
- Over 390 active licenses

OVERVIEW

Agency Overview

The Board of Orthotics, Prosthetics, and Pedorthics was established in 2002. The Board issues licenses for orthotists, prosthetists, and pedorthists and establishes standards for education, preprofessional training, and examination.¹ The Board also sets standards of practice, investigates complaints, holds administrative hearings, determines appropriate disciplinary actions, and monitors continuing education among licensees. Over 390 licenses issued by the Board are currently active.

The Board's governing authority consists of seven members appointed by the Governor, including two dual licensed orthotist-prosthetists, an orthotist, a prosthetist, a pedorthist, a member of the State Medical Board, and a consumer of orthotic or prosthetic goods and services. Members are appointed for three-year terms and may serve two consecutive terms. The Board meets about five times per year. The members serve without compensation but are reimbursed for expenses incurred in the performance of their official duties.

The Board's daily operations are the responsibility of an executive director appointed by the seven-member governing authority. Board staff consists of the Executive Director and an intermittent clerk. The Board's annual budget for FY 2011 is \$105,000. The Board receives no GRF moneys; it is supported entirely by fees.

¹ Orthotists are individuals who design, fabricate, and fit braces or other orthopedic appliances prescribed by physicians.

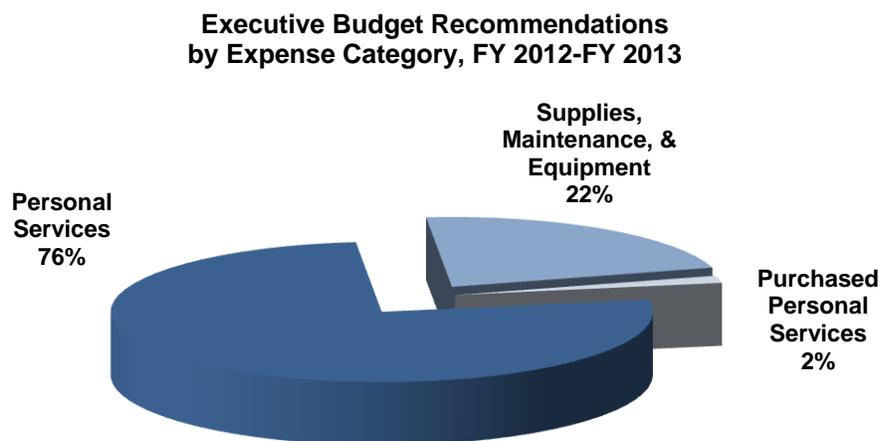
Prosthetists are individuals who fabricate and fit artificial limbs (prosthetics) and similar devices prescribed by physicians.

Pedorthists are individuals who fit appliances as prescribed for relief of painful or disabling conditions of the foot.

Appropriation Overview

The executive recommends funding of \$126,340 in FY 2012, a 20.3% increase over FY 2011 estimated expenditures, and \$114,218 in FY 2013, a 9.6% decrease from FY 2012. Under the executive's proposal, the Board will be able to maintain its current operations and staffing level.

As a regulatory agency, personal services is the largest expense category for the Board. As seen in the chart below, 76% of the executive budget recommendations for the biennium are for personal services; 22% for supplies, maintenance, and equipment; and 2% for purchased personal services.



As with many other licensing boards and commissions, the Board receives centralized administrative support services provided by the Central Service Agency (CSA) of the Department of Administrative Services (DAS). Services made available through CSA include budget development, Controlling Board request preparation assistance, management consultation, procurement, fiscal processing, human resources, and payroll. These centralized services help increase overall efficiency. The Board pays CSA for services rendered. In FY 2010, the Board paid about \$3,000 in CSA charges. These payments are included in the supplies, maintenance, and equipment category.

Fee Revenues and Fund 4K90

The Board issues orthotist, prosthetist, pedorthist, and orthotist-prosthetist licenses and temporary licenses. Table 1 below shows the current fee amount for each type of license. Licenses issued by the Board are required to be renewed annually. Temporary licenses are issued for one year, and once expired may be reissued once. Application and license renewal fees have not changed since the Board began operations in FY 2002.

Table 1. License Fees	
License Type	Fee
Orthotist, Prosthetist, and Pedorthist	
Initial	\$125
Renewal	\$300
Temporary	\$150

Fee revenues collected by the Board are deposited into the Occupational Licensing Regulatory Fund (Fund 4K90), which was established by H.B. 152 of the 120th General Assembly. Twenty-six occupational licensing and regulatory boards and commissions, including the Board, use Fund 4K90 as an operating account into which receipts are deposited and from which expenses are paid. Each licensing board or commission is generally expected to be self-sufficient, i.e., generating enough revenue to cover its expenses.

Table 2 below shows the Board's annual revenues and expenditures from FY 2007 through FY 2013 as well as the net of revenues less expenditures. As seen in the table, from FY 2007 to FY 2011, the Board's revenues have exceeded expenditures each year. Expenditures are estimated to exceed revenues in FY 2012 largely due to a required \$8,800 biennial audit that was previously paid for by the Auditor of State. In FY 2013, revenues are again estimated to exceed expenditures.

Table 2. Revenues and Expenditures							
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 (estimate)	FY 2012 (estimate)	FY 2013 (estimate)
Revenue	\$110,022	\$110,750	\$107,718	\$113,315	\$115,500	\$118,000	\$120,500
Expenditures	\$102,795	\$99,087	\$106,498	\$96,861	\$105,000	\$126,340	\$114,218
Net of Rev. & Exp.	\$7,227	\$11,663	\$1,220	\$16,454	\$10,500	(\$8,340)	\$6,282

ANALYSIS OF EXECUTIVE PROPOSAL

The Board's operations are funded by a single line item appropriation from the General Services Fund Group. Table 3 shows the Governor's recommended funding for the line item.

Table 3. Governor's Recommended Funding for the Board				
Fund	ALI and Name		FY 2012	FY 2013
General Services Fund Group				
4K90	973609	Operating Expenses	\$126,340	\$114,218

Through this one line item, the Board pays all of its expenses. The executive recommends funding of \$126,340 in FY 2012, a 20.3% increase over FY 2011 estimated expenditures, and \$114,218 in FY 2013, a 9.6% decrease from FY 2012. The executive recommendation will generally allow the Board to maintain its current operations and staffing level in the FY 2012-FY 2013 biennium. The recommended funding level will also allow for the Board to reclassify both staff positions. The intermittent clerk position will be reclassified to a permanent part-time employee and the Executive Director's position will be reclassified from administrative staff to board/commission executive secretary. Reclassification of those positions will increase the allowable hours for the clerk and the pay range for the Executive Director.

During the FY 2012-FY 2013 biennium, in addition to ongoing operating expenses, the Board will be required to pay the cost of its biennial audit conducted by the Auditor of State. S.B. 155 of the 128th General Assembly, effective March 31, 2010, requires all state agencies to pay for their own audits.² In the past, the cost of state agency audits was paid for by DAS, but funding for that purpose was eliminated by Am. Sub. H.B. 1 of the 128th General Assembly (FY 2010-FY 2011 biennial budget bill). As a result, the Board anticipates having to pay \$8,800 for this audit in the upcoming biennium.

Licenses

To carry out its regulatory responsibility, the Board establishes standards of practice and licenses qualified orthotists, prosthetists, and pedorthists who meet academic, preprofessional, and examination requirements. A temporary license is available for individuals who have completed their residency but have not yet taken or passed the required examination. Table 4 below shows the number of active licenses issued by the Board for FY 2010 compared to FY 2009. From FY 2009 to FY 2010, the total number of active licenses decreased by 0.5%.

² R.C. 117.13.

Table 4. Active Licenses*			
License Type	FY 2009	FY 2010	% Change
Orthotist	107	106	-0.9%
Prosthetist	70	67	-4.3%
Pedorthist	94	86	-8.5%
Orthotist-Prosthetist	108	116	7.4%
Temporary	18	20	11.0%
Total	397	395	-0.5%

*Data shown is as of June 30th in each year.

Licenses issued by the Board are required to be renewed annually and are valid from February 1st through January 31st. Table 5 shows the number of licenses issued by the Board during FY 2010.

Table 5. Licenses Issued in FY 2010			
License Type	Initial	Renewal	Total
Orthotist	6	88	94
Prosthetist	2	70	72
Pedorthist	13	119	132
Orthotist-Prosthetist	1	103	104
Temporary	4	5	9
Total	26	385	411

Currently the Board utilizes the license verification component of the eLicensing system and added online license renewal service in FY 2011. The eLicensing system is administered through CSA. Each board that participates in the eLicensing system receives a basic component of the system that includes a database of all licensees and their license status. Boards have the option of purchasing additional components of the system including initial licensure, renewal, image storing and indexing, and complaint tracking.

Investigation and Enforcement

The Board's regulatory obligations also include investigating complaints about incompetent, unethical, and impaired practitioners. All complaints to the Board must be submitted in writing. The complaints are then reviewed to determine whether the Board has the legal authority to take action. The most common complaint has been for violations of standards of care. Of the nine complaints received in FY 2010, three involved standards of care. In FY 2010, the Board completed eight investigations, issued seven cease and desist letters, and entered into one consent agreement.

The Board also continues to monitor one licensee who is permitted to practice under probationary conditions.

Continuing Education

The Board requires continuing education (CE) for license renewal. CE requirements differ depending upon the type of license, but all CE courses must be approved by the Board. Individuals licensed as an orthotist or prosthetist are required to earn 45 CE units every three years. Individuals licensed as both an orthotist and a prosthetist must earn 75 CE units. Individuals licensed as a pedorthist are required to earn 33 CE units. CE units are accrued over a three-year period and are submitted to the Board every fourth year during license renewal. A list of approved programs and activities is posted on the Board's web site (<http://www.opp.ohio.gov>).

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State Board of Orthotics, Prosthetics, and Pedorthics

General Services Fund Group

4K90 973609 Operating Expenses

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$99,087	\$106,498	\$96,861	\$105,000	\$126,340	\$114,218
	7.5%	-9.0%	8.4%	20.3%	-9.6%

Source: General Services Fund Group: License fees and other assessments collected by the state's professional and occupational licensing boards

Legal Basis: ORC 4743.05 and 4779.08(C); Section 353.10 of Am. Sub. H.B. 1 of the 128th G.A. (originally established by Am. Sub. H.B. 94 of the 124th G.A.)

Purpose: This line item is used to pay the State Board of Orthotics, Prosthetics, and Pedorthics' operating expenses, including personal services, supplies, maintenance, and equipment. The Board issues licenses for orthotists, prosthetists, and pedorthists and establishes standards for education, preprofessional training, and examination. The Board also sets standards of practice, investigates complaints, holds administrative hearings, determines appropriate disciplinary actions, and monitors continuing education compliance among licensees.

FY 2012 - FY 2013 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
OPP State Board of Orthotics, Prosthetics, and Pedorthics								
4K90	973609	Operating Expenses	\$ 96,861	\$ 105,000	\$ 126,340	20.32%	\$ 114,218	-9.59%
General Services Fund Group Total			\$ 96,861	\$ 105,000	\$ 126,340	20.32%	\$ 114,218	-9.59%
State Board of Orthotics, Prosthetics, and Pedorthics Total			\$ 96,861	\$ 105,000	\$ 126,340	20.32%	\$ 114,218	-9.59%