

Arizona Board of Osteopathic Examiners

JLBC: John Malloy
 OSPB: Bob Chapko

Subcommittee: Health & Welfare

DESCRIPTION	FY 2002 ACTUAL	FY 2003 ESTIMATE	FY 2004		FY 2005	
			OSPB	JLBC	OSPB	JLBC
PROGRAM BUDGET						
Board of Osteopathic Examiners	425,000	412,100	462,900	459,000	437,900	434,000
Health Crisis Fund Repayment SLI	60,000	0	0	0	0	0
AGENCY TOTAL	485,000	412,100	462,900	459,000	437,900	434,000

OPERATING BUDGET

	8.0	8.0	5.5	5.5	5.5	5.5
<i>Full Time Equivalent Positions</i>						
Personal Services	271,500	246,700	246,700	246,700	246,700	246,700
Employee Related Expenditures	55,400	55,400	56,000	55,100	56,000	55,100
Professional and Outside Services	30,100	20,800	34,200	38,800	34,200	38,800
Travel - In State	0	0	2,000	2,000	2,000	2,000
Travel - Out of State	0	0	6,000	0	6,000	0
Other Operating Expenditures	57,700	89,200	93,000	91,400	93,000	91,400
Equipment	10,300	0	25,000	25,000	0	0
OPERATING SUBTOTAL	425,000	412,100	462,900	459,000	437,900	434,000
Special Line Items (SLI)	60,000	0	0	0	0	0
AGENCY TOTAL	485,000	412,100	462,900	459,000	437,900	434,000

FUND SOURCES

Other Appropriated Funds

Board of Osteopathic Examiners Fund	485,000	412,100	462,900	459,000	437,900	434,000
SUBTOTAL - Other Appropriated Funds	485,000	412,100	462,900	459,000	437,900	434,000
SUBTOTAL - Appropriated Funds	485,000	412,100	462,900	459,000	437,900	434,000
TOTAL - ALL SOURCES	485,000	412,100	462,900	459,000	437,900	434,000

CHANGE IN FUNDING SUMMARY

	FY 2003 to FY 2004 JLBC		FY 2003 to FY 2005 JLBC		Biennial
	\$ Change	% Change	\$ Change	% Change	\$ Change
Other Appropriated Funds	46,900	11.4%	21,900	5.3%	68,800

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 2002	FY 2002	FY 2003	FY 2004
	Appropriation	Actual	Appropriation	Recommend.
• Number of licensees (new and existing)	1,790	1,654	1,815	--
• Number of complaints received about licensees	250	129	250	--
• Average calendar days to resolve a complaint	180	195	180	180
• Number of investigations of licensees	200	NA	200	--
• Average calendar days to renew a license (from receipt of application to issuance)	15	15	15	15
• Administration as a % of total cost	.34	25	.34	25
• Customer satisfaction rating (Scale 1-8)	6.0	NA	6.0	6.0
• Average calendar days to process license from receipt of application to issuance (NEW)		81		65

Comments: The agency did not submit information for any measure labeled as "NA." The FY 2002 and FY 2003 appropriation for administration as a % of total cost was incorrectly labeled as .34%. The correct appropriation level should have been 34%.

RECOMMENDED CHANGES FROM FY 2003

		<u>FY 2004</u>	<u>FY 2005</u>
Standard Changes	OF	\$14,000	\$14,000

Upgrade IT system **OF** **25,000** **0**

The JLBC recommends a Board of Osteopathic Examiners Fund increase to upgrade the board's computer hardware and software equipment. The FY 2005 increase is lower due to the elimination of one time equipment. The recommended funding would be used to replace a server, 6 PC workstations and 2 printers. The agency indicates that these upgrades are needed because its current equipment cannot run OSPB budgeting software or General Accounting Office inventory software. In addition, the upgrades will enable the agency to improve its online capabilities so that it can process applications over the Internet and provide information on osteopathic examiners to members of the public.

Database Enhancements **OF** **8,000** **8,000**

The JLBC recommends a Board of Osteopathic Examiners Fund increase to improve its database capabilities to better track complaints and to allow for the release of information to the public in a prompt manner. Database improvements will also aid in processing renewals faster. Enhancements to the board's database would be in line with an Auditor General's report recommending improvements to the board's database capabilities.

OAH Hearings **OF** **10,000** **10,000**

The JLBC recommends a Board of Osteopathic Examiners Fund increase in order to fund anticipated Office of Administrative Hearing (OAH) costs. Funding is based on an estimated \$5,100 for 5 cases processed by OAH as well as an additional \$4,900 for expert medical witnesses.

Travel Costs **OF** **2,000** **2,000**

The JLBC recommends a Board of Osteopathic Examiners Fund increase for In-State Travel. The increase will reinstate the board's In-State budgeted travel authority, which was curtailed due to the agency's budget shortfall in FY 2001. Funding will support the agency's investigation and inspection efforts.

FTE Reductions **OF** **(12,100)** **(12,100)**

The JLBC recommends a (2.5) FTE Position decrease to accurately represent agency staffing levels. According to the board, the FTE Position decrease will reflect an appropriate FTE level for an agency of its size. The recommended FTE Position reduction amount represents vacant positions within the agency. Savings is based on Employee Related Expenditures associated with the elimination of (2.5) FTE Positions.

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JLBC RECOMMENDED FORMAT — Lump Sum by Agency.

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

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, 2005.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Health Crisis Fund Repayment

The board received a loan of \$125,000 in FY 2001 in order to address a revenue deficit in the fund. The board received appropriations of \$40,000 in FY 2001 and \$85,000 in FY 2002 for repaying the loan. The board used the entire FY 2001 appropriation (\$40,000) for loan repayment. For FY 2002, however, the board received permission from the Governor's office to pay only \$60,000 of the \$85,000 remaining balance that year because it believed that it would need part of its loan-repayment appropriation for FY 2002 operational expenses. As a result, the board carried a loan balance of \$25,000 into FY 2003.

The board plans to pay off the remaining \$25,000 loan balance during FY 2003 using \$12,600 in unexpended monies from FY 2002 and \$12,400 from its FY 2003 operating budget.

The legislation that originally authorized the loan required it to be repaid by June 30, 2003. It also allowed appropriations for repayment of the loan to be non-lapsing through June 30, 2003.

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Board of Osteopathic Examiners (OSA2048/A.R.S. § 32-1805)		Appropriated
Source of Revenue: Monies collected by the board from the examination and licensing of osteopathic physicians. The board retains 90% of these monies and deposits 10% in the General Fund. In FY 2001, \$125,000 was transferred from the Health Crisis Fund.		
Purpose of Fund: To examine, license, investigate, and regulate osteopathic physicians, and for board administration.		
Funds Expended	485,000 ^{1/}	412,100 ^{1/}
Year-End Fund Balance	443,700	134,300

^{1/} Includes \$60,000 repayment to the Health Crisis Fund in FY 2002 and a \$25,000 repayment to the Health Crisis Fund in FY 2003.

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