



Minnesota Board of Marriage and Family Therapy



To: Rep. Matt Dean, Chair, Health and Human Services Finance Committee
Sen. Tony Lourey, Chair, Health and Human Services Budget Division

From: Jennifer Mohlenhoff, Executive Director
Minnesota Board of Marriage and Family Therapy
Phone: (651) 201-2740 Email: jennifer.mohlenhoff@state.mn.us

Re: Supplemental Appropriation Increase

Request:

The Board of Marriage and Family Therapy (Board) has a critical funding need for the current biennium and requests that its appropriation be increased by \$40,000 in FY 2016 and \$50,000 in FY 2017. Board operations are wholly funded by fee revenues. The Board will collect sufficient fees to cover this increased appropriation; no fee increase is required. This request requires no General Fund dollars.

Rationale/Background:

The Board's current biennial appropriation is insufficient to cover its fixed operational costs. The Board's appropriation shortfall is a result of higher than anticipated salary and benefit costs, legal costs and state operational costs (e.g. MN.IT and MMB):

- There are insufficient funds available to pay current salary costs for the Board's 2.5 full-time staff. When funding was granted in 2013 for a 0.5 administrative staff person, the requested amount was reduced and the appropriation was insufficient to meet salary and benefit costs. Change in benefit structures for part-time State employees has further contributed to the Board having insufficient funding to support current salary costs.
- The Board has experienced a significant increase in contested disciplinary cases. The Board went over ten years without a contested case filing. In 2015, the Board had four contested cases filings resulting in significantly higher administrative hearing and legal costs. Two additional matters appear likely to proceed as contested cases.
- Rates for fixed IT-related costs for phone service, data storage, website support, etc. were set after FY16-17 budgets were established. Rate increases were significantly greater than projected and the Board does not have sufficient spending authority to pay the increased fixed costs. Similarly, the Board's FY16 billing for statewide indirect costs was far greater than past billings. These rates/costs are out of the Board's control and the Board does not have sufficient appropriated spending authority to pay these obligations.

Impact if increased appropriation is not authorized:

Absent the increased appropriation, the Board will be required to reduce staff, despite it having sufficient revenues to fully fund current staffing levels. The Board's move to increase staff from 1.6 to 2.5 FTEs in 2013 was necessary to address the substantial increase in licensees regulated by the Board (licensee numbers increased from 808 in FY2004 to 1,801 in FY2012). Staff reduction will result in significant delays in processing of applications and issuance of licenses, lengthier response and investigation times for complaints, and delayed disciplinary actions by the Board. Such delays ultimately impact the ability of the Board to fulfill its mission to protect the public through effective licensure and enforcement of the rules and statutes governing the practice of marriage and family therapy in Minnesota.



MINNESOTA BOARD OF PHYSICAL THERAPY

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TO Chair Matt Dean - House Health and Human Services Finance Committee
Chair Tony Lourey - Senate Health and Human Services Budget Division

FROM Marshall Shragg, MPH
Executive Director

SUBJECT Supplemental Budget Request (FY16-17)

The Board of Physical Therapy is one of the Health Related Boards that is in a critical financial situation. Although the Board has sufficient funds in our Special Revenue reserve account, the amount of money allocated for spending authority has proven insufficient to maintain proper Board operations.

This request will require no General Fund dollars.

The Board of Physical Therapy requests that you recommend that the legislature authorize an additional \$40,000 for FY2016 and \$60,000 in FY2017 to be added to our base budget- in spending. The rationale is as follows:

- Significant staffing changes have occurred since the time the original budget request was submitted. These include the well-deserved elevation of the Board's office manager to the position of Assistant Executive Director; the retirement of the Board's longtime Executive Director, requiring the Assistant ED to work out-of-class during the prolonged search for a new ED; hiring a new ED (with a higher salary than the previous ED); the termination of a clerical support staff member; and the need for the Assistant ED to put in overtime during the transitional period.
 - o The Board is currently only funded sufficiently to hire a student or part time, temporary staff member to fill in some of the gaps created through the loss of a staff member. The Board requires sufficient funding to hire a replacement *permanent*, full time staff member for clerical support and special projects
- Costs related to the implementation of criminal background checks (CBCs) for licensure applicants have been shared by the four Boards initiating the program. Those costs have been higher than anticipated due to FBI requirements for space construction and securing data and equipment. The Board has also unexpectedly covered printing and mailing costs to provide applicants with the forms necessary for completing fingerprinting and CBCs
- MNIT costs have been difficult to track and project, and those costs have also been higher than expected
- Additional costs that the Board requires supplemental funding to support include rent increases; additional communications costs inherent in increasing automated systems for Board member efficiencies; travel (both in-state and out) related to Board work, Committee work, and Board/staff member development; supplies and equipment costs primarily for replacement of computers reaching their life expectancies; and expenses related to the Office of Administrative Hearings and court costs for higher than usual numbers of contested cases

Please also note at this time that the Board of Physical Therapy has become the administering Board for the Health Professionals Services Program (HPSP). This is noted to better help you respond to questions that may be raised by colleagues or others wondering why PT seems to suddenly be tripling in size. The staffing and operations budget goes with HPSP, and Physical Therapy will be the conduit for those funds and staff. This will result in the *appearance* that the Board of Physical Therapy will have a sudden increase of 8 staff members and \$850,000! These are not increases at all, but simply a shift of those staff members and budget from another Board (Dentistry) to the Physical Therapy Board.

Should this request for additional spending authority be denied, the Board will be unable to continue to provide timely services and access to staff support. There will be significant slowdowns in processing applications, complaints, and other interactions with the Board. Public service, and quite possibly public safety, will be compromised if this Board is not able to be appropriately funded.

On behalf of the Minnesota Board of Physical Therapy, I thank you for your consideration of this request. Please contact me with any concerns or for clarification at 612-548-2119, or directly by cell phone at 612-280-9964.

Thank you.

MEMORANDUM



STATE OF MINNESOTA BOARD OF PHARMACY

To: Rep. Matt Dean, Chair, Health and Human Services Finance Committee
Sen. Tony Lourey, Chair, Health and Human Services Budget Division

From: Cody Wiberg, Executive Director
Minnesota Board of Pharmacy

Re: Supplemental Appropriation Increase

Request:

The Board of Pharmacy (Board) requests that its appropriation be increased by \$115,000 in FY 2016 and \$145,000 in FY 2017. The Board will collect sufficient fees to cover these increased costs so there is no need for a fee increase. The Board receives no appropriation from the general fund; almost all of its revenue is derived from the fees it collects from licensees and registrants. The Board does receive some federal grant money for making enhancements to its Prescription Monitoring Program.

Rationale/Background:

During the 2015 Session, the Board received an increase in its appropriation for the 2016-2017 biennium. Unfortunately, the Board has experienced additional, unanticipated expenses since submitting its original 2016-2017 budget request. These include:

- The Board no longer has authority to directly negotiate contracts with its IT vendors. Instead, MNIT has responsibility for negotiating those contracts, in conjunction with the Department of Administration. Since Board staff was not involved in the negotiations, our estimate of the cost of renewing the contracts was inaccurate. As a result, the annual cost for the renewal of our contract with our licensing database vendor was \$30,000 greater than anticipated.
- Other IT-related costs for phone service, data storage, etc. are approximately \$6,000 greater than expected.
- It has been rare for our Board to have contested disciplinary cases. Consequently, the Board's original 2016-2017 budget request did not include an increase for Office of Administrative Hearings costs. However, the Board now has one actively contested case for which we expect expenditures to be at least \$15,000. In addition, there are several other cases which are likely to be contested, due to the nature of the allegations involved. These are cases for which the Board believes that disciplinary action is both warranted and necessary. Consequently, there is a very good chance that the Board will have another \$45,000 in contested case expenses. (For a total of \$60,000).
- The cost for hiring a complaint coordinator was \$19,000 greater than estimated. The Board had to offer a salary at the top of the range in order to attract a well-qualified candidate.
- The Board is required to begin conducting criminal background checks (CBC) by December 31, 2017. We have recently learned from the CBC Coordinator that we will need to have modifications made to our licensing database that we did know would be required. Those changes need to be made during FY 2017 and will cost approximately \$60,000.

Impact if increased appropriation is not authorized:

No new initiative is being proposed. This proposal to increase the Board's appropriation is intended to ensure that the Board will have sufficient authority to expend the funds necessary to carry out its mission to protect the public. If this appropriation increase is not granted, the Board will have to reduce its staff. In fact, the Board has already refrained from replacing an office and administrative specialist, senior (OASS) who resigned several months ago. In addition to continuing to not fill that position, the Board will have to lay off at least one Pharmacy Surveyor (Inspector). That will result in fewer facility inspections being completed annually, delays in investigating complaints, delays in taking disciplinary action, and delays in the issuance of licenses and registrations.

Collectively, those changes will have an adverse impact on public health and safety. Delays in inspections and complaint investigations increase the likelihood that prescription dispensing errors will occur. Such errors can cause significant health problems for the patient involved – up to and including death. Taking disciplinary action when a licensee is involved in a particularly egregious violation of statutes and rules, can have a deterrent effect, helping to ensure that other licensees practice in a legal and safer manner..



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TO: Legislative Committee Administrators
FROM: Juli Vangness, Director Administrative Services
RE: Supplemental Budget Request (FY16-17) – Health Professional Services Program – Budget bill correction and a change in administering board.

Request

This request is to fix an error in the 2015 budget bill rider language and to move the Health Professional Services Program (HPSP) from the Board of Dentistry to the Board of Physical Therapy. This request is considered a zero impact; there is no change in the total amount appropriated last session. This request includes funds within the state government special revenue fund. This request has no impact on the general fund.

Background

The Minnesota Board of Dentistry was the administering board for the Health Professional Services Program from FY 2012 through FY 2015. In FY 2016, the administering board for the Health Professional Services Program moved to the Board of Physical Therapy. Last fall, the boards informed the appropriate legislative committees of the change in administrative management for HPSP.

The 2015 Session Laws, Chapter 71, Article 14, Section 004, subdivision 003 contained an error in the value of the Health Professional Services Unit rider language under the Board of Dentistry. Rider language appropriating funds to the Health Professional Services program was too high by \$14,000 in both fiscal year 2016 and fiscal year 2017. This error decreased the Board of Dentistry's base budget by \$14,000 each year. This does not align with legislative conference committee tracking or the governor's recommendations for funding, which intended to increase HPSP funding by \$13K/\$27K and the Board of Dentistry funding by \$84/\$84. Chapter 71 now has HPSP getting an increase of \$27/\$41 and the Board of Dentistry a \$70/\$70 increase. This error was communicated to fiscal staff from both committees and MMB.

Below is language that will fix the appropriation amounts and move the program from the Board of Dentistry to the Board of Physical Therapy.

Subd. 3.	2,192,000	2,206,000
	<u>1,342,000</u>	<u>1,342,000</u>

Board of Dentistry

This appropriation includes \$864,000 in fiscal year 2016 and \$878,000 in fiscal year 2017 for the health professional services program.

Subd. 11.

Board of Physical Therapy

354,000 359,000
1,204,000 1,223,000

This appropriation includes \$850,000 in fiscal year 2016 and \$864,000 in fiscal year 2017 for the Health Professional Services Program.

This supplemental budget request is a zero change in total.