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**Agency Purpose**

Minnesota Statutes, sections 148.88-148.98 provides the Board of Psychology (Board) with authority to regulate the practice of psychology. Within this authority, the Board's mission is to protect the public from the practice of psychology by unqualified persons and from unethical or unprofessional conduct by persons licensed to practice psychology.

**At a Glance**

**Licensure Services**

- 3,475 Licensed Psychologists (LP) issued or renewed
- 70 Licensed Psychological Practitioners (LPP) issued or renewed
- Three Guest Licenses
- Nine Emeritus Registrations
- 115 LPP to LP Conversions
- 13 Education Upgrades
- 10,455 Licensure Verifications
- 23 Registered Psychological Firms
- Admit 270 applicants to the Professional Responsibility Examination (PRE)
- Admit 225 applicants to the national examination

**Complaint Resolution Services**

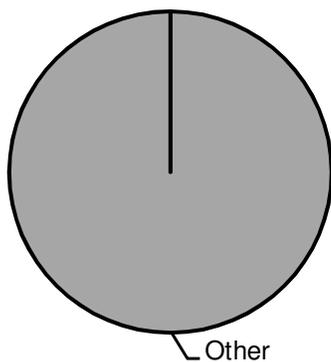
- Investigate 261 jurisdictional complaints on applicants, psychologists, or psychological practitioners alleged to have violated the Psychology Practice Act
- Resolve 20 complaints via disciplinary action
- Resolve five complaints via agreements for corrective action
- Remove four licensed psychologists from practice based on a potential increased risk to public safety
- Monitor compliance of 20 licensees under disciplinary order

Staff: 10.88 full-time equivalent employees.

**Continuing Education Services**

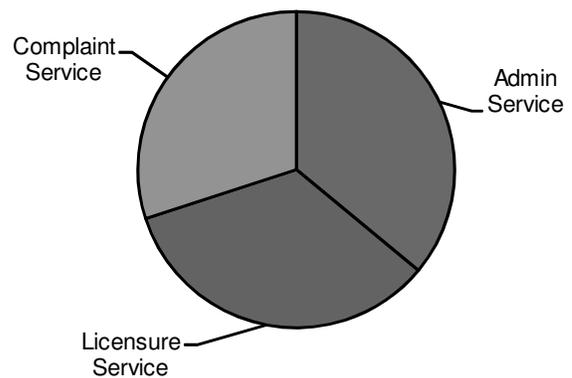
- Promote the health and well being of the residents of Minnesota receiving psychological services from licensees through mandatory continuing education
- Approve continuing education activities as requested by individuals or sponsors

**Est. FY 2010-11 Expenditures by Fund**



Source: Consolidated Fund Statement.

**Est. FY 2010-11 Expenditures by Service**



Source: Board expenses allocated to the services provided by board staff.

## Strategies

The Board accomplishes its mission by:

- Reviewing applicants' educational credentials and training experiences for compliance with Board requirements for licensure to assure the public that individuals who practice psychology in Minnesota have the requisite education, competence, and ethical character to practice psychology safely and effectively; and
- Investigating and resolving complaints against applicants, and licensees alleged to have violated the Psychology Practice Act, including removing licensees from practice who are a risk to client safety and monitoring licensees whose practice requires remediation and oversight to assure public safety.

Public safety is enhanced by providing public access to information regarding licensure, discipline status, individual license history, information on the complaint process, and how to obtain forms to file a complaint;

- Requiring, approving, and establishing mandatory continuing education for licensees; and
- Educating the public on the requirements for licensure and rules of conduct for applicants and licensees.

## Operations

The Board is comprised of 11 members appointed by the Governor. The Board interacts with and provides services to consumers, applicants, licensees, attorneys, and other state agencies and health-related licensing boards. Information is disseminated by maintaining a web site, developing educational sessions for students in doctoral psychology programs, public presentations, and handouts and mailers developed by Board staff.

The Board operates with two distinct units, licensure and the complaint resolution unit. The Licensure Unit reviews all applications for admission to examination, licensure, and emeritus registration to ensure compliance with all statutory and administrative requirements for approval.

- Board staff gathers information from applicants about their qualifications for licensure and independently verifies the information from primary sources. If the information is substantiated and meets licensure requirements, Board staff admit applicants to examination, or in the case of licensure applications, the Application Review Committee (ARC) recommends licensure to the full Board.
- Licenses are renewed biennially after licensees meet all renewal requirements, including providing documentation of the required number of continuing education hours.

The Complaint Resolution Unit triages all complaints received by the Board for appropriate jurisdiction, conducts limited investigations, and performs administrative functions to prepare complaints for Complaint Resolution Committee (CRC) review.

- Consumer complaints are investigated to establish whether a violation of the Psychology Practice Act has occurred and the Board adopts any necessary remedial or disciplinary action against an applicant's ability to be admitted to practice or a licensee's license to practice psychology.

## Key Activity Goals & Measures

### Goals:

- Maintain excellence in regulation over the practice of psychology;
- Increase quality of mental health services through high standards of licensure, practice, and regulation of psychological practice; and
- Advance the Minnesota Board of Psychology as a key partner in psychology and public policy.

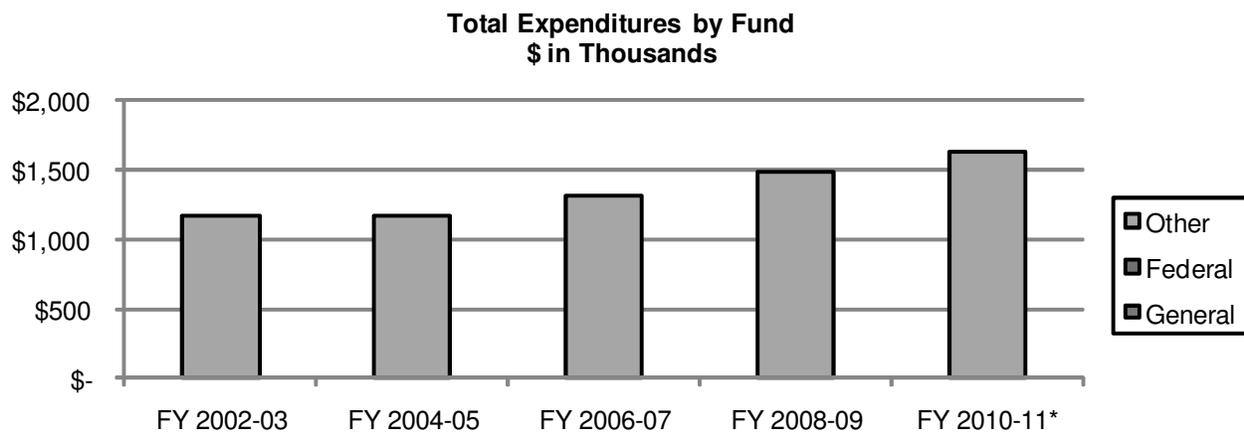
**Measures:**

- In FY 2010, the Board moved an online licensure renewal and verification project into final testing as an investment in technology and improvement in services offered for licensees and public users.
- The Board is in the final stages of completing a four part update to the administrative rules in the areas of licensure, definitions, continuing education, and rules of conduct to improve clarity of the regulatory language and to align Board rules with current trends in the field of psychology.
- In FY 2010, the Board implemented new statutory language in the areas of licensure to increase mobility for experienced psychologists wishing to practice in Minnesota, licensure for voluntary practice to promote the provision of pro bono psychological services, and guest licensure to allow applicants for licensure to obtain temporary permits.
- Board staff conducted an internal audit on the licensure process to ensure statutory compliance, improve efficiency, and to better serve applicants and the public. As a result of the internal audit, delegated authority was sought from the Board to Board staff to enable staff to complete ministerial functions such as admission to examination and approval of a limited number of applications. As a result of the delegated authority, the time it takes for admission to examination was decreased by 91%.
- Based on new application review procedures, Application Review Committee (ARC) processing efficiency increased and ARC meetings were shortened by approximately three hours per meeting for a cost savings of approximately \$135 per meeting.

**Budget Trends**

The board is responsible for collecting sufficient revenue to cover both direct and indirect expenditures. The board is estimated to collect \$2.299 million in FY 2010-11, which is deposited as non-dedicated revenue into the state government special revenue fund.

From this fund, the board receives a direct appropriation to pay for agency activities such as salaries, rent, costs for disciplinary/contested cases and operating expenditures. It also pays statewide indirect costs through an open appropriation. In FY 2010-11, total expenditures for these purposes are estimated at \$1.659 million. The chart below shows funding trends over the last five biennia for the direct and open appropriation.



*\* FY 2010-11 is estimated, not actual*

*Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS) as of 07/31/10.*

Board fees are also responsible for covering a prorated share of support functions provided outside of the Board itself. These include legal support (Attorney General), statewide e-licensing system development and operations (Office of Enterprise Technology), centralized administrative support (Health Boards Administrative Services Unit) and funding for services to health professionals (Health Professionals Services Program). In FY 2010-11, some of the health boards' reserves in the state government special revenue fund were also transferred to the general

fund. The table below displays direct and open appropriation expenditures, external support costs (prorated share), and the general fund transfers (prorated share) estimated in FY 2010-11.

	FY 2010-11 (in thousands)
Board's Direct and Open Appropriations	\$ 1,659
Board's External Support Costs and Transfers (prorated Share)	
• Attorney General support	412
• E-licensing support	109
• Central administrative service unit	77
• Health professional service program	16
• General fund transfer	689
Total	<u>2,962</u>
 Fees Collected by Board	 <u>\$2,299</u>
Prorated Surplus/(Deficit)	(663)

In most years, Board fee revenues exceed direct expenditures and external support costs, and as directed by law, the surplus is used to maintain a reserve in the state government special revenue fund. It should be noted here that the FY 2010-11 transfers to the General Fund, along with unanticipated increases in the support costs discussed above, have resulted in the Board's fee revenue not covering its prorated costs and transfers.

**External Factors Impacting Agency Operations**

The number of licensees regulated by the Board continues to rise, as do the number of complaints and the complexity of the cases.

**Contact**

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*Dollars in Thousands*

	Current		Governor Recomm.		Biennium 2012-13
	FY2010	FY2011	FY2012	FY2013	
<b><u>Direct Appropriations by Fund</u></b>					
<b>State Government Spec Revenue</b>					
Current Appropriation	806	806	806	806	1,612
<b>Recommended</b>	<b>806</b>	<b>806</b>	<b>0</b>	<b>0</b>	<b>0</b>
Change		0	(806)	(806)	(1,612)
% Biennial Change from 2010-11					-100%
 <b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
State Government Spec Revenue	725	919	0	0	0
<b>Open Appropriations</b>					
State Government Spec Revenue	6	9	0	0	0
<b>Statutory Appropriations</b>					
State Government Spec Revenue	0	0	1,150	1,150	2,300
<b>Total</b>	<b>731</b>	<b>928</b>	<b>1,150</b>	<b>1,150</b>	<b>2,300</b>
 <b><u>Expenditures by Category</u></b>					
Total Compensation	573	604	610	630	1,240
Other Operating Expenses	158	324	540	520	1,060
<b>Total</b>	<b>731</b>	<b>928</b>	<b>1,150</b>	<b>1,150</b>	<b>2,300</b>
 <b><u>Expenditures by Program</u></b>					
Psychology, Board Of	731	928	1,150	1,150	2,300
<b>Total</b>	<b>731</b>	<b>928</b>	<b>1,150</b>	<b>1,150</b>	<b>2,300</b>
 <b>Full-Time Equivalent (FTE)</b>	 <b>9.6</b>	 <b>10.3</b>	 <b>10.3</b>	 <b>10.3</b>	

<i>Dollars in Thousands</i>				
	FY2011	Governor's Recomm.		Biennium
		FY2012	FY2013	2012-13
<b><i>Fund: STATE GOVERNMENT SPEC REVENUE</i></b>				
<b>FY 2011 Appropriations</b>	806	806	806	1,612
<b>Subtotal - Forecast Base</b>	806	806	806	1,612
<b>Change Items</b>				
Convert to Dedicated Funding	0	(806)	(806)	(1,612)
<b>Total Governor's Recommendations</b>	806	0	0	0
<b><i>Fund: STATE GOVERNMENT SPEC REVENUE</i></b>				
<b>Planned Open Spending</b>	9	12	12	24
<b>Change Items</b>				
Convert To Dedicated Funding	0	(12)	(12)	(24)
<b>Total Governor's Recommendations</b>	9	0	0	0
<b><i>Fund: STATE GOVERNMENT SPEC REVENUE</i></b>				
<b>Planned Statutory Spending</b>	0	0	0	0
<b>Change Items</b>				
Convert to Dedicated Funding	0	1,150	1,150	2,300
<b>Total Governor's Recommendations</b>	0	1,150	1,150	2,300

# PSYCHOLOGY BOARD

## Change Item: Convert to Dedicated Funding

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
Health Related Boards Fund (171)				
<b>Direct Appropriated Account</b>				
Expenditures	\$(806)	\$(806)	\$(806)	\$(806)
Non-Dedicated Revenue	(1,150)	(1,150)	(1,150)	(1,150)
<b>Open Appropriated Account</b>				
Expenditures	(12)	(12)	(12)	(12)
<b>Dedicated Account</b>				
Expenditures	1,150	1,150	1,150	1,150
Dedicated Revenue	1,150	1,150	1,150	1,150
Transfer In	0	0	0	0
Net Fiscal Impact	\$332	\$332	\$332	\$332

### Recommendation

The Governor recommends changing the way appropriations are made to the health related licensing boards that operate in the state government special revenue fund. Under this proposal, the boards' funding would be converted from direct appropriations to dedicated appropriations, giving each board spending authority equal to its fee revenue and any accumulated balance. The net effect of this change is the difference between the board's current base appropriations and projected revenues.

### Rationale

This proposal places ownership in the boards' 183 appointed members to be efficient and cost effective in setting their spending levels, while providing continued legislative oversight in the setting of the boards' fees. It encourages the boards to find efficiencies and ensures the fees paid by each occupation are dedicated to the boards' mission to protect the public and ensure that Minnesota citizens receive quality care by qualified licensed health professionals. The establishment of the dedicated appropriation will improve the boards' management of resources and transparency for licensees.

The health related licensing boards are fee-supported organizations that receive no General Fund dollars. The boards currently collect and deposit fees as non-dedicated special revenue into the health related boards account in the state government special revenue fund (171). The legislature then provides a direct appropriation from these revenues to each board for its operating expenses. Unlike agencies that receive direct appropriations from the General Fund, the boards must ensure that licensing fees are collected to recover each board's direct and indirect expenditures to maintain the solvency of the state government special revenue fund. For this reason, the health boards already operate much like agencies with dedicated appropriations—except that they must seek appropriation authority to gain access to their existing fee revenue.

This proposal changes the boards' non-dedicated revenue to dedicated revenue within the same fund and provides each board with a dedicated appropriation from the board's revenue. Additionally, the current accumulated fund balance within the health related boards account will be transferred to individual boards based on each board's contribution to the balance. M.S. 16A.1283 requires that all fee increases be approved by the legislature, so even with a dedicated funding arrangement, the boards must still seek legislative action to increase spending beyond current law fee revenues.

### Key Goals and Measures

Minnesota Milestone: Government in Minnesota will be cost-efficient, and services will be designed to meet the needs of the people who use them. Minnesotans expect their state and local governments to spend money carefully and effectively.

Measures:

- Transparency of fees and expenditures
- The level of service provided to licensees and Minnesota citizens.

**Statutory Change:** Minnesota Statutes Chapter 148

**PSYCHOLOGY BOARD**

Agency Revenue Summary

*Dollars in Thousands*

	<b>Actual FY2010</b>	<b>Budgeted FY2011</b>	<b>Governor's Recomm. FY2012   FY2013</b>		<b>Biennium 2012-13</b>
<b><u>Non Dedicated Revenue:</u></b>					
<b>Departmental Earnings:</b>					
State Government Spec Revenue	1,163	1,150	0	0	0
<b>Other Revenues:</b>					
State Government Spec Revenue	(100)	0	0	0	0
<b>Total Non-Dedicated Receipts</b>	<b>1,063</b>	<b>1,150</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Dedicated Receipts:</u></b>					
<b>Departmental Earnings:</b>					
State Government Spec Revenue	0	0	1,150	1,150	2,300
<b>Total Dedicated Receipts</b>	<b>0</b>	<b>0</b>	<b>1,150</b>	<b>1,150</b>	<b>2,300</b>
<b>Agency Total Revenue</b>	<b>1,063</b>	<b>1,150</b>	<b>1,150</b>	<b>1,150</b>	<b>2,300</b>