

2025-27 Budget Review

Board of Chiropractic Examiners

	2021-23 Actual	2023-25 Legislatively Approved *	2025-27 Current Service Level	2025-27 Governor's Budget
Other Funds	1,955,692	2,661,824	2,926,904	2,475,556
Total Funds	1,955,692	2,661,824	2,926,904	2,475,556
Positions	6	6	6	5
FTE	5.10	5.75	5.75	4.75

* Includes legislative and administrative actions through December 2024.

PROGRAM DESCRIPTION

The Oregon Board of Chiropractic Examiners (OBCE) is a seven-member citizen board that protects the public by regulating the practice of chiropractic care. A staff of six administers OBCE's licensing and compliance operations, including licensing and renewing licenses, monitoring continuing education requirements, and investigating and adjudicating complaints against licensees. OBCE receives 94% of its revenue from annual licensing and renewal fees, application fees, and examination fees. OBCE also receives a small amount of revenue (6%) from civil penalties, late renewal fees, and miscellaneous administrative charges.

BUDGET ENVIRONMENT

OBCE currently regulates approximately 3,600 licensees, including Doctor of Chiropractic Medicine and Certified Chiropractic Assistants. Although OBCE began the 2023-25 biennium with 6.7 months of operating reserves, the projected 2023-25 ending balance is \$280,806 Other Funds, which is equivalent to 2.6 months of operating reserves. This decline is the result of relatively flat licensing numbers and growing administrative costs over the past few years. Personal services increases include cost-of-living adjustments, pay equity, and a Healthcare Investigator position that increased from part-time to full-time. Additionally, the Board has had higher costs for Attorney General and Office of Administrative Hearings, and professional services contracts related to investigations and contested cases.

The 2023-25 legislatively adopted budget included 20% fee increases, which took effect in October 2023. However, these fee increases have proved to be inadequate and the Board has a projected revenue shortfall of \$1.4 million in the 2025-27 biennium. This shortfall would result in the elimination of four positions (4.00 FTE), reducing the number of board meetings from six to four annually, cutting in-state and out-of-state travel and board member per diems, and limiting attendance by Department of Justice legal representation to executive sessions only.

To address the revenue shortfall, the Board has recently adopted additional 30% fee increases, which took effect in November 2024. These fees will need to be approved by the Legislature in a fee ratification bill during the 2025 session or they will revert to their prior approved amounts. While the 30% fee increases will help close the gap between expenditures and revenues, the expected increase would only restore three of the four positions, still eliminating an Investigator 2 position (1.00 FTE).

OBCE has utilized two staff, a Healthcare Investigator and the aforementioned Investigator 2, and two contract investigators, to reduce its backlog of cases by 61% in the last fiscal year. With the latest fee increase not sufficient enough to fully restore the second investigator position, it is unclear if the Board will be able to prevent a backlog of cases from developing again. Depending on available revenues, the Board might be able to consider a part-time investigator or additional contract investigators as an alternative.

CURRENT SERVICE LEVEL

The 2025-27 current service level (CSL) budget for OBCE of \$2.9 million Other Funds is \$265,080, or 9.9%, more than the 2023-25 legislatively approved budget of \$2.7 million. The increase is attributable to standard personal services growth and inflation for services and supplies expenditures.

GOVERNOR'S BUDGET SUMMARY

The 2025-27 Governor's budget for OBCE totals \$2.5 million Other Funds, a decrease of \$451,348, or 15.4%, from CSL. The Governor's budget supports the fee increases of 30% to continue agency operations, although with reduced board meetings, travel, and per diems, restores three of the four positions, and reclassifies one other position.

OTHER SIGNIFICANT ISSUES

OBCE, through the Department of Administrative Services (DAS), is currently in the process of negotiating a "buyout" of its lease agreement. Assuming these efforts are successful, OBCE would vacate the lease in the 2023-25 biennium. Once vacated, the plan is for OBCE to become a remote state agency, using office space as needed, which will be provided by DAS.

In total, OBCE still owes \$175,000 on the lease, which would expire in January 2028. By vacating the lease in the 2023-25 biennium, OBCE is anticipated to save approximately \$100,000 in rent in the 2025-27 biennium, which is equivalent to about one month of operating costs.

KEY PERFORMANCE MEASURES

A copy of the Board of Chiropractic Examiners' Annual Performance Progress Report can be found on the LFO website: https://www.oregonlegislature.gov/lfo/APPR/APPR_OBCE_2024-09-24.pdf

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