

Oregon Mental Health Regulatory Agency

2025-27

Joint Committee on Ways and Means Reference Materials

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Agency Mission, Goals, & Historical Perspective

The Mental Health Regulatory Agency (MHRA) was created to protect the public from harm by providing administrative and regulatory oversight to two regulated boards that oversee mental health professions in the State:

- The Board of Psychology; and
- The Board of Licensed Professional Counselors and Therapists.

MHRA's enabling statutes can be found at [ORS 675.160](#) through 178.

MHRA performs the following functions for the regulated boards:

- Budgeting;
- Recordkeeping;
- Staffing;
- Contracting;
- Procedure and policymaking; and
- Performance and standard setting functions.

The boards maintain their own separate authority for:

- Complaint investigations;
- Regulatory enforcement;
- Establishment and collection of fees;
- Licensing criteria including education, training and examination; and
- Practice standards including the adoption of a code of ethics.

MHRA is under the supervision and control of one Executive Director who is responsible for the performance of the duties, functions and powers, and organization of the Agency. The Agency is typically 100% supported by “Other Funds” generated from licensing renewals, fees, and civil penalties, except that in 2025-27 MHRA is requesting a one-time General Funds allocation of \$625,000 to fund a licensing system replacement project.

The requested 2025-27 budget will allow MHRA to effectively staff and administer the two Boards to ensure they continue to meet their public protection mandates. The budget was reviewed to meet the needs of the agency and its stakeholders. Primary costs are related to staffing needs to meet the increasing workload. The Boards have faced a continued growing number of licensure applications received, license renewals processed, and compliance investigations.

Board of Psychology Mission

Promote, preserve, and protect the public health and welfare by ensuring the ethical and legal practice of psychology.

Board of Licensed Professional Counselors and Therapists Mission

Protect the health and well-being of Oregon citizens by setting a strong, ethical standard of practice through the regulation of Licensed Professional Counselors and Licensed Marriage and Family Therapists.

Historical Context

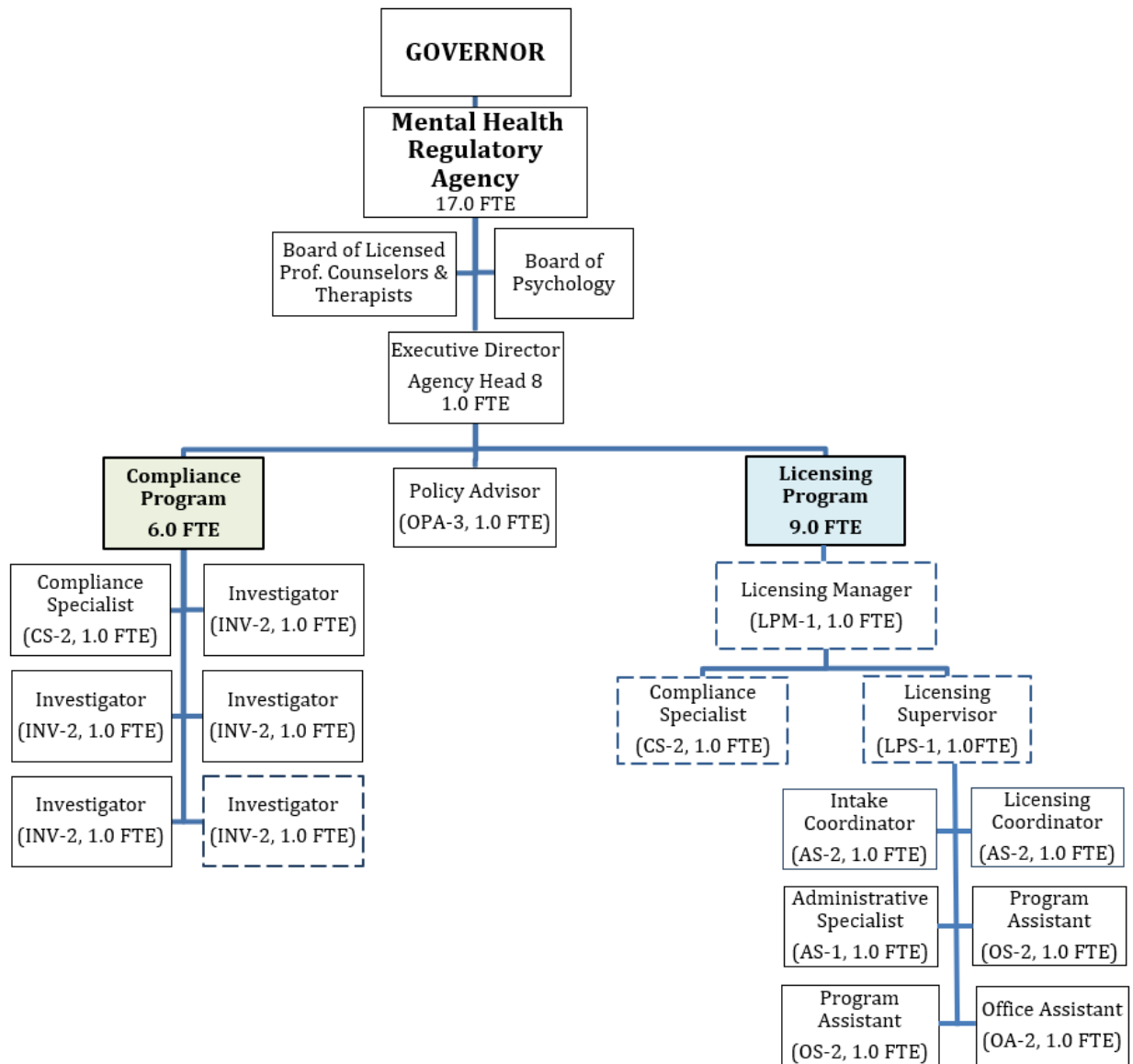
- The Board of Psychology, formerly the Board of Psychologist Examiners, was established (SB 92): **1963**
- The Board of Licensed Professional Counselors and Therapists was established (SB 698): **1991**
- BOP/BLPCT Inter-Agency Agreement (“Pilot Project”): **2013 - 2018**
 - Shared management staff and resources as feasible
 - Boards retain separate identity, funding, and operations
 - Maintain independence and confidentiality of investigative, licensing and regulatory functions
- Mental Health Regulatory Agency (HB 2319): **2018 – Current**
 - Oversee the two regulated boards
 - Increase administrative efficiency
 - Simplify processes & streamline operations

In October of 2013, the Boards entered into an interagency agreement wherein they shared management staff and resources while retaining their identities as separate boards. This “Pilot Project” was renewed for the 2015-17 biennium. During the 2015-17 budget process, the Legislature expressed interest in making this merger concept more permanent in the next biennium, and asked the boards to present a plan to ensure ongoing success. Accordingly, the Boards introduced House Bill 2319 (2017) to create the “Mental Health Regulatory Agency.” MHRA became operative in 2018 to provide for the administrative and regulatory oversight and centralized service for the two Boards. Since the passage of HB 2319, MHRA leadership has worked towards improving efficiencies, simplifying processes, and streamlining operations for the Boards who are seeing an ever-increasing volume of licensees and investigations.

Agency Organization

The Agency leases office space in Salem, Oregon that houses its staff. Most MHRA staff members work on a hybrid in-office and remote work schedule, as appropriate. Board and committee meetings and contested case hearings are also conducted in a hybrid manner, in-person at the Salem office and via video conferencing software.

The following graphic displays the organizational structure of MHRA, as proposed for 2025-27.



MHRA’s organizational structure includes one Executive Director who administers the two regulated boards. 9.0 FTE permanent staff are dedicated to fulfilling the administrative and licensing functions of the agency, and 6.0 FTE permanent staff carry out the investigatory and compliance functions of the boards. As part of the 2025-27 Governor’s Budget, MHRA is requesting to add one new Investigator 2 and one new Compliance Specialist 2, both permanent full-time positions, and two reclassify two current positions. These changes are requested per Package 551, further explained below in [Policy Option Packages](#).

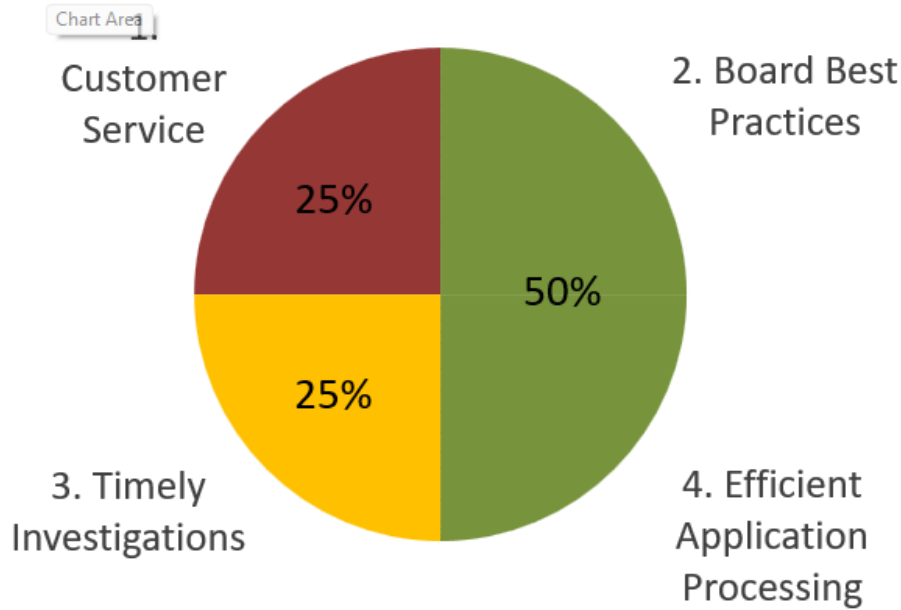
Performance and Outcome Measures

Beginning in 2020, MHRA aligned the Key Performance Measures for the two Boards so that the same data is collected and reported. The 2024 Annual Performance Progress Reports shows

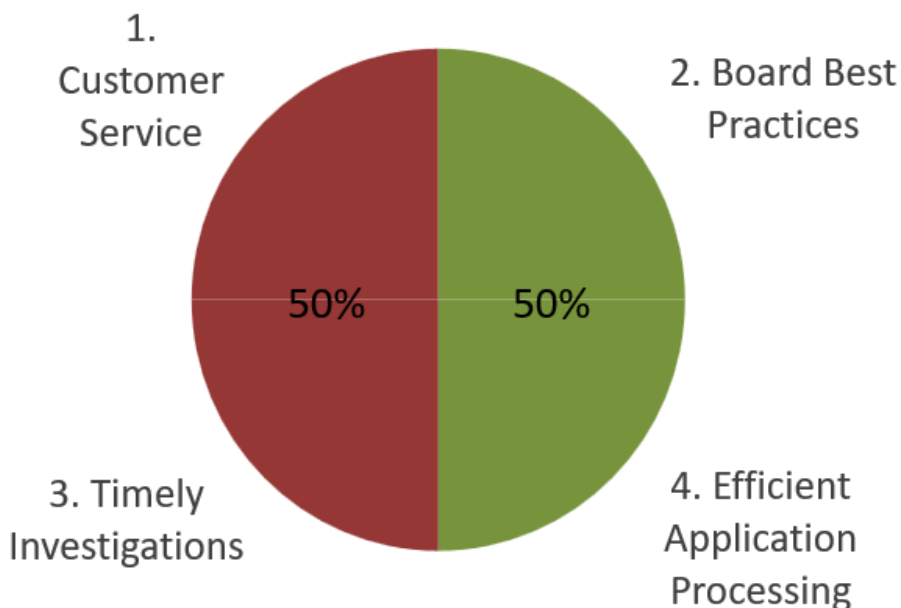
that two out of four Key Performance Measures (KPMs) are currently being met for both Boards. Targets in Board Best practices and Efficient Application Processing were exceeded. The BLPCT Report shows that KPM #3, Timely Investigations, is within -5% to -15% of target and displayed yellow. BOP fell below 15% of this target and is displayed in red. Both Boards did not meet target for KPM #3, Timely Investigations.

There are no proposed KPM changes in 2025-27.

BLPCT Summary

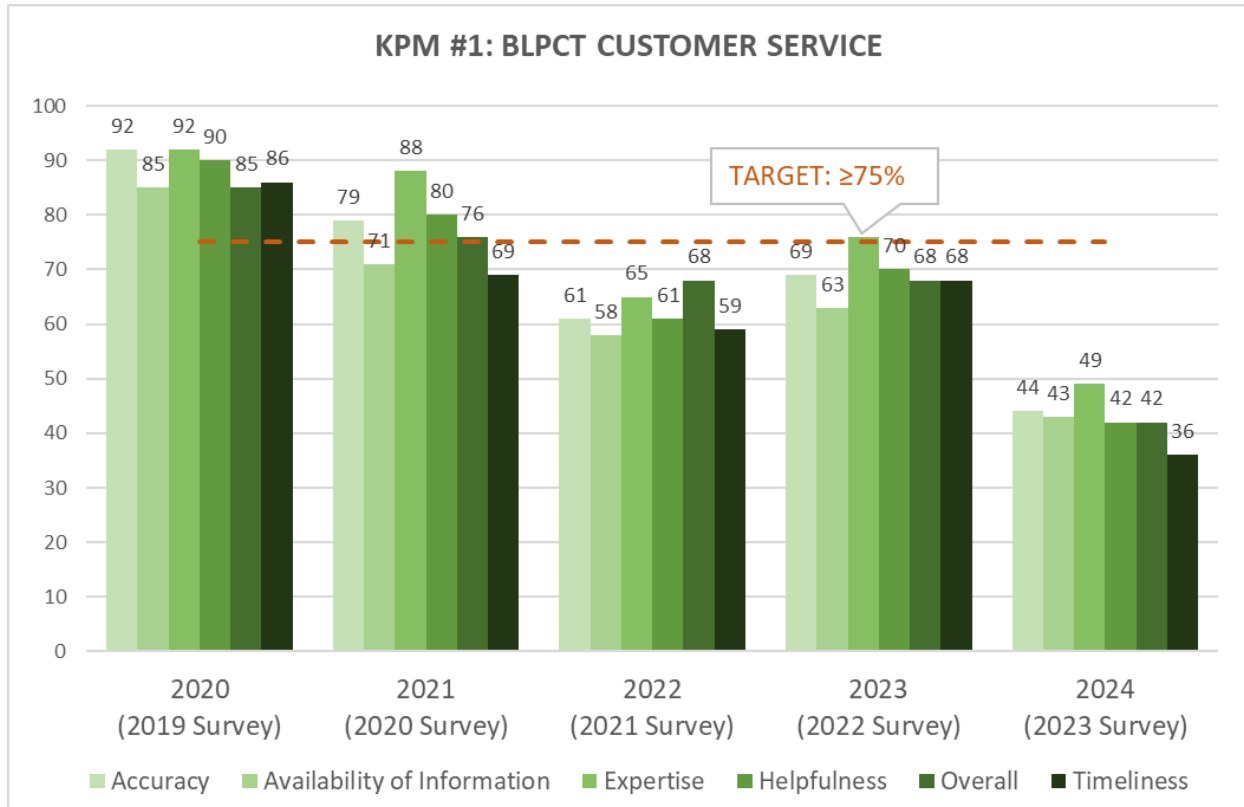


BOP Summary



Board of Licensed Professional Counselors and Therapists Measures

Measure #1 - CUSTOMER SERVICE – Percent of customers rating their satisfaction with the Agency’s customer service as “good” or “excellent.”



Customer service ratings declined significantly from the prior year and fell below the target of 75% in all areas of customer service in 2024. Overall Customer Satisfaction decreased by 26 points, from 68% to 42%, which is 33 points below target. From 2023 to 2024, Accuracy decreased by 25 points, from 69% to 44%, which is 31 points below target. Availability of Information represented the smallest decrease, by 20 points, from 63% to 43%, sitting at 32 points below target. Helpfulness decreased by 28 points, from 70% to 42%, which is 33 points below target. Expertise decreased by 27 points, from 76% to 49%, which was previously the only area meeting target, but now 26 points below. Timeliness decreased the most significantly by 32 points, from 68% to 36%, and is the lowest ranked area of customer satisfaction for 2024.

The main factors affecting the 2024 survey results (which reflect customer satisfaction in the year 2023), which have been on a downward trend since the 2021 reporting year, are inadequate staff training, low morale, and turnover resulting from poor (former) management of the Board’s Licensing Section. These results can no longer be attributed to the pandemic and must be carefully analyzed and attended to. Maintenance of consistent customer service is impossible when faced with repeated vacancies, coupled with a smaller pool of applicants for positions and significant time to recruit for and fill vacant positions. During vacancies, other staff members must step up to fill in the gaps, often working overtime. The front-line clerical/licensing positions are highly demanding in terms of difficulty and volume, and represent onboarding

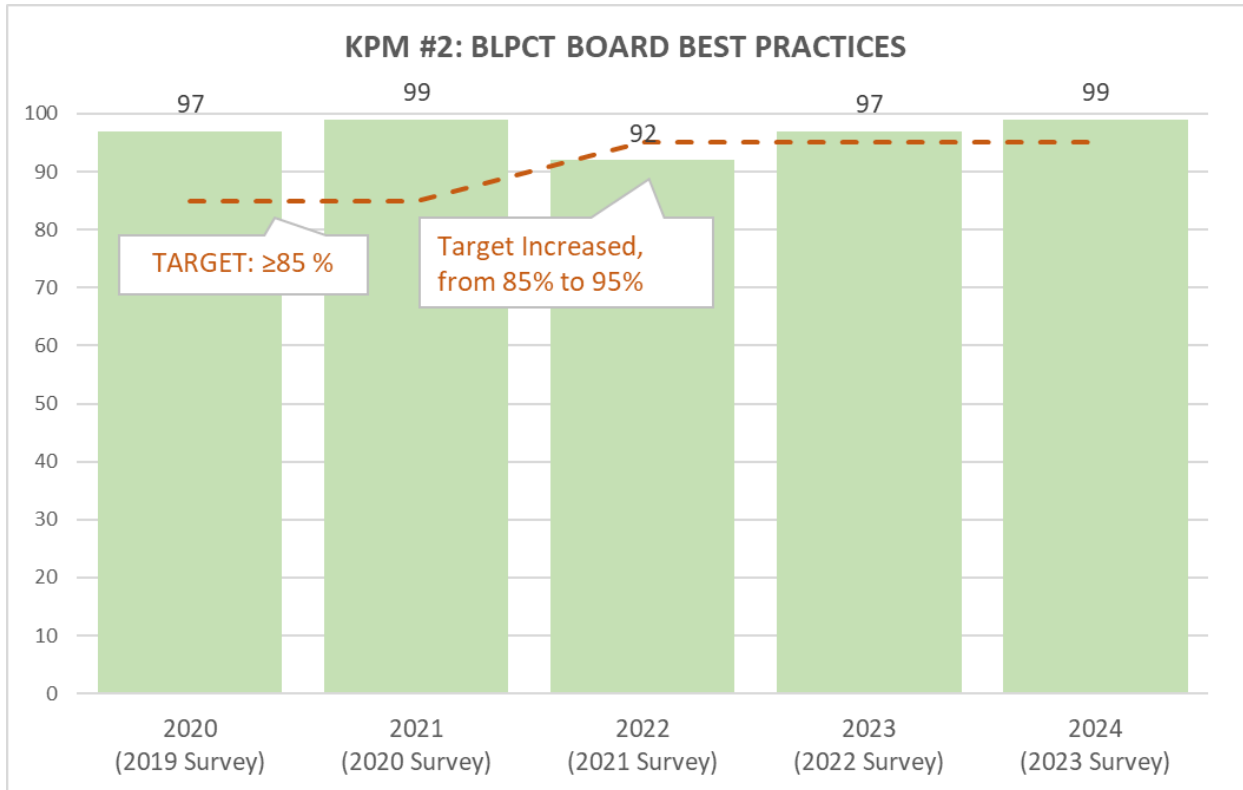
challenges due to the steep learning curve. These factors contribute to employee dissatisfaction, burnout, and staff members seeking higher paying and less intensive positions at other, typically larger agencies or in the private sector.

Board staff must keep pace with the continued growth in licensure applications, renewals, and compliance investigations. The BLPCT licensee base has grown by an average of 9.2% per year, more than doubling in size from 2014 to 2023. The volume of licensure applications received, which represents the most significant workload burden for front-line staff, grew from 837 in 2019 to 1,621 in 2023, nearly doubling in just four years. By year end 2023, Board staff was managing 6,918 licensees and 1,844 registered associates, along with their questions and concerns over renewals, continuing education requirements, supervision reports, complaints, etc. Additionally, the Board has struggled with the responsiveness of its licensing system vendor, whose errors have caused significant disruption to operations and negative impact to the Board's reputation.

Generally, survey results reflect some stakeholders who have experienced an adverse enforcement action, do not agree with laws or rules that the Board is charged with enforcing, or are unsatisfied with the policy direction of the Board or State Government in general. These individuals will often respond "poor" to each satisfaction area, regardless of their experience with Board staff.

New agency leadership is prioritizing customer service in 2024 and beyond, taking active steps to engage, train, and retain the Board's crucial front-line staff. Initiatives include a request for additional staffing resources as part of the 2025-27 Agency Request Budget, along with a request for funding for an upgraded licensing system, and improvements to website content and format. HB 4010 (2024) at Section 10 removed the requirement for Board staff to review each applicant, licensee, and registrant professional disclosure statement (PDS) initially and every time there was a change. In 2023, staff reviewed nearly 10,000 PDS submissions, which represented the most significant bottleneck to application file completion. This important legislative change will continue to provide relief and allow staff to focus customer service efforts on other important areas. Board leadership and staff members will continue to work diligently to recover from prior setbacks and challenges, centering excellent customer service in everything we do.

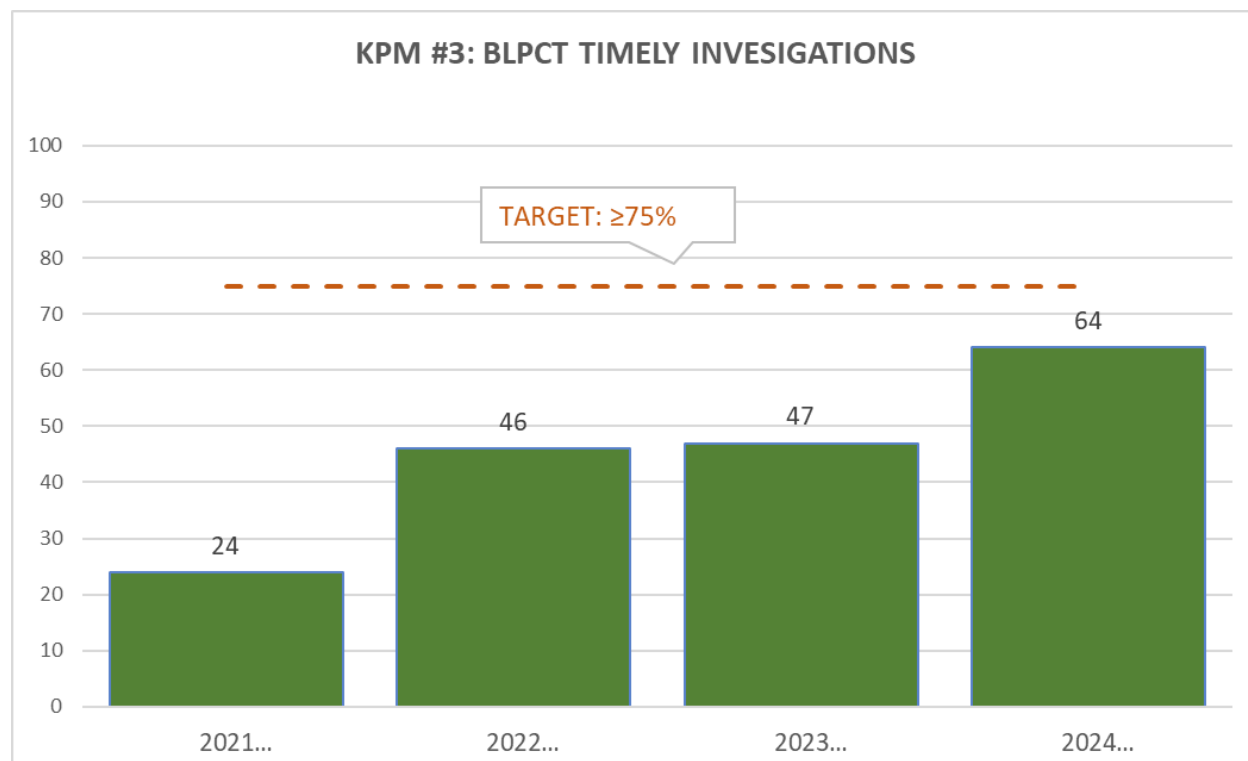
Measure #2 - BOARD BEST PRACTICES- Percent of total best practices met by the Board.



In the past five years, the Board has exceeded the target in Board best practices. The most recent result for the 2024 reporting period was 99%, which represents a two-point increase from the prior period. In previous years the Board was further above target; in 2024 it is only 4 points above target, since the Legislative Fiscal Office increased the target from 85% to 95% beginning in 2023.

Agency leadership continues to look for opportunities for improved performance and increased transparency, regardless of the Board members' reports of success. Board staff sends materials with the survey to help clarify survey questions and explain how they directly relate to agency operations; however, members report on their perceptions of best practices which could reflect aspirational rather than actual performance levels. The survey will fall below 100% if just one of the eight Board members opines that any one of the 15 best practice measures are not being met.

Measure #3 - TIMELY INVESTIGATIONS - Percent of complaints presented to the Board within 180 days of receipt.



For the 2024 reporting year, 64% of complaints were presented to the Board within 180 days of receipt, which falls below the target of 75% by 11 points, but represents a significant 17-point improvement over the 47% result in 2022, and far exceeds the 24% result in 2021. Note that this is a new KPM approved in 2021.

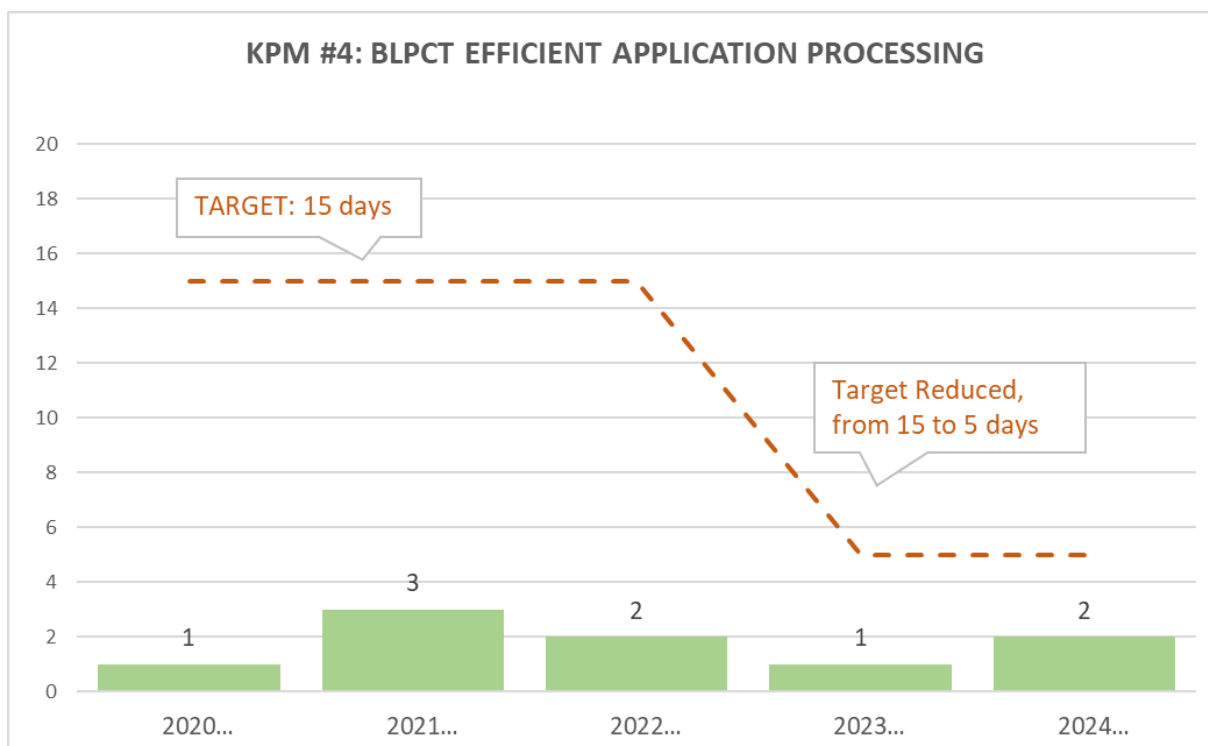
The Agency has set an ambitious goal to present most complaint investigations to the Board within 180 days of receipt; however, there are many factors affecting our ability to expediently resolve a complaint. These include the varying complexity of cases, increasing volume of complaints received, arranging witness interviews, travel time, coordinating respondent, attorney, and witness schedules for interviews, and waiting for necessary records to be submitted (including issuing and enforcing subpoenas. Sometimes the Board receives emergency high-priority cases involving serious public protection concerns that take staff resources away from other cases.

The goal is to present a thorough and complete investigation report to the Board the first time, which often is not possible to achieve within the required 180 days. The Board meets bimonthly, so timing is a major factor as well. The Board continues to receive pressure from respondents, their attorneys, and the local professional association to allow respondents more and more time to respond to allegations and produce records, which reduces investigators' ability to achieve timeliness goals. In the current reporting period (reflecting investigations opened in 2023), significant growth in the licensee base and compliance caseload continued to contribute to challenges in maintaining timeliness, which negatively affected customer service as described under KPM #1. The volume of new investigations increased by 38.6% from 2020 to 2021, by

10.0% from 2021 to 2022, and another 7.5% from 2022 to 2023, significantly adding to the Compliance Section workload and making it a challenge to keep up. Though still significant, the lesser growth in 2023 compared to recent years allowed some room for catch-up.

The Agency is requesting additional compliance staffing resources as part of the 2025-27 Agency Request Budget, and this is expected to help the investigative team keep up with the ever-increasing caseload. Agency leadership has been working diligently to hire and train new staff members and improve complaint-processing speeds, but without compromising the integrity of the investigation process. The Agency expects to show continued improvement in the 2025 report with a sufficiently staffed and trained compliance section that is dedicated to clearing out the backlog and staying ahead of the curve.

Measure #4 - EFFICIENT APPLICATION PROCESSING - Average number of calendar days from completed license application file to application approval.



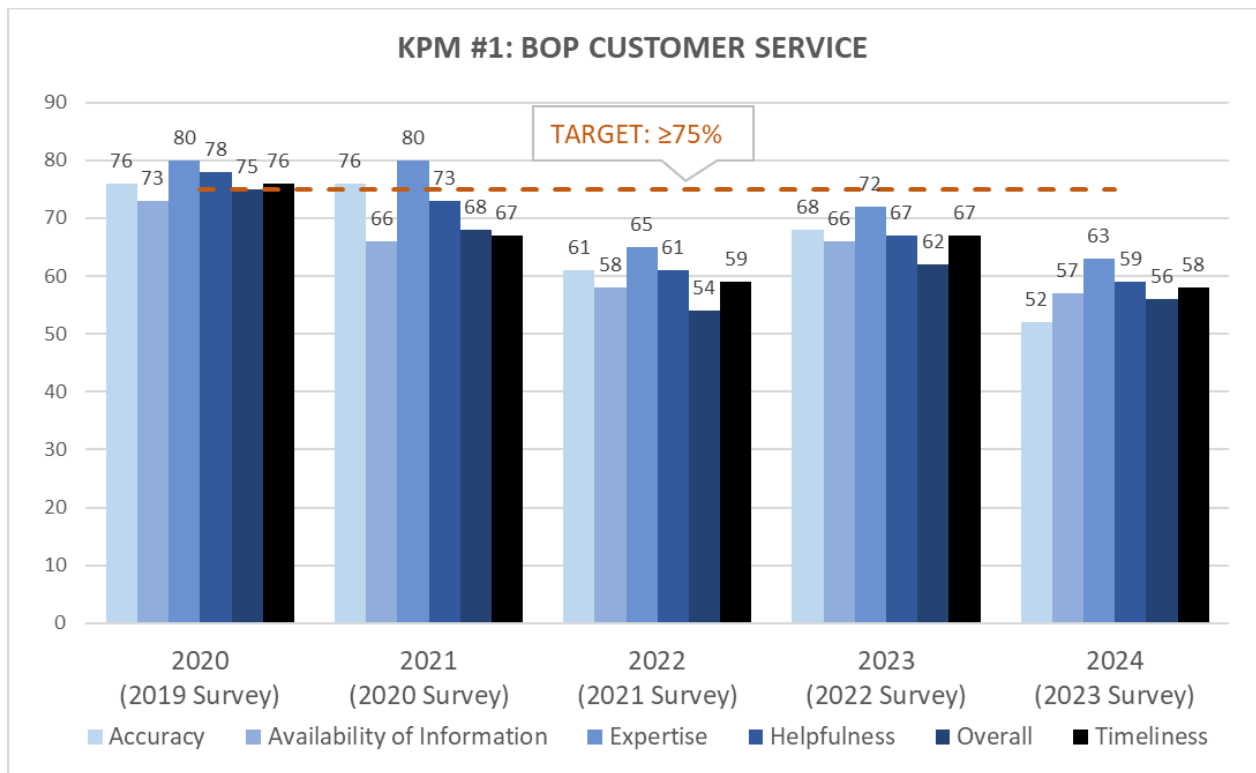
The Board has surpassed its goal to take an average of no more than five calendar days to approve a completed licensure application. The 2024 report, which reflects applications processed during the 2023 calendar year, shows an average of two days. This is a one-day increase over the average of one day in the 2023 report.

Efficient application processing has been highly prioritized by the Board, as it is a crucial step in ensuring licensed behavioral health providers can quickly provide necessary services to Oregonians. Agency leadership has continued to implement streamlined processes and best practice sharing between the two regulated boards that has enabled more efficient application processing. Despite these good results, the Agency is still continuously looking for ways to improve, including staff retention, cross-training to help cover for absences and vacancies,

improvements in the licensing system and website, and continuous feedback. While speed of service is important, so too is the quality of customer service we provide along the way, which as described in KPM #1 will be a major focus area for improvement in the coming years.

Board of Psychology Measures

Measure #1 - CUSTOMER SERVICE – Percent of customers rating their satisfaction with the Agency’s customer service as “good” or “excellent.”



Customer service ratings declined from the prior year and fell below the target of 75% in all areas of customer service in 2024. Overall Customer Satisfaction represented the smallest decrease- by 6 points, from 62% to 56%, which is 19 points below target. From 2023 to 2024, Accuracy decreased the most significantly by 16 points, from 68% to 52%, which is 23 points below target and represents the lowest ranked area of customer satisfaction for 2024. Availability of Information decreased by 9 points, from 66% to 57%, sitting at 18 points below target. Helpfulness decreased by 8 points, from 67% to 59%, which is 16 points below target. Expertise remains the highest ranked area of customer satisfaction, but decreased by 9 points, from 72% to 63%, now 12 points below target. Finally, Timeliness decreased by 9 points, from 67% to 58%, which is 17 points below target.

The main factors affecting the 2024 survey results (which reflect customer satisfaction in the year 2023), which have been on a downward trend since the 2021 reporting year, are inadequate staff training, low morale, and turnover resulting from poor (former) management of the Board’s Licensing Section. These results can no longer be attributed to the pandemic and must be carefully analyzed and attended to. Maintenance of consistent customer service is impossible

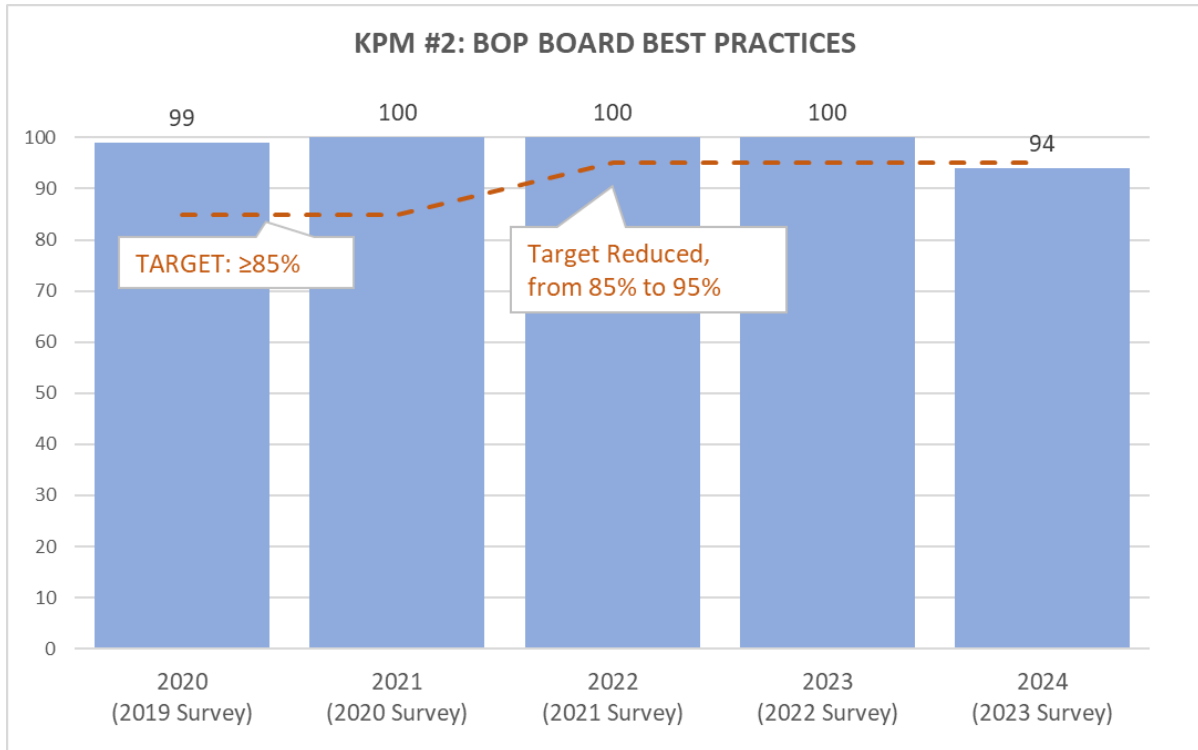
when faced with repeated vacancies, coupled with a smaller pool of applicants for positions and significant time to recruit for and fill vacant positions. During vacancies, other staff members must step up to fill in the gaps, often working overtime. The front-line clerical/licensing positions are highly demanding in terms of difficulty and volume, and represent onboarding challenges due to the steep learning curve. These factors contribute to employee dissatisfaction, burnout, and staff members seeking higher paying and less intensive positions at other, typically larger agencies or in the private sector.

Board staff must keep pace with the continued growth in licensure applications, renewals, and compliance investigations. The BOP licensee base has grown by an average of 3.2% per year over the last decade. The volume of licensure applications received, which represents the most significant workload burden for front-line staff, has grown by an average of 6.8% per year over the past five years. By year end 2023, Board staff was managing 2,364 licensees, 58 residents, and 132 permitted practitioners, along with their questions and concerns over license renewals, continuing education requirements, supervision reports, complaints, etc. Additionally, the Board has struggled with the responsiveness of its licensing system vendor, whose errors have caused significant disruption to operations and negative impact to the Board's reputation.

Generally, survey results reflect some stakeholders who have experienced an adverse enforcement action, do not agree with laws or rules that the Board is charged with enforcing, or are unsatisfied with the policy direction of the Board or State Government in general. These individuals will often respond "poor" to each satisfaction area, regardless of their experience with Board staff.

New agency leadership is prioritizing customer service in 2024 and beyond, taking active steps to engage, train, and retain the Board's crucial front-line staff. Initiatives include a request for additional staffing resources as part of the 2025-27 Agency Request Budget, along with a request for funding for an upgraded licensing system, and improvements to website content and format. Board leadership and staff members will continue to work diligently to recover from prior setbacks and challenges, centering excellent customer service in everything we do.

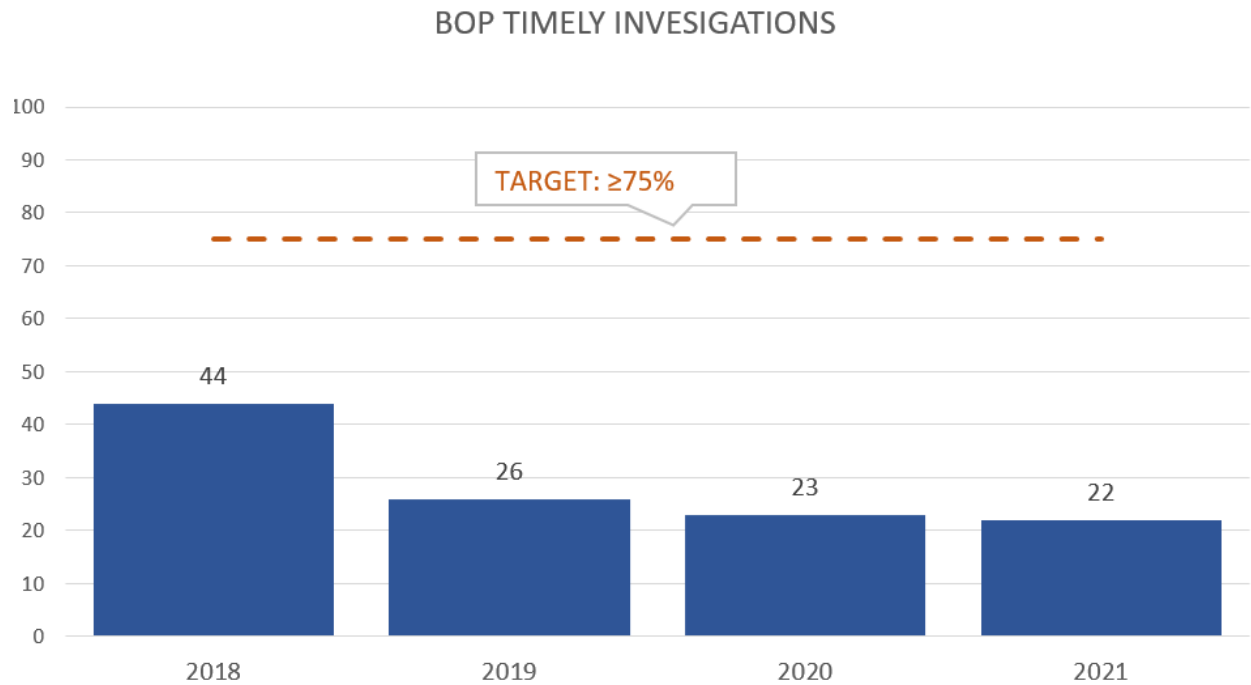
Measure #2 - BOARD BEST PRACTICES- Percent of total best practices met by the Board.



In the prior four years, the Board exceeded the target in Board best practices. The most recent score for the 2024 reporting period was 94%, which represents a six-point decrease from the 2023 reporting period. It has become more difficult to achieve target, since the Legislative Fiscal Office increased it from 85% to 95% beginning in 2023.

Agency leadership continues to look for opportunities for improved performance and increased transparency, regardless of the Board members' reports of success. Board staff sends materials with this survey to help clarify the survey questions and explain how they directly relate to agency operations; however, members report on their perceptions of best practices which could reflect aspirational rather than actual performance levels. The survey will fall below 100% if just one of the nine Board members indicates that any one of the 15 best practice measures are not being met.

Measure #3 - TIMELY INVESTIGATIONS - Percent of complaints presented to the Board within 180 days of receipt.



For the 2024 reporting year, 25% of complaints were presented to the Board within 180 days of receipt, which falls significantly below the target of 75%, and represents decline from the 39% result in 2023. Note that this is a new KPM approved in 2021.

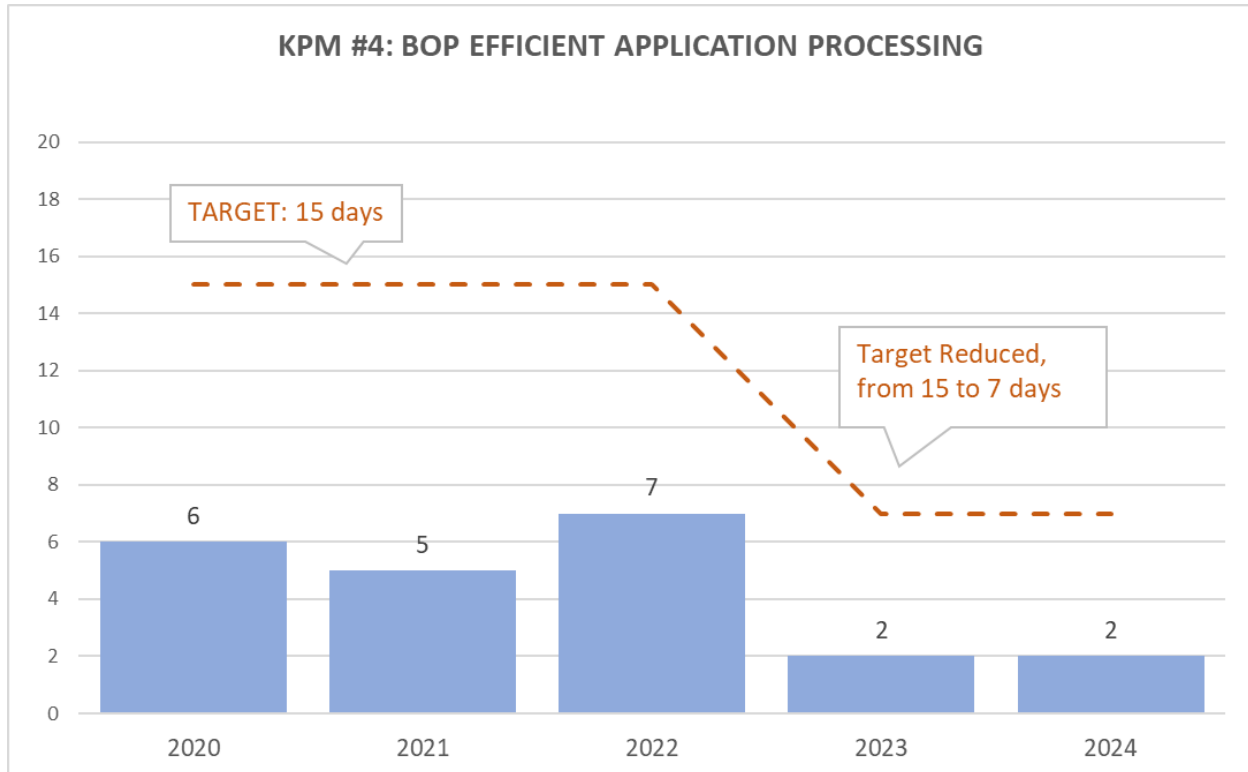
The Agency has set an ambitious goal to present most complaint investigations to the Board within 180 days of receipt; however, there are many factors affecting our ability to expediently resolve a complaint. These include the varying complexity of cases, increasing volume of complaints received, arranging witness interviews, travel time, coordinating respondent, attorney, and witness schedules for interviews, and waiting for necessary records to be submitted (including issuing and enforcing subpoenas. Sometimes the Board receives emergency high-priority cases involving serious public protection concerns that take staff resources away from other cases.

The goal is to present a thorough and complete investigation report to the Board the first time, which often is not possible to achieve within the required 180 days. The Board meets bimonthly, so timing is a major factor as well. The Board continues to receive pressure from respondents, their attorneys, and the local professional association to allow respondents more and more time to respond to allegations and produce records, which reduces investigators' ability to achieve timeliness goals. In the current reporting period (reflecting investigations opened in 2023), significant unexpected periods of investigative staff absences were the most significant factor affecting the performance results.

The Agency is requesting additional compliance staffing resources as part of the 2025-27 Agency Request Budget, and this is expected to help the investigative team more consistently maintain the caseload. Agency leadership has been working diligently to hire and train new staff

members and improve complaint-processing speeds, but without compromising the integrity of the investigation process. The Agency expects to show continued improvement in the 2025 report with a sufficiently staffed and trained compliance section that is dedicated to clearing out the backlog and staying ahead of the curve.

Measure #4 - EFFICIENT APPLICATION PROCESSING - Average number of calendar days from completed license application file to application approval.



The Board has surpassed its goal to take an average of no more than seven calendar days to approve a completed licensure application. The 2024 report, which reflects applications processed during the 2023 calendar year, shows an average of two days. This represents no change from the result reported in the prior year.

Efficient application processing has been highly prioritized by the Board, as it is a crucial step in ensuring licensed behavioral health providers can quickly provide necessary services to Oregonians. Agency leadership has continued to implement streamlined processes and best practice sharing between the two regulated boards that has enabled more efficient application processing. Despite these good results, the Agency is still continuously looking for ways to improve, including staff retention, cross-training to help cover for absences and vacancies, improvements in the licensing system and website, and continuous feedback. While speed of service is important, so too is the quality of customer service we provide along the way, which as described in KPM #1 will be a major focus area for improvement in the coming years.

Summary of Programs

- Licensing
 - Determine qualifications for licensure (education, exam, experience)
 - Issue and renew licenses
 - Continuing education
 - Forms, fees, and consumer outreach
- Compliance
 - Code of Ethics / Statutes /Administrative Rules
 - Investigate consumer complaints (unethical / unprofessional / unlicensed practice)
 - Board review and vote on enforcement action
 - Settlements / Contested Case Hearings / Appeals

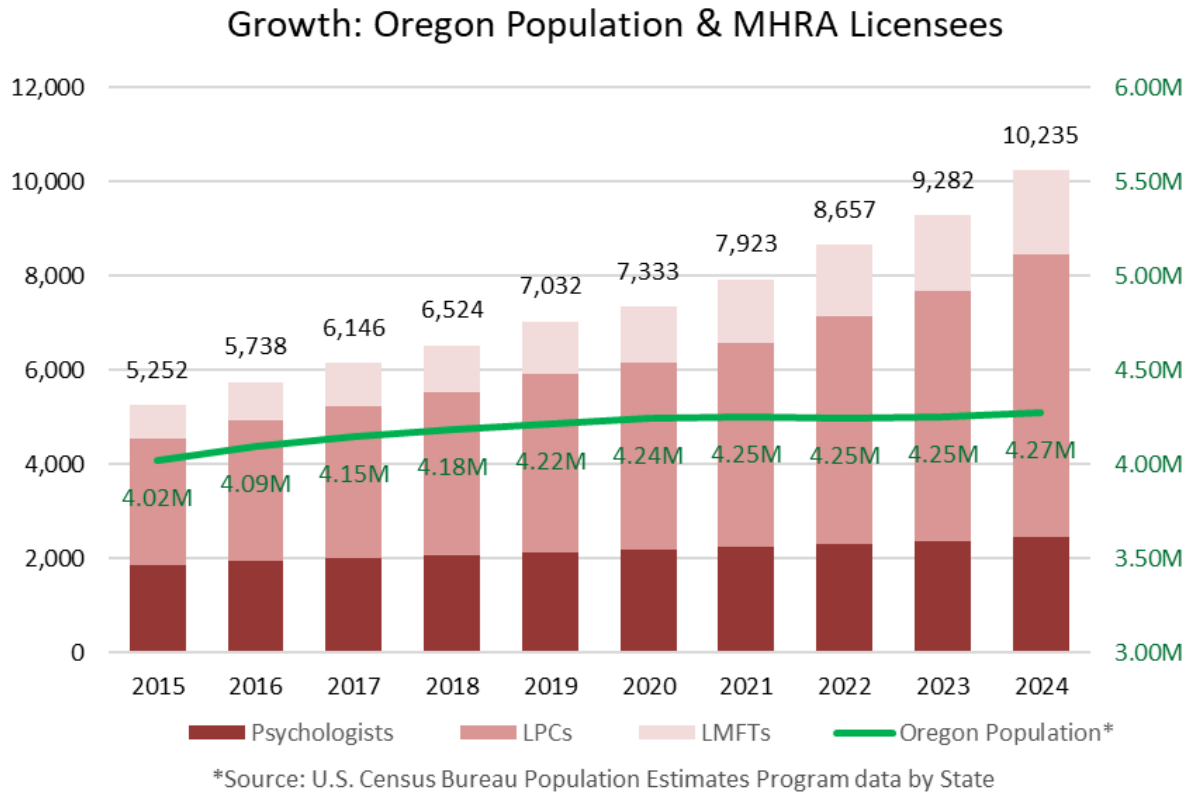
Populations Served

The following graphic displays the total count of licensees, residents, registered associates, and permit holders at year-end 2024.

Year-End 2024		
Board	License Type	Count
Board of Psychology	Psychologists*	2,432
	Psychologist Associates	19
	Psychologist Residents*	79
	Psychologist Limited Permit*	124
Board of Licensed Professional Counselors and Therapists	Licensed Professional Counselors	5,989
	Licensed Marriage and Family Therapists	1,795
	Registered Associates	2,122
	Counselor/Therapist Limited Permit	98
*Doctoral-level practitioners		TOTAL: 12,658

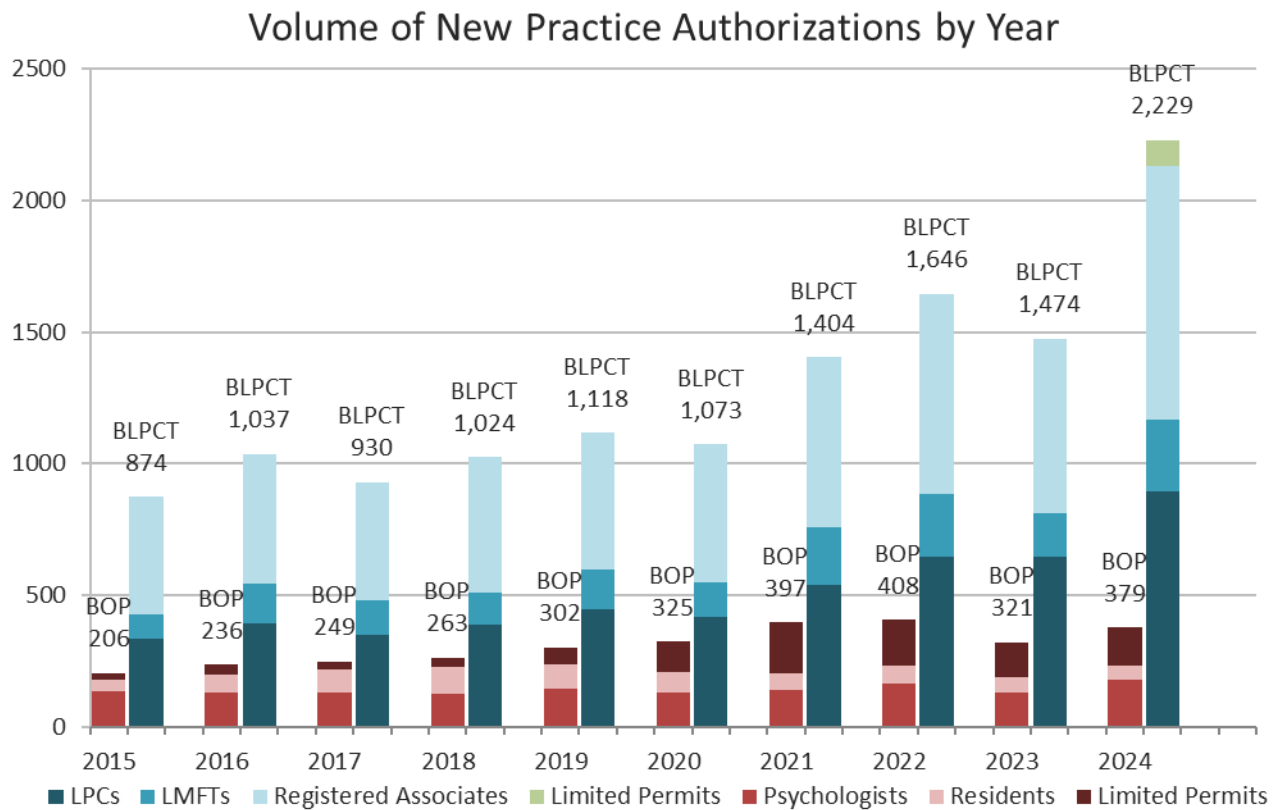
MHRA oversees 10,235 licensed practitioners (psychologists, psychologist associates, LPCs, and LMFTs) and 2,201 pre-licensed individuals working towards licensure (residents and registered associates). Note that psychologists, psychologist residents, and psychologist limited permittees are doctoral-level practitioners, and the others have earned at minimum master’s degrees.

The following graphic displays volume of MHRA licensees (total count at year end) as compared to the Oregon population overall.



In 2015, there were 765 Oregonians per MHRA licensee. Ten years later, in 2024, that ratio decreased to 417 Oregonians per licensee. **We have nearly doubled the availability of licensed mental health providers in the state over the past decade, growing an average 7.7% per year in licensee base.**

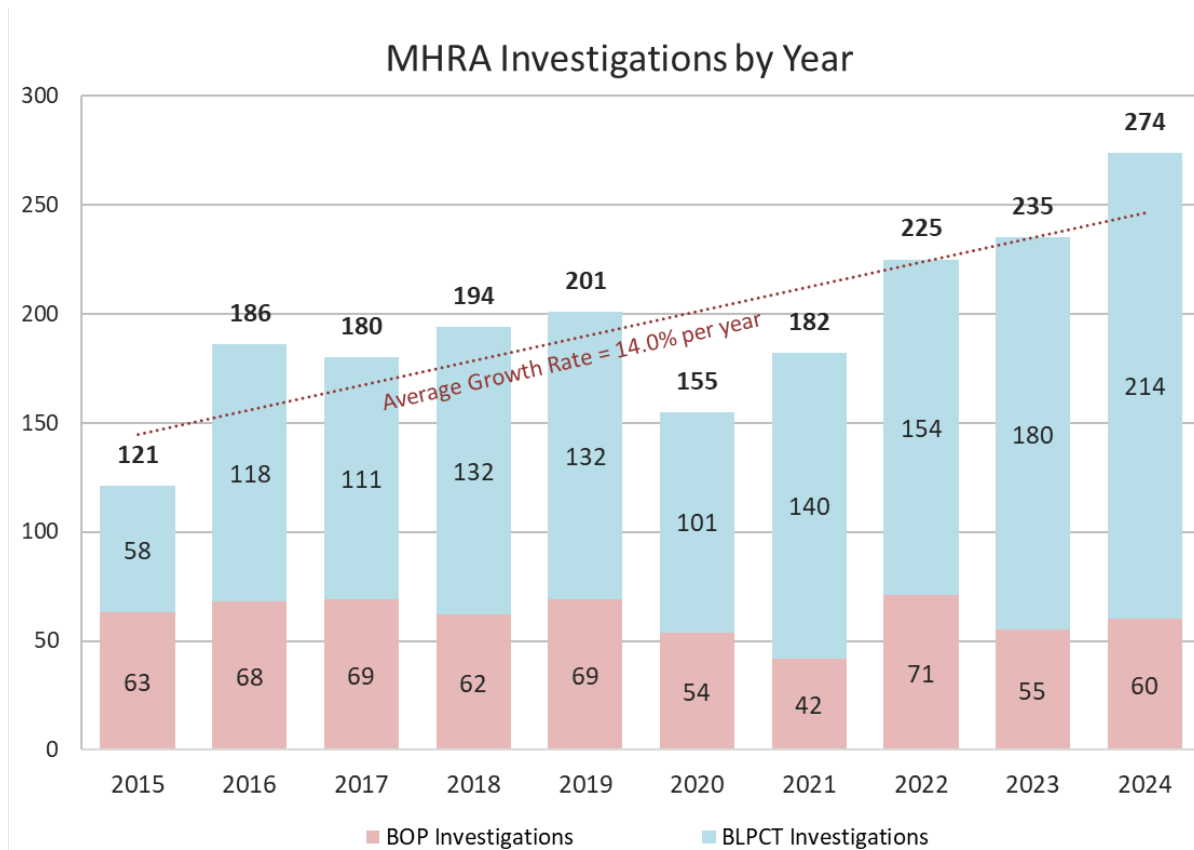
The following graphic displays the volume of new licenses, associate registrations, residents, and limited permits issued over the last 10 years, by Board.



BLPCT has grown an average of 12.5% per year in the volume of new authorizations issued. In 2024, there were 895 new LPCs, 271 new LMFTs, and 965 new registered associates including 820 professional counselor associates and 145 marriage and family therapist associates. These are all record high figures. BLPCT began offering limited permits in 2024, issuing 98 in its inaugural year.

BOP has grown an average of 7.8% per year in the volume of new authorizations issued. In 2024, there were 178 new psychologists (a record high) and 57 new psychologist residents. The Board also issued 144 limited permits.

The following graphic displays the volume of investigations received each year by the Boards.



There was an unusual decline in investigations in 2020, likely attributable to the pandemic. In past 3 years, MHRA saw a record high volume of cases.

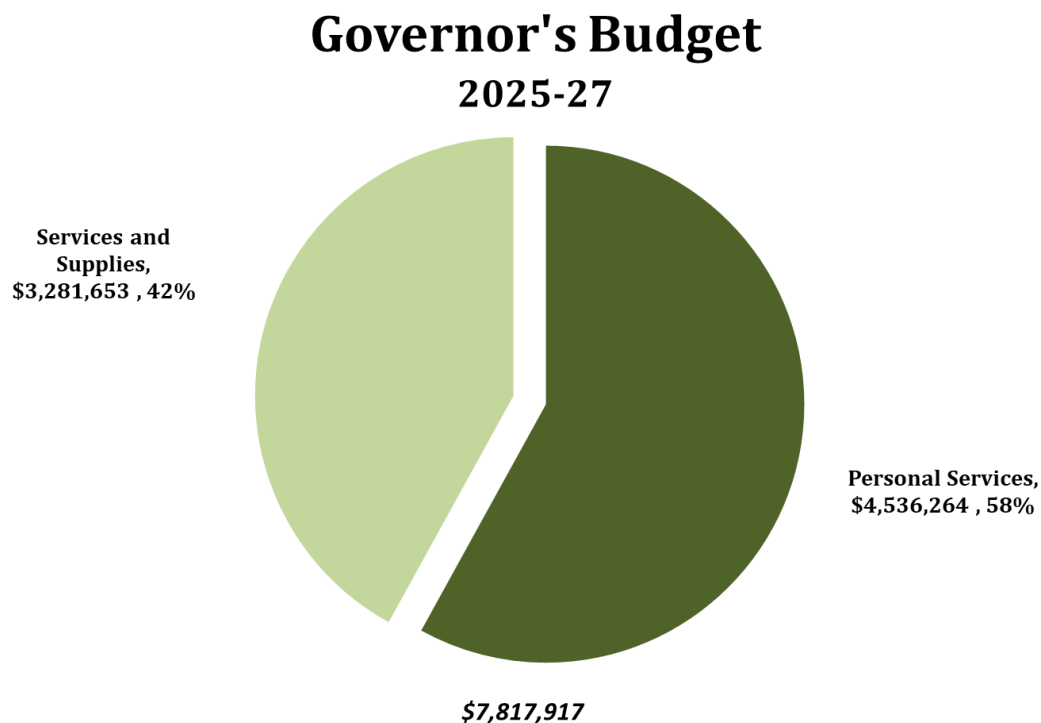
Key Partners

- Other state agencies, including:
 - Department of Justice (DOJ)- legal support services
 - Governor’s Office- executive appointments, budget, DEI
 - Department of Administrative Services (DAS)- accounting, IT support, human resources, procurement, enterprise information, website, and payroll
 - Oregon State Police- criminal background check processing and CJIS clearance
 - Oregon Secretary of State- administrative rules
 - Department of Revenue- agency debt collection
 - Office of Administrative Hearings- contested case hearings
- Oregon State Legislature- laws affecting the agency and budgetary resources
- Legislative Fiscal Office- legislative process
- Professional Associations, including:
 - Oregon Psychological Association (OPA)
 - Oregon Counseling Association (ORCA)
 - Coalition of Oregon Professional Associations for Counseling and Therapy (COPACT)
 - Oregon Association for Marriage and Family Therapy (OAMFT)

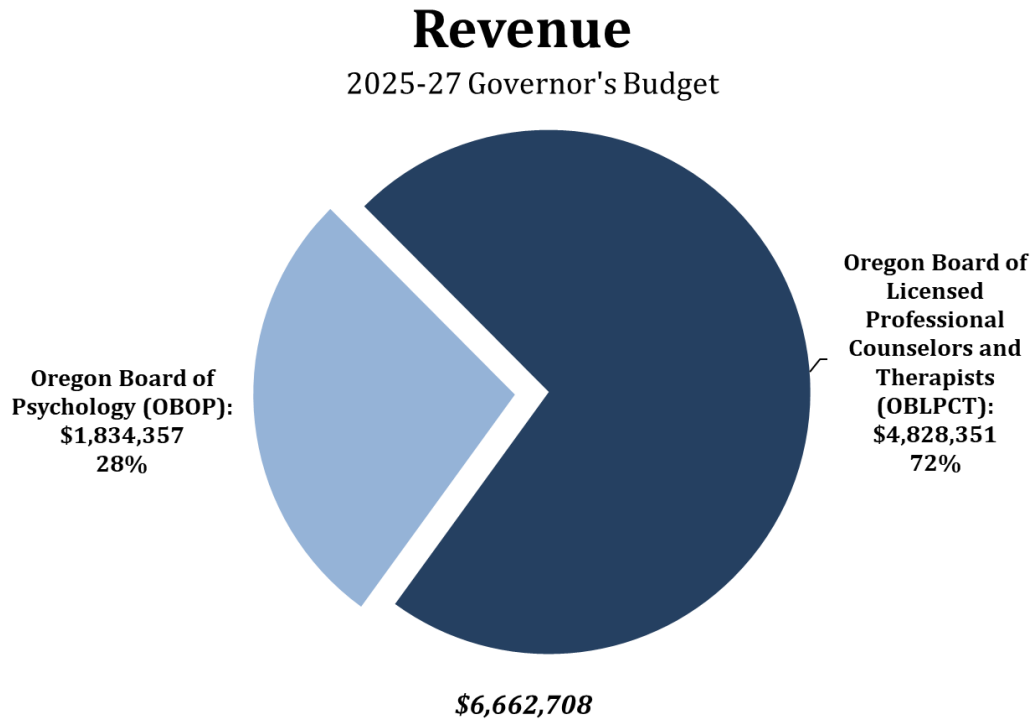
- American Association for Marriage and Family Therapy (AAMFT)
- American Psychological Association (APA)
- National Board Associations, including:
 - Association of State and Provincial Psychology Boards (ASPPB)
 - American Association of State Counseling Boards (AASCB)
 - National Board for Certified Counselors (NBCC)
- Universities with graduate programs in mental health fields- professional pipeline
- Other jurisdictional psychology, counseling, and marriage and family therapy licensing bodies
- Other Oregon health related licensing boards
- Department of Health and Human Services- federal databases for discipline reporting
- The Conference on Licensing, Enforcement and Regulation (CLEAR)
- NIC USA- payment processing and web services
- Fieldprint, Inc.- fingerprint processing services
- Thentia- licensing system
- FBI- CJIS clearance and audits

Major Budget Information

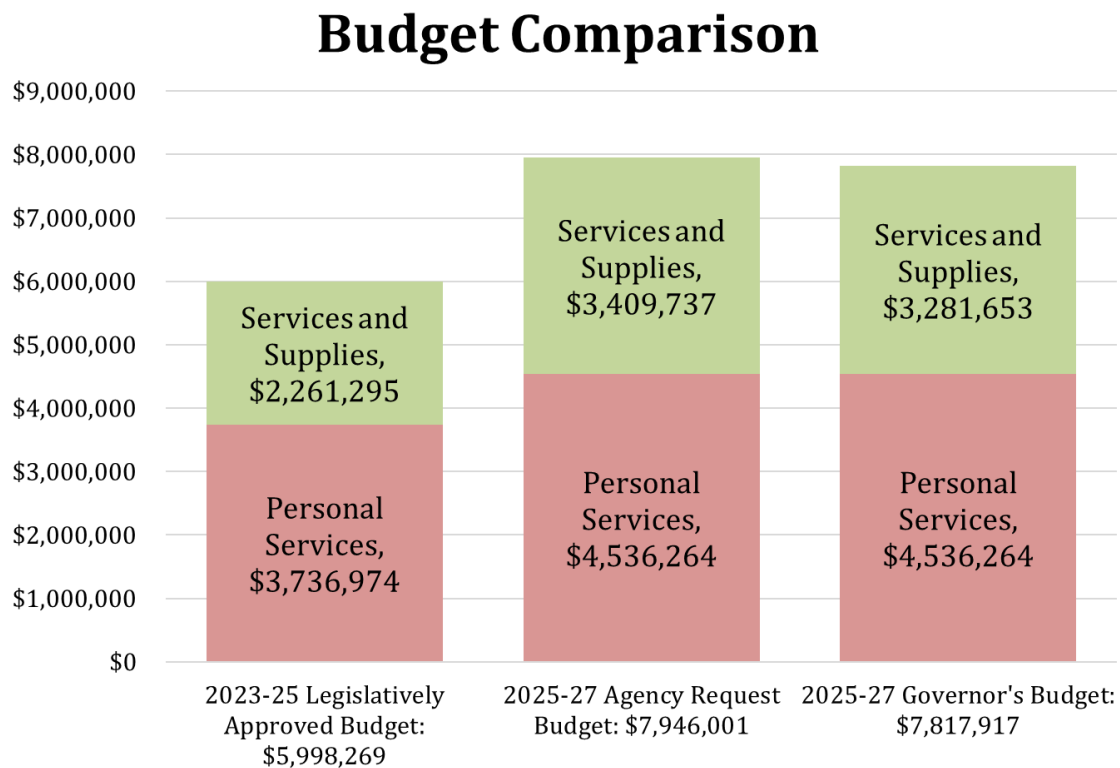
Expenditure Limitation



Revenue by Board



Budget Comparison



Fee Information

Following is the Board of Psychology fee schedule for the 2025-27 biennium.

- Application for Licensure: \$325
- Criminal Background Check: Actual cost assessed by the Oregon State Police and Federal Bureau of Investigation; currently \$45
- Jurisprudence Examination: \$155
- Biennial License Renewals:
 - Active Status License: \$600
 - Semi-Active Status License: \$300
 - Inactive Status License: \$90
- Limited Permit: \$120
- Temporary Practice Authorization: \$700
- Miscellaneous Fees:
 - Certified verification of licensure: \$5
 - Certified transfer of application information: \$20
 - Student loan deferment letter: \$5
 - Duplicating request: \$2.50 for the first five copies; \$.25 for each copy thereafter
 - Laws and administrative rules: \$5
 - Electronic file of mailing labels: \$35
 - Application packet, including laws and administrative rules: \$10
 - Duplicate wall display certificate of licensure: \$12
 - Certified duplicate license: \$10
 - Cumulative disciplinary report: \$7.50

Following is the Board of Licensed Professional Counselors and Therapists fee schedule for the 2025-27 biennium.

- Application for Licensure: \$175
- Criminal Background Check: Actual cost assessed by the Oregon State Police and Federal Bureau of Investigation; currently \$45
- Initial License: \$115
- Biennial License Renewal:
 - Active Status License: \$290
 - Inactive Status License: \$180
- Annual Registered Associate Renewal: \$105
- Temporary Practice Authorization: \$405
- Limited Permit: \$100
- Restoration fees:

- Delinquent fee for late renewals: \$50
- Reactivation of inactive status license: \$125
- Duplicate license or certificate of licensure: \$5
- Verification of licensure or examination scores for applicant or licensee to other licensing or certifying agencies: \$10

There are no currently proposed fee changes.

Major Agency Changes

The following is a summary of major MHRA changes and projects over the past six years.

2019-21

- First full biennium of MHRA as an agency (established 2018)
- Significant work towards streamlining of Board operations
- Planning for new licensing system (database); begin implementation

2021-23

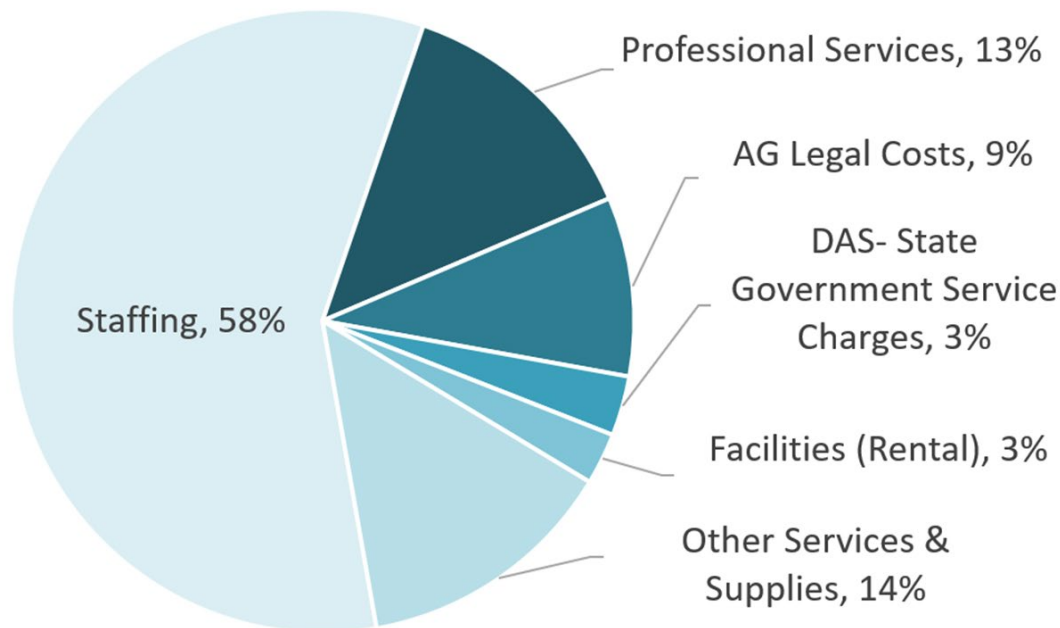
- New licensing system implementation; ongoing adjustments
- Diversity Study / Addressing Barriers to Licensure

2023-25

- Planning for new licensing system (database)
- Limited permit added to BLPCT (HB 3300)
- Fee decreases
- New MHRA Leadership

Budget Drivers & Risks

- Major drivers:
 - Personal Services: Staffing (58%)
 - Professional Services (13%; includes items such as expert witnesses and Office of Administrative Hearings costs for contested cases)
 - Attorney General Legal Costs (9%)
- Risks:
 - Case Fluctuation
 - Limited Staffing, Impact of Turnover, & Recruitment Time
 - New Mandates
- There were no long-term vacancies in 2023-25



Policy Option Packages

Package 100

This package requests to add additional revenue that is expected to be collected on the passage of the BOP’s Senate Bill 789, further explained below under [Legislation](#). If approved, the expected effective date will be the end of September, 2024 (91 days following adjournment sine die, exact date to be determined).

If the Bill is successful, BOP will begin to recover some of the costs of the disciplinary process from respondents that do not prevail against the Board in disciplinary proceedings via a “tiered” fee assessment structure. The Board expects to collect \$17,753 in disciplinary cost revenue assessed in 2025-27. The revenue source is 100% Other Funds from this new licensing-related fee. The total requested ongoing revenue increase is \$17,753 in 0205 Business Licenses and Fees for BOP in 2025-27.

Package 550: Licensing System (Database) Replacement

This package requests funding to replace the Licensing System (Database) for the Board of Psychology and the Board of Licensed Professional Counselors and Therapists. The Boards’ current vendor has chronically underperformed and failed to meet deadlines, resulting in continued problems with the system and significant negative impact on customer service and reputation for MHRA’s Boards. MHRA leadership has engaged with the office of the Oregon State Chief Information Officer to identify and procure an alternative platform and vendor. This package will fund project initiation and management, licensing, system planning and design, building and testing, data migration, and new system launch.

MHRA's Boards rely heavily on their licensing systems for daily operations in licensing and compliance, functions that are core to the Boards' missions in public protection. These systems ensure behavioral health licenses, registrations, and permits are issued and renewed, applications are processed, and compliance matters are managed successfully. They allow the consuming public and insurers to look up licensee status and information on the Board websites. They facilitate various routine tasks from contact information updates and document requests to post-degree clinical experience tracking and supervisor registry application. The Boards need a comprehensive and reliable system administered by a consistent and responsive vendor. Other smaller boards have similarly struggled, and the hope is to identify a viable alternative that other boards may benefit from as well.

This proposal supports the Agency's mission to protect the public from harm through the timely licensing and regulation of behavioral and mental health professions in Oregon. Without necessary funding, the Agency may continue to face the consequences of an inadequate licensing system. The funding source is 100% General Funds (one-time), and the total requested limitation is \$625,000 in Services & Supplies for 2025-27.

Package 551: MHRA Staff Restructuring

This package requests the establishment of two new permanent full-time positions: a Compliance Specialist 2 and an Investigator 2. It also requests the reclassification of two current permanent full-time positions: for the Licensing and Permitting Supervisor 2 to become a Licensing and Permitting Manager 1 and for the Program Analyst 1 to become a Licensing and Permit Supervisor 1. The current agency structure includes licensing and compliance sections that carry out the regulated Boards' public protection functions of issuing and renewing licenses and registrations, enforcing established standards of licensure and professional practice, investigating complaints of misconduct, and monitoring sanctioned practitioners for compliance. As the Boards' licensee bases and compliance caseload continues to grow, the agency's personnel needs have increased as well.

This proposal adds two new positions to support agency compliance functions. The Investigator will help the Agency meet its strategic goals of timely complaint investigation processing and optimal customer satisfaction to those who have filed complaints and respondents subject to investigations. This position will support the completion of timely, thorough, and procedurally sound investigations. The Compliance Specialist will focus on applicant character and fitness reviews and license continuing education compliance, helping the agency to meet its strategic goals in efficient application processing and ensuring the ongoing professional competence of licensed professionals.

The Agency's Compliance Section is facing an ever-increasing number of investigation requests and complex cases, and must dedicate significant time to each case to ensure that Board members have sufficient information to take appropriate action based on the facts. This proposal promotes a more effective compliance section whose complete investigations are strong and defensible in contested case hearing or on appeal. This package supports a strong staffing structure for an agency that continues to grow in terms of the volume of licensees, residents, registered associates, permit holders, and applicants subject to regulation. It also promotes cost avoidance through a more effective licensing section that is well-trained and able to quickly process licensure applications and renewals and respond to stakeholder needs. The Boards'

ability to work more effectively and efficiently will result in improved customer service and enhanced ability to protect the public.

This proposal supports the Agency’s mission to protect the public from harm through the licensing and regulation of behavioral and mental health professions in Oregon. Without necessary funding, the Agency may face an inadequate staffing structure that lacks oversight, continued declines in customer satisfaction ratings, slow processing of applications that delay behavioral health professionals who wish to serve Oregonians, and untimely resolution of compliance matters that involve harm to the public. The funding source is 100% Other Funds from licensing-related fees, and the total requested ongoing limitation increase is \$466,862 in Personal Services and \$40,433 in Services and Supplies for total expenditures of \$512,295.

Legislation

The agency has proposed [Senate Bill 789](#), which allows the Board of Psychology to recover some of the costs of the disciplinary process from respondents that do not prevail against the Board in disciplinary proceedings via a “tiered” fee assessment structure. The purpose of this proposal is to bring the Board in-line with other health-related boards that are authorized to recover disciplinary costs, and to help cover increasing costs associated with the disciplinary process, including attorney general and Office of Administrative Hearing fees.

Budget Documents

MHRA budget documents are posted to the MHRA website at:
<https://www.oregon.gov/mhra/Pages/Reports.aspx>

Audits

There have been no audits conducted by the Secretary of State or any external audit firm in 2023-25.

Reduction Options

10% Reduction Options (ORS 291.216)

Rank (most to least preferred)	Program Unit/Activity Description	Amount and Fund Type									Impact of Reduction on Services and Outcomes
		GF	LF	OF	NL-OF	FF	NL-FF	Total Funds	Pos.	FTE	
1	Out of State Travel (Eliminate)			\$13,588				\$13,588	-	-	Decreases the ability for national networking, reducing the Agency's ability to keep up on national trends and contacts.
2	Instate Travel (Eliminate)			\$29,886				\$29,886	-	-	Eliminates in-person board and committee meetings and strategic planning sessions. Reduces relationship building, thoughtful engagement, and creativity in discussions of complex ideas and strategy.
3	Employee Training / Recruitment and Development (Reduce 50%)			\$9,231				\$9,231	-	-	Reduce employee training by 50%, and eliminate recruitment and development expenditures. Decreases the ability of the Agency to recruit and for staff to maintain and strengthen their skills.
4	Dues & Subscriptions (Eliminate)			\$14,720				\$14,720	-	-	Decreases the ability for national networking, reducing the Agency's ability to keep up on national trends and contacts. Reduces training opportunities for board members and staff at conferences.
5	Administrative Services (Eliminate OS-2 Position)			\$146,748				\$146,748	1	1.00	Reduces Agency's ability to provide customer service for daily operations. Agency processing of licensure applications, renewals, and compliance cases will slow significantly.
6	Professional Services (Reduce 10%)			\$41,767				\$41,767	-	-	Hinders the ability to contract for expert witnesses for compliance hearings, reducing the Agency's ability to support and uphold enforcement actions that protect the public from improper mental health practice.

Rank (most to least preferred)	Program Unit/Activity Description	Amount and Fund Type									Impact of Reduction on Services and Outcomes
		GF	LF	OF	NL-OF	FF	NL-FF	Total Funds	Pos.	FTE	
7	Administrative Services (Reduce 1.0 FTE OA-2 Position to 0.5 FTE)			\$79,894				\$79,894	-	0.50	Reduces Agency's ability to maintain updated data and records, slowing service time. Places burden on licensing and investigative staff to perform clerical tasks, taking away from crucial mission-oriented tasks.
8	Investigations (Eliminate INV-2 Position)			\$185,134				\$185,134	1	1.00	Threatens the Boards' ability to properly protect the public through timely and thorough compliance investigations.
9	Attorney General (Reduce 19%)			\$148,926				\$148,926	-	-	Reduces access to assigned assistant attorney general by 19%. Impairs the Agency's access to legal advice to interpret and enforce laws & rules, and to pursue and uphold enforcement actions that protect the public from improper mental health practice.
Total		\$-	\$-	\$669,892	\$-	\$-	\$-	\$669,892	2	2.50	

Agency-Wide Program Prioritization

Program Prioritization for 2025-27																					
Agency Name: Mental Health Regulatory Agency																				Agency Number: 10800	
2025-27 Biennium																				Agency Number: 10800	
Program / Division Priorities for 2025-27 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/ Div																				
10800	002	MHRA	OBOP	Oregon Board of Psychology	1,2,3,4	3		2,070,543				\$ 2,070,543	4	4.00	Y	Y	S	ORS 675.010 - 675.150		ARB = \$2,386,116; represents increase of \$315,573	
10800	001	MHRA	OBLPCT	Oregon Board of Licensed Professional Counsors and Therapists	1,2,3,4	3		4,613,163				\$ 4,613,163	11	11.00	Y	Y	S	ORS 675.715 - 675.885		ARB = \$5,559,865; represents increase of \$946,722	
												\$ -									
												\$ -									
												\$ -									
												\$ -									
												\$ -									
								6,683,706	-	-	-	\$ 6,683,706	15	15.00							

7. Primary Purpose Program/Activity Exists
 1 Civil Justice
 2 Community Development
 3 Consumer Protection
 4 Administrative Function
 5 Criminal Justice
 6 Economic Development
 7 Education & Skill Development
 8 Emergency Services
 9 Environmental Protection
 10 Public Health
 11 Recreation, Heritage, or Cultural
 12 Social Support

19. Legal Requirement Code
 C Constitutional
 D Debt Service
 FM Federal - Mandatory
 FO Federal - Optional (once you choose to participate, certain requirements exist)
 S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in DRBITS

Document criteria used to prioritize activities:

While the Agency considers both Boards high priority, OBOP was established in 1963 to regulate the practice of psychology, many years prior to OBLPCT's establishment in 1989. Licensure as a professional counselor and marriage and family therapist was not required, and the Board did not have a practice act until recent years. Therefore, the OBOP program was ranked higher priority.

Other Funds Ending Balance

Mental Health Regulatory Agency (MHRA)					Contact Person (Name & Phone #): (SFS FA) Madeline Kretzschmar 971-453-2114				
2025-27 Biennium					BEX100 AY25		BDV002A AY27		
					N - LAB Column Projections		J (A) - CSL Column Calculation to right		

Updated Other Funds Ending Balances for the 2023-25 and 2025-27 Bienna										
(a)	(b)	(c)	(d)	(e)	(f)		(g)		(i)	(j)
Other Fund Type	Program Area (SCR)	Treasury Fund #/Name	Category/Description	Constitutional and/or statutory reference	2023-25 Ending Balance		2025-27 Ending Balance		Comments	
					In LAB	Revised	In CSL	Revised		
Limited	10800-001-00-00-00000	#1080001764 Operating Other Funds/ Mental Health Regulatory Agency-BLPCT	Operations	1998 Chpt 721, Sec 14 & 17, ORS 675.785 & 676.805	445,686	2,012,289	948,839	1,758,727		
Limited	10800-002-00-00-00000	#1080001765 Operating Other Funds/ Mental Health Regulatory Agency-BOP	Operations	1963 Chpt 396, Sec 12, ORS 675.110(7)	623,501	1,682,250	1,256,981	1,272,061		