

Biennial Supplementals

Laws 263, Chapter 262 provided both FY 2004 and FY 2005 funding for a number of Other Appropriated Fund and small General Fund agencies. The JLBC recommends supplemental funding in FY 2004 and/or FY 2005 for the following agencies:

Acupuncture Board of Examiners
Analyst: Bethany Nicholas

The JLBC recommends a revised total of \$80,700 in FY 2005 from the Acupuncture Board of Examiners Fund. These amounts would fund the following supplemental adjustments:

		<u>FY 04</u>		<u>FY 05</u>
Salary Increase	OF	\$0		\$8,000
The JLBC recommends a FY 2005 supplemental increase from the Acupuncture Board of Examiners Fund to adjust the salary of the Executive Director. The Executive Director's position is currently vacant and this increase will allow the board to hire a new Executive Director. The increase will bring the Executive Director's salary closer to the average salary of similar boards. The director's current salary is approximately 19% below the average salary of \$42,860 for directors of comparable agencies.				

Acupuncture Board of Examiners				
Change	OF	0		8,000
Revised Total	OF	75,300		80,700

Automobile Theft Authority
Analyst: Tony Vidale

The JLBC recommends a revised total of \$4,521,500 in FY 2005 from the Auto Theft Authority Fund (ATA). These amounts would fund the following supplemental adjustments:

		<u>FY 04</u>		<u>FY 05</u>
ATA Grants				
Special Line Item	OF	0		400,000
The JLBC recommends a FY 2005 supplemental increase of \$400,000 from the Auto Theft Authority Fund for the ATA Grants Special Line Item. The increased grant monies would be awarded to the ATA Task Force to cover Personal Services, Employee Related Expenditures (ERE), and Risk Management charges for Department of Public Safety (DPS) personnel assigned to the Task Force. Prior to FY 2004, the ATA grant covered 75% of the cost of officers assigned to the Task Force, with law enforcement agencies responsible for the remaining 25%. Laws 2003, Chapter 262 required the ATA to pay 100% of the costs of DPS officers participating on the Task Force. There is sufficient funding to support the cost increase for 20 DPS				

officers in FY 2004; however, the Task Force will need to eliminate 6 positions in FY 2005 without additional funding. In addition, the recommendation would also reimburse DPS for Risk Management charges of \$57,000 in FY 2005 for the 20 DPS officers and 5 civilians assigned to the Task Force. In the past, DPS has covered Risk Management expenditures. Due to recent budget reductions, the department has asked the ATA to cover the expenditure for staff assigned to the Task Force.

Automobile Theft Authority				
Change	OF	0		400,000
Revised Total	OF	4,038,200		4,521,500

Board of Behavioral Health Examiners
Analyst: Bethany Nicholas

The JLBC recommends a revised total of \$816,100 in FY 2004 and \$773,900 in FY 2005 from the Board of Behavioral Health Examiners Fund. These amounts would fund the following supplemental adjustments:

		<u>FY 04</u>		<u>FY 05</u>
Rent Adjustment	OF	2,300		2,300
The JLBC recommends a FY 2004 and FY 2005 supplemental increase of \$2,300 from the Board of Behavioral Health Examiners Fund for rent expenses associated with an additional 496 square feet of office space acquired in FY 2003. Due to a miscalculation of the square footage, the board received monies for 340 square feet of the increase in FY 2003, but now requires additional monies to cover the increased rent expense of the additional 156 square feet.				

Board of Behavioral Health Examiners				
Change	OF	2,300		2,300
Revised Total	OF	816,100		773,900

Naturopathic Physicians Board of Medical Examiners
Analyst: Bethany Nicholas

Laws 2003, Chapter 202 created a new Board of Massage Therapy that will license and regulate massage therapists. The board will be governed by a stand-alone 5 member board, but will be staffed by the Executive Director of the Naturopathic Physicians Board of Medical Examiners. Monies received by the board will be deposited into the Naturopathic Physicians Board of Medical Examiners Fund, but shall be kept in a separate account established for the Board of Massage Therapy. *Table 1* forecasts the board's fund balance through FY 2005 based on the recommended expenditure authority and the agency's

revenue projections. Actual revenues will vary since this is the first time that the state will begin licensing massage therapists.

The JLBC recommends a revised total of \$307,700 in FY 2004 and \$402,900 in FY 2005 from the Naturopathic Physicians Board of Medical Examiners Fund. These amounts would fund the following supplemental adjustments:

	<u>FY 04</u>	<u>FY 05</u>
New Board Member		
Costs	OF 0	6,000

The JLBC recommends a FY 2005 supplemental increase

Board of Massage Therapy Projected Source of Funds FY 2004 - FY 2005		
	<u>FY 2004</u>	<u>FY 2005</u>
Balance Forward from Prior Year ^{1/}	\$ 75.0	\$ 59.0
Receipts (From Revenue Projections)	0	907.2
 Total Available	 75.0	 966.2
Total Appropriation	<u>16.0</u>	<u>199.5</u>
 Balance Forward to Next Year	 \$59.0	 \$766.7

^{1/} The Board of Massage Therapy received a loan of \$75,000 from the Naturopathic Physicians Board of Medical Examiners in FY 2004. The Board of Massage Therapy will pay this loan back in annual installments with contributions not to exceed 10% of their total annual revenues. The receipts estimates have been adjusted accordingly.

of \$6,000 from the Naturopathic Physicians Board of Medical Examiners Fund for per diem expenses associated with the new Board of Massage Therapy meetings. Pursuant to A.R.S. § 32-4202, the board which was formed in FY 2004 and consists of 5 members, plans to meet 12 times annually.

Salary Adjustments **OF 0 6,000**
The JLBC recommends a FY 2005 supplemental increase of \$6,000 from the Naturopathic Physicians Board of Medical Examiners Fund to reclassify 3 positions. The Naturopathic board has already approved these increases. These monies will allow the Executive Director's position to be reclassified from E1 to E2, the Compliance Officer's position to be reclassified as a Deputy Director at grade E1, and the Executive Secretary's position to be reclassified as a Licensing Administrator at grade 19. Due to the additional duties associated with running the newly established Massage Therapy Board, these 3 positions have begun performing duties in line with those of their new classification. These increases will bring the salaries to below the new mid-points of the ranges.

Office Expenses **OF 0 36,500**
The JLBC recommends a FY 2005 supplemental increase of \$36,500 from the Naturopathic Physicians Board of Medical Examiners Fund for new office expenses associated with beginning to license and regulate massage therapists. These monies will cover costs for phone services, office supplies, postage, IT services, dues, and reference books. These monies will also be used to contract for the services of a rules writer, law clerks, and court reporters to assist in setting up the new Board of Massage Therapy and handling an expected 5,000 new massage board licensees.

Additional Office Space **OF 0 5,600**
The JLBC recommends a FY 2005 supplemental increase of \$5,600 from the Naturopathic Physicians Board of Medical Examiners Fund to acquire an additional 358 square feet of office space. The board currently occupies 422 square feet, which is about 140 square feet per FTE compared to the average 300 square feet per FTE for similar boards. The board will use the additional space to house 3 new FTEs that will be hired to comply with the new statutory requirement to begin licensing and regulating massage therapists. The new space will allow the board approximately 130 square feet per FTE.

New Massage Board
Personnel **OF 0 95,400**
The JLBC recommends a FY 2005 supplemental increase of 3 FTE Positions and \$95,400 from the Naturopathic Physicians Board of Medical Examiners Fund to hire a Licensing Administrator, an Administrative Assistant II, and a Compliance Officer for the Board of Massage Therapy. These monies and FTE Positions are necessary to enable the board to comply with the new statutory requirement of licensing and regulating massage therapists beginning in FY 2005. The new positions will allow the board to devote a Licensing Administrator and an Administrative Assistant to the Board of Massage Therapy to handle an expected 5,000 new applications which the board anticipates processing in FY 2005. This will also allow the board a Compliance Officer to conduct on-site inspections and conduct necessary investigations.

One-Time Equipment **OF 0 7,500**
The JLBC recommends a FY 2005 supplemental increase of \$7,500 from the Naturopathic Physicians Board of Medical Examiners Fund to acquire new office furniture and computers for 3 new Board of Massage Therapy FTE Positions. The board anticipates filling these positions at the beginning of FY 2005 as licensing of massage therapists begins.

One-Time Travel
Expenses **OF 0 28,500**
The JLBC recommends a FY 2005 supplemental increase of \$28,500 from the Naturopathic Physicians Board of Medical Examiners Fund to acquire a vehicle for the use of the newly-hired Compliance Officer. The vehicle will allow the officer to complete on-site investigations of both

naturopath and massage therapy facilities across the state. Of this amount, \$19,600 would be a one-time expense to acquire the vehicle and \$8,900 would be used for ongoing motor pool expenses.

Court Ordered Examination

Expenses	OF	16,000	4,000
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The JLBC recommends a FY 2004 supplemental increase of \$16,000 and a FY 2005 supplemental increase of \$4,000 from the Naturopathic Physicians Board of Medical Examiners Fund for expenses incurred to develop, review, and administer an examination to a select group of students. This requirement applies to Naturopaths and not Massage Therapists. The Superior Court ordered the examination be developed and administered to a group of students who previously did not qualify to sit for the national examination. The board has incurred expenses of \$12,000 to date in FY 2004 to develop the examination. The board also expects to expend \$4,000 to review and administer the examination in February 2004 and an additional \$4,000 to offer the examination in August 2004. The board will collect fees from the students taking the examination to cover these expenses.

Naturopathic Physicians Board of Medical Examiners			
Change	OF	16,000	189,500
Revised Total	OF	307,700	402,900

Arizona Board of Osteopathic Examiners
Analyst: John Malloy

The JLBC recommends a revised total of \$478,500 in FY 2005 from the Board of Osteopathic Examiners Fund. This amount would fund the following supplemental adjustment:

		<u>FY 04</u>	<u>FY 05</u>
Legal Services	OF	0	44,500

The JLBC recommends a FY 2005 supplemental increase of \$44,500 from the Osteopathic Examiners Fund for legal services provided by the Office of the Attorney General (AG). The board reports that legal services available from the General Fund pool of attorneys from the AG average less than 2 hours per week. As a result, the board faces a backlog of 185 open investigations. With increased legal services, the board anticipates reducing the number of open investigations to 75. The recommended amount would also help the board negotiate settlements and help staff board meetings.

Arizona Board of Osteopathic Examiners			
Change	OF	0	44,500
Revised Total	OF	466,900	478,500

Board of Physical Therapy Examiners
Analyst: Bethany Nicholas

The JLBC recommends a revised total of \$242,100 in FY 2004 and \$252,600 in FY 2005 from the Board of Physical Therapy Examiners Fund. These amounts would fund the following supplemental adjustments:

		<u>FY 04</u>	<u>FY 05</u>
Assistant Attorney General Services	OF	0	22,000

The JLBC recommends a FY 2005 supplemental increase from the Board of Physical Therapy Examiners Fund for additional Assistant Attorney General services. The Attorney General's office has reduced the 400 hours of service available to the board in FY 2002 by 50% in FY 2003. The average time to resolve complaints increased 46% from FY 2002 to FY 2003 due to limited time for the Assistant Attorney General to prepare for informal and formal hearings. The board's need for services is increasing. Board complaints received increased 30% and unlawful practice investigations have increased 74% from FY 2002 to FY 2003; investigations and hearings are directly correlated resulting in an increased need for Attorney General presence at hearings. The additional monies will allow the Assistant Attorney General to dedicate a 0.25 FTE Position specifically to the board.

Development of Jurisprudence Examination	OF	5,000	0
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The JLBC recommends a one-time Board of Physical Therapy Examiners Fund increase for the development of a jurisprudence examination in FY 2004. Recent legislation enacted a statutory mandate for applicants to successfully pass a jurisprudence examination. The board currently does not possess a jurisprudence examination. The additional monies will allow the board to assemble a team of subject matter experts to create a bank of questions and to contract for development of the examination with Arizona Government University.

Board of Physical Therapy Examiners			
Change	OF	5,000	22,000
Revised Total	OF	242,100	252,600

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