Arizona Board of Osteopathic Examiners **A.R.S. § 32-1801**

Executive Director: Ann Marie Berger JLBC Analyst: Beth Kohler

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Approved	FY 2003 Approved
PROGRAM BUDGET				
Board of Osteopathic Examiners	491,700	450,300	386,700	400,200
Health Crisis Fund Repayment SLI	0	40,000	85,000	0
TOTAL APPROPRIATIONS	**491,700**	**490,300** 1/	**471,700**	**400,200**
OPERATING BUDGET				
Full Time Equivalent Positions	9.0	8.0	8.0	8.0
Personal Services	326,100	267,200	238,600	252,800
Employee Related Expenditures	60,900	55,500	55,700	54,400
Professional and Outside Services	16,700	71,000	37,000	37,000
Travel - In State	2,100	5,000	0	0
Travel - Out of State	4,900	9,000	0	0
Other Operating Expenditures	70,200	40,500	55,400	56,000
Equipment	10,800	2,100	0	0
Operating Subtotal	491,700	450,300	386,700	400,200
Special Line Items (SLI)	0	40,000	85,000	0
TOTAL APPROPRIATIONS	**491,700**	**490,300**	**471,700** 2/3/	**400,200** 3/
FUND SOURCES				
Board of Osteopathic Examiners Fund	491,700	490,300	471,700	400,200
Subtotal - Other Appropriated Funds	491,700	490,300	471,700	400,200
TOTAL APPROPRIATIONS	**491,700**	**490,300**	**471,700**	**400,200**

AGENCY DESCRIPTION — *The agency licenses and regulates medical physicians who practice osteopathic medicine, a system of medical treatment that emphasizes the inter-relationship of the body's muscles, bones, and joints with other body systems as an adjunct to invasive and/or chemically-based treatment.*

PERFORMANCE MEASURES	FY 1999 Est./Actual	FY 2000 Est./Actual	FY 2001 Estimate	FY 2002-03 Estimate
• Number of licensees (new and existing)	1,615/1,545	1,675/1,710	1,765	1,790/1,815
• Number of complaints received about licensees	350/197	250/160	250	250
• Average calendar days to resolve a complaint	120/175	120/205	180	180
• Number of investigations of licensees	225/251	250/177	200	200
• Average calendar days to renew a license (from receipt of application to issuance)	10/28	15/15	15	15
• Administration as a % of total cost	NA	0.26/NA	0.26	0.34
• Customer satisfaction rating (Scale 1-8)	NA	NA	NA	6.0

Revenue Deficit — The approved amount includes a decrease of $(70,500) in both FY 2002 and FY 2003 below FY 2001 due to a revenue deficit. In FY 2001, the board expended its entire fund balance and available revenues due to a lack of oversight of fund revenues and expenditures. Pursuant to A.R.S. § 36-797.C, the

1/ The board received a $125,000 loan from the Health Crisis Fund. As a condition of the loan, the board was required to reduce actual FY 2001 expenditures from $490,300 to $383,100 plus $40,000 for loan repayment.

2/ This appropriation is available for use pursuant to the provisions of A.R.S. § 35-143.01C and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations until June 30, 2003. (General Appropriation Act footnote)

3/ General Appropriation Act funds are appropriated as a Lump Sum by Agency with Special Line Items.

Governor declared a Health Crisis by Executive Order to allow Health Crisis Fund monies to be transferred to the board. The Health Crisis Fund receives up to $1,000,000 per year from the Tobacco Tax and Health Care Fund. Executive Order 2000-15 transferred $125,000 to the board as a loan. The loan will be repaid to the Health Crisis Fund by June 30, 2002. As a condition of the loan, the board was required to reduce FY 2001 expenditures and to submit an action plan outlining how the board plans to address the revenue deficit and prevent future shortfalls. The board will reduce FY 2001, FY 2002, and FY 2003 expenditures by reducing staff by 3.5 FTE Positions (and holding these positions vacant), decreasing the Executive Director's salary, and eliminating nonessential other operating expenditures. The recommended FY 2002 and FY 2003 amounts include the reductions specified in the board's action plan.

Health Crisis Fund Repayment Special Line Item — Monies in this Special Line Item are used to repay the Health Crisis Fund for a loan the board received in FY 2001 *(see Revenue Deficit policy issue for more detail)*. As a condition of the loan, the board is required to repay the Health Crisis Fund by June 30, 2002. The board has developed a repayment schedule and will pay $40,000 in FY 2001 and $85,000 in FY 2002. This Special Line Item was established in FY 2002 to reflect the monies allocated for repayment of the loan.

Additional Legislation: Board of Osteopathic Examiners (Chapter 34) — Raised the fees the board may charge for licensure by an average of 67%, which should help prevent future revenue deficits.

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