

2025-27 Budget Review

Board of Dentistry

	2021-23 Actual	2023-25 Legislatively Approved *	2025-27 Current Service Level	2025-27 Governor's Budget
Other Funds	3,620,918	4,427,096	5,017,169	4,559,747
Total Funds	3,620,918	4,427,096	5,017,169	4,559,747
Positions	8	8	8	7
FTE	8.00	7.62	7.62	7.00

* Includes legislative and administrative actions through December 2024.

PROGRAM DESCRIPTION

The Oregon Board of Dentistry (OBD) is a ten-member citizen board that promotes high-quality oral healthcare by regulating dental professionals. A staff of eight administers OBD's licensing and compliance operations, including issuing and renewing licenses, conducting examinations of applicants, monitoring continuing education of licensees, and investigating and adjudicating complaints against licensees. OBD receives most of its revenue from application fees and licensing and renewal fees for dentists, dental hygienists, and dental therapists. OBD also receives a small amount of revenue from civil penalties, interest earnings, late fees, and the sale of public documents and records.

BUDGET ENVIRONMENT

OBD's projected 2023-25 ending balance is approximately \$1.1 million Other Funds, which is equivalent to 7.2 months of operating reserves. License renewals occur annually during the fall and spring, which requires the Board to maintain an ending balance of at least six months of operating reserves due to the lengthy periods between revenue collection periods.

The Board currently licenses approximately 8,000 individuals. Over the past five years, the number of licensees has remained relatively flat, and is projected to grow by less than 1% in the 2025-27 biennium. As a result, revenues have largely plateaued, while administrative costs have continued to rise. The major cost drivers in OBD's budget are personnel costs, rent, legal services, assessments by the Department of Administrative Services (DAS), and participation in the Oregon Wellness Program (OWP) and the Health Professionals' Services Program (HPSP).

With these costs increasing, OBD is projected to have a revenue shortfall of \$456,152 in the 2025-27 biennium. The corresponding budget reduction includes elimination of a Healthcare Investigator position (0.62 FTE), totaling \$311,152 and \$145,000 for participation in the Health Professionals'

Services Program (HPSP), which OBD will no longer participate in as of the 2025-27 biennium, due to a lack of participation among licensees.

To increase revenues, OBD has proposed a fee increase on license renewals and anesthesia permits as part of its 2025-27 budget to support operations at the current service level. OBD's last fee increase, which was included in the 2023-25 legislatively approved budget, took effect in August 2023. The new proposed fee increase is projected to generate an estimated \$409,320 in additional Other Funds revenue in the 2025-27 biennium. Using this additional revenue, OBD proposes to restore the Healthcare Investigator position as a part-time position (0.25 FTE), though a contract investigator may prove to be more feasible than a part-time position.

In the 2023 session, a budget note directed OBD to review the most cost-effective approach for transitioning its budget and accounting services from the Oregon Medical Board to DAS. OBD transitioned to DAS budget and accounting services in July 2024 with the understanding that DAS would maintain the current rate charged by the Medical Board for these services, through the end of the 2023-25 biennium. However, beginning in the 2025-27 biennium, OBD's budget will include the rate methodology used for DAS budget and accounting services, which is projected to cost \$110,160 more than the services currently received from the Medical Board. While OBD continues to receive Human Resources (HR) and Payroll support services from Medical Board, OBD has proposed a policy option package to transition these services to DAS as well. In total, the cost of transitioning budget and accounting, HR, and Payroll services to DAS would increase OBD's services and supplies by an estimated \$134,160 in the 2025-27 biennium.

CURRENT SERVICE LEVEL

The 2025-27 current service level (CSL) budget for OBD is \$5 million Other Funds and includes eight positions (7.62 FTE). The CSL budget is \$590,073, or 6.5%, more than the 2023-25 legislatively approved budget. The CSL budget includes \$143,440 for inflation to the cost of goods and services and price list adjustments to the state government service charges.

GOVERNOR'S BUDGET SUMMARY

The 2025-27 Governor's budget totals \$4.6 million Other Funds, which is a decrease of \$457,422, or 9.1%, below CSL. The Governor's budget includes the elimination of the Healthcare Investigator position (0.62 FTE) and funding for HPSP. Other Funds are increased to support the transfer HR and Payroll from the Medical Board to DAS and to create a new listserv service for improved communication and customer service.

KEY PERFORMANCE MEASURES

A copy of the Board of Dentistry's Annual Performance Progress Report can be found on the LFO website: https://www.oregonlegislature.gov/lfo/APPR/APPR_OBD_2024-09-11.pdf

Contact Information

Michael Graham, Legislative Fiscal Analyst

Legislative Fiscal Office

900 Court Street NE, Room H-178, Salem, Oregon 97301

Oregon State Capitol | (503) 986-1828 | www.oregonlegislature.gov/lfo