



STATE OF ARIZONA
BOARD OF BEHAVIORAL HEALTH EXAMINERS
1740 WEST ADAMS STREET, SUITE 3600
PHOENIX, AZ 85007
PHONE: 602.542.1882 FAX: 602.364.0890
Board Website: www.azbbhe.us
Email Address: information@azbbhe.us

KATIE HOBBS
Governor

TOBI ZAVALA
Executive Director

September 1, 2023

The Honorable Katie Hobbs
Governor, State of Arizona
1700 West Washington
Phoenix, AZ 85007

Dear Governor Hobbs:

In accordance with guidelines from the Office of Strategic Planning and Budgeting, the Arizona Board of Behavioral Health Examiners respectfully submits its FY 2025 operating budget request.

The Board is pleased to present a plan which reflects our mission to establish and maintain standards of qualifications and performance for licensed behavioral health professionals and to regulate the practice of licensed behavioral health professionals for protection of the public.

Your support of the Board's FY 2025 operating budget request is greatly appreciated as it moves through the appropriation process.

If you have any questions, please do not hesitate to contact me at 602-542-1617 or tobi.zavala@azbbhe.us.

Sincerely,

A handwritten signature in black ink that reads "Tobi Zavala".

Tobi Zavala
Executive Director



State of Arizona Budget Request

State Agency

Board of Behavioral Health Examiners

A.R.S. Citation: **A.R.S. §§ 32-3251 to 32-3322**

Governor Hobbs:

This and the accompanying budget schedules, statements and explanatory information constitute the operating budget request for this agency for Fiscal Year 2025.

To the best of my knowledge all statements and explanations contained in the estimates submitted are true and correct.

Agency Head: **Tobi Zavala**
Title: **Executive Director**

Tobi Zavala 8/24/2023
(signature)

Phone: 6025421617

Prepared by: Erin Yabu
Email Address: erin.yabu@azbbhe.us
Date Prepared: August 24, 2023

Appropriated Funds

Total Amount Requested:
Behavioral Health Examiner Fund

Non-Appropriated Funds

Board of Behavioral Health

	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Total Amount Requested:	2,112.7	625.6	2,738.3
Behavioral Health Examiner Fund	2,112.7	625.6	2,738.3
	-	-	-
Board of Behavioral Health	2,112.7	625.6	2,738.3

Revenue Schedule

Agency: Board of Behavioral Health Examiners

Fund: AA1000 General Fund

AFIS Code	Category of Receipt and Description	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
4339	Other Fees & Charges for Services	1.8	2.0	2.2
4372	Publications & Reproductions	3.5	3.9	4.2
4415	Occupational & Professional Licenses	81.0	89.2	98.1
4419	Other Licenses	201.6	221.8	243.9
4449	Other Fees	0.0	-	-
4519	Other Fines, Forfeitures, Penalties and Liquidated Damages	3.0	3.3	3.7
4645	Payment Card Transaction Fees Paid	(4.9)	(5.3)	(5.9)
4649	Credit Card Fee Revenue	0.8	-	-
General Fund Total:		286.9	314.9	346.2

Forecast Methology

Please see Attachment. Figures are not rounded.

Fund: BH2256 Behavioral Health Examiner Fund

AFIS Code	Category of Receipt and Description	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
4339	Other Fees & Charges for Services	16.1	17.8	19.5
4372	Publications & Reproductions	31.5	34.7	38.1
4415	Occupational & Professional Licenses	729.4	802.3	882.6
4419	Other Licenses	1,813.8	1,995.2	2,194.7
4449	Other Fees	1.6	1.8	1.9
4519	Other Fines, Forfeitures, Penalties and Liquidated Damages	27.2	29.9	32.9
4645	Payment Card Transaction Fees Paid	(43.8)	(48.1)	(52.9)
4649	Credit Card Fee Revenue	7.0	7.7	8.4
Behavioral Health Examiner Fund Total:		2,582.9	2,841.3	3,125.2

Forecast Methology

Please see Attachment. Figures are not rounded.

Revenue Schedule

Agency:	Board of Behavioral Health Examiners
----------------	---

Fund:	BH2256 Behavioral Health Examiner Fund
--------------	---

Sources and Uses

Agency: Board of Behavioral Health Examiners

Fund: BH2256 Behavioral Health Examiner Fund

Revenues are from the fees, fines, and other revenue collected by the Board, and are used to certify and regulate behavioral health professionals in the fields of social work, counseling, marriage and family therapy, and substance abuse counseling.

Cash Flow Summary	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
Beginning Balance	4,904.2	5,354.6	6,083.2
Revenue (from Revenue Schedule)	2,582.9	2,841.3	3,125.2
Total Available	7,487.1	8,195.9	9,208.4
Total Appropriated Disbursements	2,132.5	2,112.7	2,738.3
Total Non-Appropriated Disbursements	-	-	-
Balance Forward to Next Year	5,354.6	6,083.2	6,470.1

Explanation for Negative Ending Balance(s): Board of Behavioral Health Examiners

Appropriated Expenditure	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
Expenditure Categories			
Personal Services	1,194.3	1,164.4	1,509.4
Employee Related Expenditures	481.8	487.4	661.2
Professional & Outside Services	89.7	190.0	191.3
Travel In-State	5.4	20.0	20.0
Travel Out-Of-State	4.1	15.0	15.0
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	246.8	160.2	265.7
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	-	-	-
Non-Capital Equipment	49.0	75.7	75.7
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	52.5	-	-
Appropriated Expenditure Sub-Total:	2,123.6	2,112.7	2,738.3
Non-Lapsing Authority from Prior Years (no entry for BY)	-	-	-
Administrative Adjustments (no entry for BY)	8.9	-	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-
IT Project Transfers	-	-	-

Sources and Uses

Agency:	Board of Behavioral Health Examiners
----------------	---

Fund:	BH2256 Behavioral Health Examiner Fund
--------------	---

Residual Equity Transfer	-	-	-
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-
Appropriated Expenditure Total:	2,132.5	2,112.7	2,738.3
Appropriated FTE	20.0	20.0	27.0

Non-Appropriated Expenditure

	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Request
Expenditure Categories			
Personal Services	-	-	-
Employee Related Expenditures	-	-	-
Professional & Outside Services	-	-	-
Travel In-State	-	-	-
Travel Out-Of-State	-	-	-
Food	-	-	-
Aid To Organizations & Individuals	-	-	-
Other Operating Expenditures	-	-	-
Equipment	-	-	-
Capital Outlay	-	-	-
Capital Equipment	-	-	-
Non-Capital Equipment	-	-	-
Debt Service	-	-	-
Cost Allocation & Indirect Costs	-	-	-
Transfers-Out	-	-	-
Non-Appropriated Expenditure Sub-Total:	-	-	-
Non-Lapsing Authority from Prior Years (no entry for BY)	-	-	-
Administrative Adjustments (no entry for BY)	-	-	-
Capital Projects (Land, Bldgs, Improv)	-	-	-
Appropriated 27th Pay Roll	-	-	-
Legislative Fund Transfers	-	-	-
IT Project Transfers	-	-	-
Residual Equity Transfer	-	-	-
Transfer Due to Fund Balance Cap	-	-	-
Prior Committed or Obligated Expenditures (no entry for AY)	-	-	-
Non-Appropriated 27th Pay Roll	-	-	-
Non-Appropriated Expenditure Total:	-	-	-

Sources and Uses

Agency: Board of Behavioral Health Examiners

Fund: BH2256 Behavioral Health Examiner Fund

Non-Appropriated FTE

- - -

Funding Issue List

Agency: Board of Behavioral Health Examiners

FY 2023

Priority	Funding Issue Title	Total FTE	Total Amount	General Fund	Other Appropriated Funds	Non- Appropriated Funds
1	Add FTE and Operational Expenses to Support Increase in Licensing	7.0	565.6	-	565.6	-
2	E-Licensing Funding	-	60.0	-	60.0	-
Total:		7.0	625.6	-	625.6	-

Funding Issue Detail

Agency: Board of Behavioral Health Examiners

Issue: 1 Add FTE and Operational Expenses to Support Increase in Licensing

Calculated ERE: 173.79
Uniform Allowance:

Program: Licensing and Regulation
Fund: BH2256 Behavioral Health Examiner Fund (Appropriated)

Expenditure Categories		FY 2025
FTE	FTE	7.0
6000	Personal Services	345.0
6100	Employee Related Expenditures	173.8
Subtotal Personal Services and ERE		518.8
6200	Professional & Outside Services	1.3
7000	Other Operating Expenditures	45.5
Program/Fund Total:		565.6

Issue: 2 E-Licensing Funding

Calculated ERE:
Uniform Allowance:

Program: Licensing and Regulation
Fund: BH2256 Behavioral Health Examiner Fund (Appropriated)

Expenditure Categories		FY 2025
7000	Other Operating Expenditures	60.0
Program/Fund Total:		60.0

Funding Issue Narrative

Agency: Board of Behavioral Health Examiners

Issue: 1 **Add FTE and Operational Expenses to Support Increase in Licensing**

Description of Issue: A total of seven (7) additional FTEs and corresponding operational expenses are necessary to assist this agency with the substantial workload increase. This increase is a result of the rise in licensure applications, which correlates directly with the number of complaints and subsequent investigations. Since FY18, there has been a substantial increase in applications, and this agency's staffing numbers cannot accommodate the increasing demand.

Behavioral Health Field Landscape

The U.S. Census Bureau 2022 estimates revealed that Arizona's population continues to increase with Maricopa County being the "largest-gaining county in the nation" (Growth in the Nation's Largest Counties Rebounds in 2022, Census.gov). With the continued population growth, the demand for behavioral health services in Arizona has also become evident.

According to the Center for Disease Control, "the percentage of adults who had received any mental health treatment in the past 12 months increased from 2019 to 2021, among both adults of all ages (from 19.2% to 21.6%) and those aged 18–44 (from 18.5% to 23.2%)." In order to meet this societal demand, it can be expected that there will be growth in the behavioral health field. According to the U.S. Bureau of Labor Statistics (2021), "employment of substance abuse, behavioral disorder, and mental health counselors is projected to grow 25 percent from 2019 to 2029, much faster than the average for all occupations. Employment growth is expected as people continue to seek addiction and mental health counseling services." In addition, the increased need for behavioral health services continues to be exposed due to the COVID-19 pandemic. The overall impact cannot yet be determined; however, many sources anticipate a vast, emotional effect on society. The Kaiser Family Foundation reported in March of 2023 that "concerns about mental health and substance use remain elevated three years after the onset of the COVID-19 pandemic, with 90% of U.S. adults believing that the country is facing a mental health crisis." It is clear that behavioral health issues have been on the rise, thus the increased need for professional intervention remains evident.

Increase in Licensure

This agency provides licensure for counselors, marriage and family therapists, substance abuse counselors, and social workers for Arizona. The considerable rise in staff workloads demonstrates the predicted growth in the field, as there has been a substantial increase in requests for licensure. Between FY18 and FY23, applications submitted to this agency have increased over 89% (ATTACHMENT A). To process a license application, a Credentialist reviews comprehensive documents to ensure the applicant meets the requirements as indicated in Board rule. This is a detailed, time-intensive process, as academic programs, examination scores, background check results, and other important criteria must be met to obtain licensure. Wait times are extended for licensure of qualified behavioral health professionals due to the lack of staff to process applications efficiently. The increase has had a serious impact on the agency's ability to provide customer service to applicants seeking licensure. Currently, there are only three fulltime, non-supervisory Credentialist who are bound by A.A.C. R4-6-302 that mandate maximum licensing processing timeframes. Ultimately, this is a detriment to those who are most in need.

Behavioral Health Compacts

It is anticipated that Arizona will join behavioral health compacts for the disciplines of social work and counseling. These are agreements between states that will allow professionals to practice in all participating states without needing multiple licenses. The compacts will assist in giving qualified professionals the ability to serve more clients across the nation, making services more available.

With that, there will be a new application process, along with a system to maintain, ensuring compliance with the compact. This system must be developed in a way to ensure that the public is still protected and qualified professionals are provided the opportunity to serve. Overall, a new credentialing process must be fostered to confirm licensure requirements are met, coupled with a staff member who can act as a point of contact for communications and manage the existing compact participants. Additionally, there will be a shared data system among states that must be maintained. This system will also assist in protecting the public, as it contains shared disciplinary information that must be vetted and processed internally.

Investigations and Complaints

Currently, there are 16,816 licenses regulated by this agency. As evidenced in trendlines for the rise of licensure applications (ATTACHMENT B), more licensees equate to more compliance attention. Arizona Revised Statute § 32-3281 mandates that this agency conducts proper investigations and regulatory processes in order to fulfill this responsibility to protect the public.

When an individual applies for licensure, an important supplementary background investigation may take place due to any discrepancies uncovered in an application. This may lead to a denial of an application and/or other violations that can impact a license. In addition, if a complaint is filed against a licensee, it is this agency's responsibility to investigate and provide the results of the investigation to the Board for

Funding Issue Narrative

Agency: Board of Behavioral Health Examiners

Issue: 1 **Add FTE and Operational Expenses to Support Increase in Licensing**

agency's responsibility to investigate and provide the results of the investigation to the Board for consideration. Investigations may lead to serious licensure violations as indicated in Arizona Revised Statute § 32-3251, which include felony convictions while licensed, confidential documentation errors, inappropriate relationships with clients, and impaired practicing. This responsibility assists in holding a professional accountable when ethical standards of the discipline are not followed as outlined in statute, which is essential to protecting the public.

In addition, this agency is beginning to see an increase in complaints as a result of the investigations related to providers within the Arizona Health Care and Cost Containment System. Involved licensees must be investigated by the Board to further ensure safeguards of the public and prevention from a vulnerable population being put more at risk.

With that, this agency has seen a substantial increase from FY18-FY23 in both categories: Complaints – increase by 97% (ATTACHMENT C); Background investigations – increase by 101% (ATTACHMENT D). This demonstrates the numbers have essentially doubled in both categories. Investigators are required to gather extensive investigative documents and then conduct interviews with the parties associated with the complaint. This results in a lengthy process, as accuracy and completeness are imperative to an investigation. Currently, this agency only has four fulltime non-supervisory investigators to carry the workload, which bears a crucial responsibility. Due to this lack in staffing, supervisors are carrying caseloads, which is not conducive to providing proper supervision or adequate availability for staffing cases. The investigative process is essential to maintaining the integrity of the behavioral health field, and it can only remain effective with the appropriate staffing levels.

Proposal: This agency requires an additional seven (7) FTE to meet the increasing demands and associated responsibilities in Arizona behavioral health professional licensing and investigations. This will allow for sustainable caseload distribution to meet mandatory timeframes and the ability to provide efficient, quality customer service to applicants, as well as, fulfill this agency's duty to protect the public.

1) Administrative Assistant III (Credentialist): 4 FTE will assume credentialing duties for increased initial licensure applications and compact applications and management. See Attachment for estimate and breakdown.

2) Investigator III: 3 FTE will assume investigative duties related to the increase in complaints and background investigations.

Alternatives Considered: This agency recently contacted the state's contracted temporary employment agency to obtain information for an alternative solution. The cost for a temporary employee is greatly impacted by the percentage that the employment agency receives. For example, to pay an Investigator at \$55,000, the cost to our agency would be \$73,029.90, as stated in a quote obtained. This would not include state EREs to the temporary employee. In addition, there are other considerations with temporary employment. Because the temporary hire may view the position as disposable on a certain level, the question of reliability may come into play. Continuous training for a new temporary staff member is cumbersome and takes away time from employees who have other fulltime duties. Even after training, a phase of quality control must take place, which is also time-intensive. Offering a permanent position would assist in securing quality applicants and increase the likelihood of longevity. Regularly bringing a new member on board can have a major impact on the ability to build a solid team.

In order to meet the demands associated with licensure increase, we have had to offer overtime on a regular basis. This is not sustainable for our budget and it contributes to the burnout rate of staff, even if overtime pay is provided. It cannot be a permanent solution for these reasons.

Impact of Not Funding This Year: Without additional resources, this agency will be out of compliance with processing timeframes established in Board rule, forcing applicants to experience delays in issuance of licenses at a time when needs for behavioral health services are escalating. The lack of additional staff will also cause investigative timeframes to increase, which does not correspond with this agency's mission to protect the public.

The increasing workloads will continue to put an unfair burden on employees who may experience burnout and frustration from not having adequate time to complete their duties. This can impact retention, which ultimately impacts the effectiveness our agency and mission.

Statutory Reference: Arizona Revised Statutes, Title 32 – Professions and Occupations, Chapter 33 – Behavioral Health Professionals

Funding Issue Narrative

Agency: Board of Behavioral Health Examiners

Issue: 1 **Add FTE and Operational Expenses to Support Increase in Licensing**

This Board is also guided by Arizona Administrative Code, Title 4. Professions and Occupations, Chapter 6. Board of Behavioral Health Examiners.

Equipment to be Purchased (if applicable):

This Board is requesting one-time funding amounts at \$5,000 per employee (\$35,000 total) to purchase computers, monitors, and other necessary tools essential to an employee's position.

Classification of New Positions:

Administrative Assistant III: Grade 22, regular, AUN06937
Investigator III: Grade 19, regular, AUN09067

Annualization(s):

Since FY18, this agency has had an overall 25% increase in revenue (ATTACHMENT E), which is directly linked to the increase in applicants and licensees. The Board has only had one increase in appropriation in approximately 10 years, if not more. With that, there is more than adequate Board funds available to increase the appropriation to incorporate this funding issue. Additionally, the surplus in revenue alone covers over 80% of this request. See the attachment for the fiscal impact estimates.

Alignment with Agency's Strategic Plan or Statutory Responsibilities:

The mission statement of this agency is to establish and maintain standards of qualifications and performance for licensed behavioral health professionals in the fields of counseling, marriage and family therapy, social work and substance abuse counseling and to regulate the practice of licensed behavioral health professionals for protection of the public. The Administrative Assistant III's (Credentialist's) primary role is to ensure that the standards and qualifications are met of applicants applying for licensure. The Investigators are responsible to ensure regulation is in place for the licensees to protect the public.

Funding Issue Narrative

Agency: Board of Behavioral Health Examiners

Issue: 2 E-Licensing Funding

Description of Issue: The Board worked with a state-approved contractor to develop a new e-licensing system. This system replaced an outdated Microsoft Access database, which required manual entry of all applications, renewals, and investigative information. This system increases efficiencies tremendously, allowing applicants, licensees, and complainants to log into a web-based portal and provide pertinent information and documentation. The user enters information that speaks directly to an internal database for staff review. Additionally, it eliminated the need for paper applications and countless forms.

The cost of this system is relatively inexpensive and based upon the number of licensees that are in the system. The Board received a one-time increase in appropriation; however, an ongoing appropriation was not provided to cover the cost for this system.

Proposal: The e-licensing system cost is based on the number of licenses at a rate of .28 per licensee. With the expected increase in licensees (see Attachment) for FY24, we are requesting an ongoing allocation of \$65,000, which will cover the majority of the cost to maintain the system. We recognize this will not continue to cover the total cost, but we propose using revenue to cover the remaining balance.

Alternatives Considered: Several years ago, this agency had plans to move forward with another e-licensing company. However, due to negative feedback received by existing users, this agency decided to cancel the project. The project plan proposal required a \$242,000 initial charge just to develop the system, not including the operating standard charge. The current e-licensing system did not require a development budget and is solely based off of the number of licensees. It is much more affordable, yet it requires increased funding in order to support the upkeep and cloud-based storage.

Impact of Not Funding This Year: This agency does not have funding allocated to support the e-licensing system, which is maintained by contracted vendor approved by the Arizona Department of Administration. It was provided as a one-time cost, rather than an ongoing expenditure.

Statutory Reference: Arizona Revised Statutes, Title 32 – Professions and Occupations, Chapter 33 – Behavioral Health Professionals

This Board is also guided by Arizona Administrative Code, Title 4. Professions and Occupations, Chapter 6. Board of Behavioral Health Examiners.

Equipment to be Purchased (if applicable): N/A

Classification of New Positions: N/A

Annualization(s): See Attachment for breakdown of estimate.

Alignment with Agency's Strategic Plan or Statutory Responsibilities: The mission statement of this agency is to establish and maintain standards of qualifications and performance for licensed behavioral health professionals in the fields of counseling, marriage and family therapy, social work and substance abuse counseling and to regulate the practice of licensed behavioral health professionals for protection of the public. This e-licensing system will support the efficient provision of licensing and regulation of licenses.

Summary of Expenditure and Budget Request for All Funds

Agency: Board of Behavioral Health Examiners

Appropriated Funds	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Program:				
BHA-1-0 Licensing and Regulation	2,123.6	2,112.7	625.6	2,738.3
Appropriated Funds Total:	2,123.6	2,112.7	625.6	2,738.3
Expenditure Categories				
FTE	20.0	20.0	7.0	27.0
Personal Services	1,194.3	1,164.4	345.0	1,509.4
Employee Related Expenditures	481.8	487.4	173.8	661.2
Subtotal Personal Services and ERE	1,676.1	1,651.8	518.8	2,170.6
Professional & Outside Services	89.7	190.0	1.3	191.3
Travel In-State	5.4	20.0	-	20.0
Travel Out-Of-State	4.1	15.0	-	15.0
Other Operating Expenditures	246.8	160.2	105.5	265.7
Non-Capital Equipment	49.0	75.7	-	75.7
Transfers-Out	52.5	-	-	-
Expenditure Categories Total:	2,123.6	2,112.7	625.6	2,738.3
Board of Behavioral Health Examiners Total for All Funds:	2,123.6	2,112.7	625.6	2,738.3

Appropriated and Non-Appropriated	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2024 Funding Issue	FY 2025 Total Request
BHA-1-0 Licensing and Regulation	2,123.6	2,112.7	625.6	2,738.3
Board of Behavioral Health Examiners Total for All Funds:	2,123.6	2,112.7	625.6	2,738.3

Summary of Expenditure and Budget Request for Selected Funds

Agency:	Board of Behavioral Health Examiners
----------------	---

Fund:	BH2256 Behavioral Health Examiner Fund (Appropriated)
--------------	--

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Program:				
BHA-1-0 Licensing and Regulation	2,123.6	2,112.7	625.6	2,738.3
Behavioral Health Examiner Fund (Appropriated) Summary Total:	2,123.6	2,112.7	625.6	2,738.3
Expenditure Categories				
FTE	20.0	20.0	7.0	27.0
Personal Services	1,194.3	1,164.4	345.0	1,509.4
Employee Related Expenditures	481.8	487.4	173.8	661.2
Subtotal Personal Services and ERE	1,676.1	1,651.8	518.8	2,170.6
Professional & Outside Services	89.7	190.0	1.3	191.3
Travel In-State	5.4	20.0	-	20.0
Travel Out-Of-State	4.1	15.0	-	15.0
Other Operating Expenditures	246.8	160.2	105.5	265.7
Non-Capital Equipment	49.0	75.7	-	75.7
Transfers-Out	52.5	-	-	-
Expenditure Categories Total:	2,123.6	2,112.7	625.6	2,738.3

Program Budget Unit Summary of Expenditure and Budget Request for All Funds

Agency: Board of Behavioral Health Examiners

Program: Licensing and Regulation

Expenditure Categories	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
FTE	20.0	20.0	7.0	27.0
Personal Services	1,194.3	1,164.4	345.0	1,509.4
Employee Related Expenditures	481.8	487.4	173.8	661.2
Subtotal Personal Services and ERE	1,676.1	1,651.8	518.8	2,170.6
Professional & Outside Services	89.7	190.0	1.3	191.3
Travel In-State	5.4	20.0	-	20.0
Travel Out-Of-State	4.1	15.0	-	15.0
Other Operating Expenditures	246.8	160.2	105.5	265.7
Non-Capital Equipment	49.0	75.7	-	75.7
Transfers-Out	52.5	-	-	-
Expenditure Categories Total:	2,123.6	2,112.7	625.6	2,738.3
Fund Source				
Appropriated Funds				
Behavioral Health Examiner Fund (Appropriated)	2,123.6	2,112.7	625.6	2,738.3
Appropriated Funds Total:	2,123.6	2,112.7	625.6	2,738.3
Licensing and Regulation Total:	2,123.6	2,112.7	625.6	2,738.3

Program Budget Unit Summary of Expenditure and Budget Request for Selected Funds

Agency: Board of Behavioral Health Examiners

Program: Licensing and Regulation

Fund: BH2256 Behavioral Health Examiner Fund

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Appropriated				
Personal Services	1,194.3	1,164.4	345.0	1,509.4
Employee Related Expenditures	481.8	487.4	173.8	661.2
Subtotal Personal Services and ERE	1,676.1	1,651.8	518.8	2,170.6
Professional & Outside Services	89.7	190.0	1.3	191.3
Travel In-State	5.4	20.0	-	20.0
Travel Out-Of-State	4.1	15.0	-	15.0
Other Operating Expenditures	246.8	160.2	105.5	265.7
Non-Capital Equipment	49.0	75.7	-	75.7
Transfers-Out	52.5	-	-	-
Expenditure Categories Total:	2,123.6	2,112.7	625.6	2,738.3
Behavioral Health Examiner Fund Total:	2,123.6	2,112.7	625.6	2,738.3
Program Total for Select Funds:	2,123.6	2,112.7	625.6	2,738.3

Program Summary of Expenditure and Budget Request

Agency: Board of Behavioral Health Examiners

Program: Licensing and Regulation

Program Summary		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
BHA-1-1	Licensing and Regulation	2,123.6	2,112.7	625.6	2,738.3
Licensing and Regulation Summary Total:		2,123.6	2,112.7	625.6	2,738.3

Expenditure Categories		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
FTE	FTE	20.0	20.0	7.0	27.0
6000	Personal Services	1,194.3	1,164.4	345.0	1,509.4
6100	Employee Related Expenditures	481.8	487.4	173.8	661.2
Subtotal Personal Services and ERE		1,676.1	1,651.8	518.8	2,170.6
6200	Professional & Outside Services	89.7	190.0	1.3	191.3
6500	Travel In-State	5.4	20.0	-	20.0
6600	Travel Out-Of-State	4.1	15.0	-	15.0
7000	Other Operating Expenditures	246.8	160.2	105.5	265.7
8500	Non-Capital Equipment	49.0	75.7	-	75.7
9100	Transfers-Out	52.5	-	-	-
Expenditure Categories Total:		2,123.6	2,112.7	625.6	2,738.3

Fund Source		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Appropriated Funds					
BH2256	Behavioral Health Examiner Fund (Appropriated)	2,123.6	2,112.7	625.6	2,738.3
Appropriated Funds Total:		2,123.6	2,112.7	625.6	2,738.3
Licensing and Regulation Summary Total:		2,123.6	2,112.7	625.6	2,738.3

Program Summary of Expenditure and Budget Request for Selected Funds

Agency: Board of Behavioral Health Examiners

Program: Licensing and Regulation

Fund: BH2256 Behavioral Health Examiner Fund (Appropriated)

Program Expenditures		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
BHA-1-1	Licensing and Regulation	2,123.6	2,112.7	625.6	2,738.3
Behavioral Health Examiner Fund (Appropriated) Summary Total:		2,123.6	2,112.7	625.6	2,738.3
Appropriated Funding					
6000	Personal Services	1,194.3	1,164.4	345.0	1,509.4
6100	Employee Related Expenditures	481.8	487.4	173.8	661.2
Subtotal Personal Services and ERE		1,676.1	1,651.8	518.8	2,170.6
6200	Professional & Outside Services	89.7	190.0	1.3	191.3
6500	Travel In-State	5.4	20.0	-	20.0
6600	Travel Out-Of-State	4.1	15.0	-	15.0
7000	Other Operating Expenditures	246.8	160.2	105.5	265.7
8500	Non-Capital Equipment	49.0	75.7	-	75.7
9100	Transfers-Out	52.5	-	-	-
Expenditure Categories Total:		2,123.6	2,112.7	625.6	2,738.3
Fund BH2256 - A Total:		2,123.6	2,112.7	625.6	2,738.3
Licensing and Regulation Total:		2,123.6	2,112.7	625.6	2,738.3

Program Expenditure Schedule

Agency: Board of Behavioral Health Examiners

Program: Licensing and Regulation

FTE	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
FTE	20.0	20.0	7.0	27.0
Expenditure Category Total:	-	-	-	-

Fund Source		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Appropriated Funds					
BH2256	Behavioral Health Examiner Fund (Appropriated)	20.0	20.0	7.0	27.0
Appropriated Funds Total:		20.0	20.0	7.0	27.0
Fund Source Total:		20.0	20.0	7.0	27.0

Personal Services		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
	Personal Services	1,180.8	1,150.9	345.0	1,495.9
	Board & Commission Members Compensation	13.5	13.5	-	13.5
Expenditure Category Total:		1,194.3	1,164.4	345.0	1,509.4

Fund Source		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Appropriated Funds					
BH2256	Behavioral Health Examiner Fund (Appropriated)	1,194.3	1,164.4	345.0	1,509.4
Appropriated Funds Total:		1,194.3	1,164.4	345.0	1,509.4
Fund Source Total:		1,194.3	1,164.4	345.0	1,509.4

Employee Related Expenditures		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
	Employee Related Expenses	481.8	487.4	173.8	661.2
Expenditure Category Total:		481.8	487.4	173.8	661.2

Fund Source		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Appropriated Funds					
BH2256	Behavioral Health Examiner Fund (Appropriated)	481.8	487.4	173.8	661.2
Appropriated Funds Total:		481.8	487.4	173.8	661.2
Fund Source Total:		481.8	487.4	173.8	661.2

Program Expenditure Schedule

Agency: Board of Behavioral Health Examiners

Program: Licensing and Regulation

Professional & Outside Services	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Professional and Outside Services	-	190.0	1.3	191.3
Attorney General Legal Services	86.6	-	-	-
Education & Training	0.4	-	-	-
Other Professional & Outside Services	2.7	-	-	-
Expenditure Category Total:	89.7	190.0	1.3	191.3

Fund Source		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Appropriated Funds					
BH2256	Behavioral Health Examiner Fund (Appropriated)	89.7	190.0	1.3	191.3
Appropriated Funds Total:		89.7	190.0	1.3	191.3
Fund Source Total:		89.7	190.0	1.3	191.3

Travel In-State	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Travel In-State	5.4	20.0	-	20.0
Expenditure Category Total:	5.4	20.0	-	20.0

Fund Source		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Appropriated Funds					
BH2256	Behavioral Health Examiner Fund (Appropriated)	5.4	20.0	-	20.0
Appropriated Funds Total:		5.4	20.0	-	20.0
Fund Source Total:		5.4	20.0	-	20.0

Travel Out-Of-State	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Travel Out of State	4.1	15.0	-	15.0
Expenditure Category Total:	4.1	15.0	-	15.0

Fund Source		FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Appropriated Funds					
BH2256	Behavioral Health Examiner Fund (Appropriated)	4.1	15.0	-	15.0
Appropriated Funds Total:		4.1	15.0	-	15.0
Fund Source Total:		4.1	15.0	-	15.0

Program Expenditure Schedule

Agency: Board of Behavioral Health Examiners

Program: Licensing and Regulation

Other Operating Expenditures	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Other Operating Expenses	-	160.2	105.5	265.7
Risk Management Charges to State Agencies	12.3	-	-	-
Internal Service Computer Processing, Hosting, Maintenance and Support Costs	13.6	-	-	-
External Programming and System Development Costs	11.6	-	-	-
Other External Computer Processing, Hosting, Maintenance and Support Costs	4.1	-	-	-
Charges Imposed Related to AFIS.	3.6	-	-	-
External Telecommunications Charges	12.0	-	-	-
Building Rent Charges to State Agencies	77.0	-	-	-
Miscellaneous Rent	11.5	-	-	-
Internal Accounting, Budgeting & Financial Services	14.1	-	-	-
Office Supplies	28.9	-	-	-
Publications	0.2	-	-	-
Conference Registration / Attendance Fees	3.0	-	-	-
Postage & Delivery	20.1	-	-	-
Document Shredding and Destruction Services	2.2	-	-	-
Dues	3.3	-	-	-
Costs for Digital Imaging or Producing Microfilm & Microfiche	16.8	-	-	-
Security Services	5.6	-	-	-
Fingerprinting, Background Checks, Etc.	7.0	-	-	-
Expenditure Category Total:	246.8	160.2	105.5	265.7
Fund Source				
Appropriated Funds				
BH2256 Behavioral Health Examiner Fund (Appropriated)	246.8	160.2	105.5	265.7
Appropriated Funds Total:	246.8	160.2	105.5	265.7
Fund Source Total:	246.8	160.2	105.5	265.7

Non-Capital Equipment	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
------------------------------	--------------------	--------------------------------	-----------------------------	-----------------------------

Program Expenditure Schedule

Agency: Board of Behavioral Health Examiners

Program: Licensing and Regulation

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Non-Capital Resources	-	75.7	-	75.7
Furniture - Non-Capital Purchase	19.9	-	-	-
Computer Equipment – Non- Capitalized Purchases	18.7	-	-	-
Purchased or licensed software / website	10.5	-	-	-
Expenditure Category Total:	49.0	75.7	-	75.7
Fund Source				
Appropriated Funds				
BH2256 Behavioral Health Examiner Fund (Appropriated)	49.0	75.7	-	75.7
Appropriated Funds Total:	49.0	75.7	-	75.7
Fund Source Total:	49.0	75.7	-	75.7

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Transfers	52.5	-	-	-
Expenditure Category Total:	52.5	-	-	-

	FY 2023 Actuals	FY 2024 Expenditure Plan	FY 2025 Funding Issue	FY 2025 Total Request
Fund Source				
Appropriated Funds				
BH2256 Behavioral Health Examiner Fund (Appropriated)	52.5	-	-	-
Appropriated Funds Total:	52.5	-	-	-
Fund Source Total:	52.5	-	-	-

Program Expenditure Schedule

Agency: Board of Behavioral Health Examiners

Administrative Costs Summary

FY 2025

Personal Services	69.9
ERE	29.2
All Other	-
Administrative Costs Total:	99.1

Administrative Costs / Total Expenditure Ratio

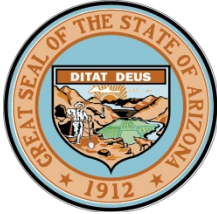
Request

Admin %

FY 2025

2,738.3

3.6%



STATE OF ARIZONA
BOARD OF BEHAVIORAL HEALTH EXAMINERS
1740 WEST ADAMS STREET, SUITE 3600
PHOENIX, AZ 85007
PHONE: 602.542.1882 FAX: 602.364.0890
Board Website: www.azbbhe.us
Email Address: information@azbbhe.us

KATIE HOBBS
Governor

TOBI ZAVALA
Executive Director

Revenue Justification

1. Purpose of the Fund

The Board is authorized to collect fees necessary to support its functions, which include ensuring that licensed behavioral health professionals meet required minimum standards in education, experience and competency, and investigating and taking disciplinary action against incompetent and/or unprofessional licensees and applicants.

2. Sources of Revenues

The overwhelming majority of the Board's revenues come from three sources: licensure application fees, renewal fees, and verification fees.

The Board's current fees are as follows:

Licensure Application Fee	\$ 250
Inactive License Application Fee	\$ 100
Temporary License Application Fee	\$ 50
Educational Program Application	\$ 500
Renewal Fee (biennial)	\$ 325
Renewal Fee: More than One Renewal Application (biennial)	\$ 163
Renewal Late Fee	\$ 100
Verification Fee	\$ 20

3. Explanation of Methodology Used

FY 2023 Actual Revenue¹

3,223	Applications	\$ 250	\$	810,450 ²
6,233	Renewals	\$ 325	\$	2,045,650 ³
710	Verifications	\$ 20	\$	17,940
	Miscellaneous revenue		\$	(4,214) ⁴
	TOTAL Actual Revenue		\$	2,869,826
	Revenue for Behavioral Health Examiners Fund 90%		\$	2,582,843
	FY2023 Expenditures		\$	2,123,635
	Total Revenue Surplus over Expenditures		\$	459,208

¹ All revenues include the 10% deposits into the General Fund.

² Total application revenue reflects inactive and temporary license fees, educational program applications, and refunds.

³ Total renewal revenue reflects the loss of revenue resulting from the fee discount available to licensees who renew multiple licenses at the same time and refunds. Renewal revenue also includes a gain from late fees.

⁴ Miscellaneous revenue decreased significantly this year, as the agency now carries the cost for convenience fees (\$4.50 per credit card transaction) effective 8/29/22, which resulted in a revenue loss. This category also includes public record requests.

Revenue Justification (continued)

FY 2024 Expected Revenue⁵

3,545	Applications	\$ 250	\$	891,495
6,856	Renewals	\$ 325	\$	\$2,250,215
781	Verifications	\$ 20	\$	\$19,734
	Miscellaneous revenue		\$	<u>(4,635.20)</u>
	TOTAL Expected Revenue		\$	3,156,808.80
	Estimated Revenue for Behavioral Health Examiners Fund 90%		\$	2,841,197
	FY2024 Appropriation		\$	<u>2,112,700</u>
	Total Revenue Surplus Over Appropriation		\$	728,497

FY 2025 Expected Revenue

3,900	Applications	\$ 250	\$	980,644.50
7,542	Renewals	\$ 325	\$	2,475,236.50
859	Verifications	\$ 20	\$	21,707.40
	Miscellaneous revenue		\$	<u>(5,098.72)</u>
	TOTAL Expected Revenue		\$	3,472,489.68
	Estimated Revenue for Behavioral Health Examiners Fund 90%		\$	3,125,317
	FY2025 (requested) Appropriation		\$	<u>2,738,300</u>
	Total Revenue Surplus over Appropriation		\$	387,017

⁵ Revenues for FY24 and FY25 are estimated at a 10% increase.



STATE OF ARIZONA
BOARD OF BEHAVIORAL HEALTH EXAMINERS
1740 WEST ADAMS STREET, SUITE 3600
PHOENIX, AZ 85007
PHONE: 602.542.1882 FAX: 602.364.0890
Board Website: www.azbbhe.us
Email Address: information@azbbhe.us

KATIE HOBBS
Governor

TOBI ZAVALA
Executive Director

Additional FTE and Operational Expenses to Support Increase in Licensing

Description of Issue

A total of seven (7) additional FTEs and corresponding operational expenses are necessary to assist this agency with the substantial workload increase. This increase is a result of the rise in licensure applications, which correlates directly with the number of complaints and subsequent investigations. Since FY18, there has been a substantial increase in applications, and this agency's staffing numbers cannot accommodate the increasing demand.

Behavioral Health Field Landscape

The U.S. Census Bureau 2022 estimates revealed that Arizona's population continues to increase with Maricopa County being the "largest-gaining county in the nation" (Growth in the Nation's Largest Counties Rebounds in 2022, Census.gov). With the continued population growth, the demand for behavioral health services in Arizona has also become evident.

According to the Center for Disease Control, "the percentage of adults who had received any mental health treatment in the past 12 months increased from 2019 to 2021, among both adults of all ages (from 19.2% to 21.6%) and those aged 18–44 (from 18.5% to 23.2%)." In order to meet this societal demand, it can be expected that there will be growth in the behavioral health field. According to the U.S. Bureau of Labor Statistics (2021), "employment of substance abuse, behavioral disorder, and mental health counselors is projected to grow 25 percent from 2019 to 2029, much faster than the average for all occupations. Employment growth is expected as people continue to seek addiction and mental health counseling services."

In addition, the increased need for behavioral health services continues to be exposed due to the COVID-19 pandemic. The overall impact cannot yet be determined; however, many sources anticipate a vast, emotional effect on society. The Kaiser Family Foundation reported in March of 2023 that "concerns about mental health and substance use remain elevated three years after the onset of the COVID-19 pandemic, with 90% of U.S. adults believing that the country is facing a mental health crisis." It is clear that behavioral health issues have been on the rise, thus the increased need for professional intervention remains evident.

Increase in Licensure

This agency provides licensure for counselors, marriage and family therapists, substance abuse counselors, and social workers for Arizona. The considerable rise in staff workloads demonstrates the predicted growth in the field, as there has been a substantial increase in requests for licensure. Between FY18 and FY23, applications submitted to this agency have increased over 89% (ATTACHMENT A). To process a license application, a Credentialist reviews comprehensive documents to ensure the applicant meets the requirements as indicated in Board rule. This is a detailed, time-intensive process, as academic programs, examination scores, background check results, and other important criteria must be met to obtain licensure. Wait times are extended for licensure of qualified behavioral health professionals due to the lack of staff to process applications efficiently. The increase has had a serious impact on the agency's ability to provide customer service to applicants seeking licensure. Currently, there are only three fulltime, non-supervisory Credentialist who are bound by A.A.C. R4-6-302 that mandate maximum licensing processing timeframes. Ultimately, this is a detriment to those who are most in need.

Behavioral Health Compacts

It is anticipated that Arizona will join behavioral health compacts for the disciplines of social work and counseling. These are agreements between states that will allow professionals to practice in all participating states without needing multiple licenses. The compacts will assist in giving qualified professionals the ability to serve more clients across the nation, making services more available.

With that, there will be a new application process, along with a system to maintain, ensuring compliance with the compact. This system must be developed in a way to ensure that the public is still protected and qualified professionals are provided the opportunity to serve. Overall, a new credentialing process must be fostered to confirm licensure requirements are met, coupled with a staff member who can act as a point of contact for communications and manage the existing compact participants. Additionally, there will be a shared data system among states that must be maintained. This system will also assist in protecting the public, as it contains shared disciplinary information that must be vetted and processed internally.

Investigations and Complaints

Currently, there are 16,816 licenses regulated by this agency. As evidenced in trendlines for the rise of licensure applications (ATTACHMENT B), more licensees equate to more compliance attention. Arizona Revised Statute § 32-3281 mandates that this agency conducts proper investigations and regulatory processes in order to fulfill this responsibility to protect the public.

When an individual applies for licensure, an important supplementary background investigation may take place due to any discrepancies uncovered in an application. This may lead to a denial of an application and/or other violations that can impact a license. In addition, if a complaint is filed against a licensee, it is this agency’s responsibility to investigate and provide the results of the investigation to the Board for consideration. Investigations may lead to serious licensure violations as indicated in Arizona Revised Statute § 32-3251, which include felony convictions while licensed, confidential documentation errors, inappropriate relationships with clients, and impaired practicing. This responsibility assists in holding a professional accountable when ethical standards of the discipline are not followed as outlined in statute, which is essential to protecting the public.

In addition, this agency is beginning to see an increase in complaints as a result of the investigations related to providers within the Arizona Health Care and Cost Containment System. Involved licensees must be investigated by the Board to further ensure safeguards of the public and prevention from a vulnerable population being put more at risk.

With that, this agency has seen a substantial increase from FY18-FY23 in both categories: Complaints – increase by 97% (ATTACHMENT C); Background investigations – increase by 101% (ATTACHMENT D). This demonstrates the numbers have essentially doubled in both categories. Investigators are required to gather extensive investigative documents and then conduct interviews with the parties associated with the complaint. This results in a lengthy process, as accuracy and completeness are imperative to an investigation. Currently, this agency only has four fulltime non-supervisory investigators to carry the workload, which bears a crucial responsibility. Due to this lack in staffing, supervisors are carrying caseloads, which is not conducive to providing proper supervision or adequate availability for staffing cases. The investigative process is essential to maintaining the integrity of the behavioral health field, and it can only remain effective with the appropriate staffing levels.

Proposal

This agency requires an additional seven (7) FTE to meet the increasing demands and associated responsibilities in in Arizona behavioral health professional licensing and investigations. This will allow for sustainable caseload distribution to meet mandatory timeframes and the ability to provide efficient, quality customer service to applicants, as well as, fulfill this agency’s duty to protect the public.

1) *Administrative Assistant III (Credentialist)*

4 FTE will assume credentialing duties for increased initial licensure applications and compact applications and management.

Fiscal Impact Estimate

	1 FTE	4 FTE
Personnel Services	\$ 45,000	180,000
Equipment	\$ 5,000	20,000
Annual Operating Expenses	\$ 1,500	6,000
TOTAL	\$ 51,500	206,000

2) *Investigator III*

3 FTE will assume investigative duties related to the increase in complaints and background investigations.

Fiscal Impact Estimate

	1 FTE	3 FTE
Personnel Services	\$ 55,000	165,000
Equipment	\$ 5,000	15,000
CLEAR Investigator Training	\$ 425	1,275
Other Operating Expenses	\$ 1,500	4,500
TOTAL	\$ 61,925	185,775

Alternatives considered

This agency recently contacted the state’s contracted temporary employment agency to obtain information for an alternative solution. The cost for a temporary employee is greatly impacted by the percentage that the employment agency receives. For example, to pay an Investigator at \$55,000, the cost to our agency would be \$73,029.90, as stated in a quote obtained. This would not include state EREs to the temporary employee. In addition, there are other considerations with temporary employment. Because the temporary hire may view the position as disposable on a certain level, the question of reliability may come into play. Continuous training for a new temporary staff member is cumbersome and takes away time from employees who have other fulltime duties. Even after training, a phase of quality control must take place, which is also time-intensive. Offering a permanent position would assist in securing quality applicants and increase the likelihood of longevity. Regularly bringing a new member on board can have a major impact on the ability to build a solid team.

In order to meet the demands associated with licensure increase, we have had to offer overtime on a regular basis. This is not sustainable for our budget and it contributes to the burnout rate of staff, even if overtime pay is provided. It cannot be a permanent solution for these reasons.

Impact of not funding this year

Without additional resources, this agency will be out of compliance with processing timeframes established in Board rule, forcing applicants to experience delays in issuance of licenses at a time when needs for behavioral health services are escalating. The lack of additional staff will also cause investigative timeframes to increase, which does not correspond with this agency’s mission to protect the public.

The increasing workloads will continue to put an unfair burden on employees who may experience burnout and frustration from not having adequate time to complete their duties. This can impact retention, which ultimately impacts the effectiveness our agency and mission.

Statutory reference

Arizona Revised Statutes, Title 32 – Professions and Occupations, Chapter 33 – Behavioral Health Professionals

This Board is also guided by Arizona Administrative Code, Title 4. Professions and Occupations, Chapter 6. Board of Behavioral Health Examiners.

Equipment to be purchased (if applicable)

This Board is requesting one-time funding amounts at \$5,000 per employee (\$35,000 total) to purchase computers, monitors, and other necessary tools essential to an employee’s position.

Classification of new positions

Administrative Assistant III: Grade 22, regular, AUN06937

Investigator III: Grade 19, regular, AUN09067

Annualization(s):

Grand Total

Since FY18, this agency has had an overall 25% increase in revenue (ATTACHMENT E), which is directly linked to the increase in applicants and licensees. The Board has only had one increase in appropriation in approximately 10 years, if not more. With that, there is more than adequate Board funds available to increase the appropriation to

incorporate this funding issue. Additionally, the surplus in revenue alone covers over 80% of this request.

Fiscal Impact Estimates TOTAL	
Personnel Services	\$ 345,000
ERE <i>*calculated in ABS</i>	\$ 173,794
CLEAR Investigator Training	\$ 1,275
Equipment	\$ 35,000
Other Operating Expenses	\$ 10,500
GRAND TOTAL	\$ 565,569

Alignment with agency's strategic plan or statutory responsibilities

The mission statement of this agency is to establish and maintain standards of qualifications and performance for licensed behavioral health professionals in the fields of counseling, marriage and family therapy, social work and substance abuse counseling and to regulate the practice of licensed behavioral health professionals for protection of the public. The Administrative Assistant III's (Credentialist's) primary role is to ensure that the standards and qualifications are met of applicants applying for licensure. The Investigators are responsible to ensure regulation is in place for the licensees to protect the public.

Impact on historically underserved, marginalized, or adversely affected groups

Without timely licensing or investigations, those in need of behavioral services are impacted negatively. It is safe to say that those in need of therapeutic services by qualified individuals can be placed in historically underserved, marginalized, or adversely affected groups.

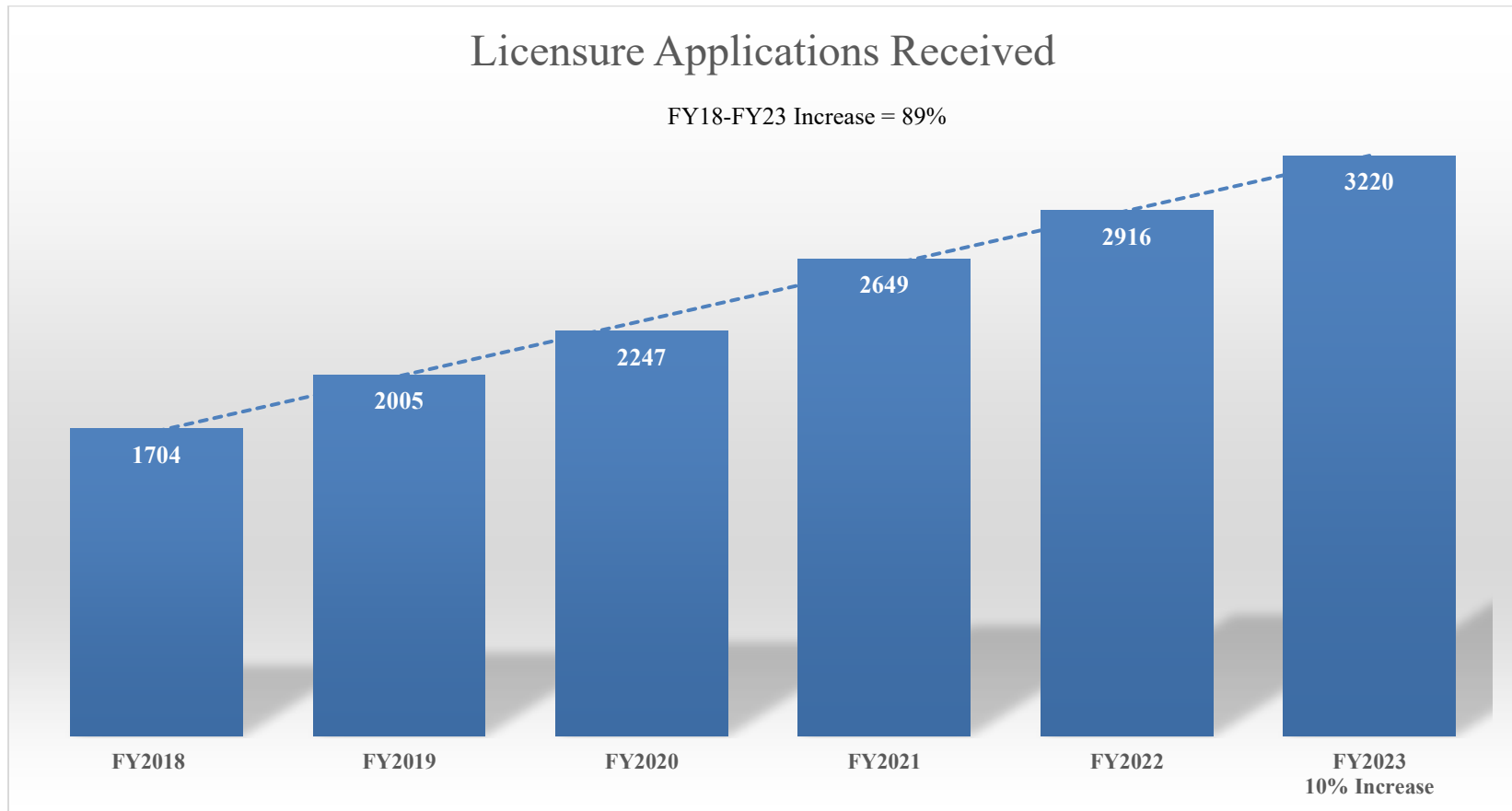
How has feedback been incorporated from groups directly impacted by proposal

Existing staff continue to express the needs associated with the increase in licensure and the inability to meet the demands of the workload. This funding issue is a result of that communication.

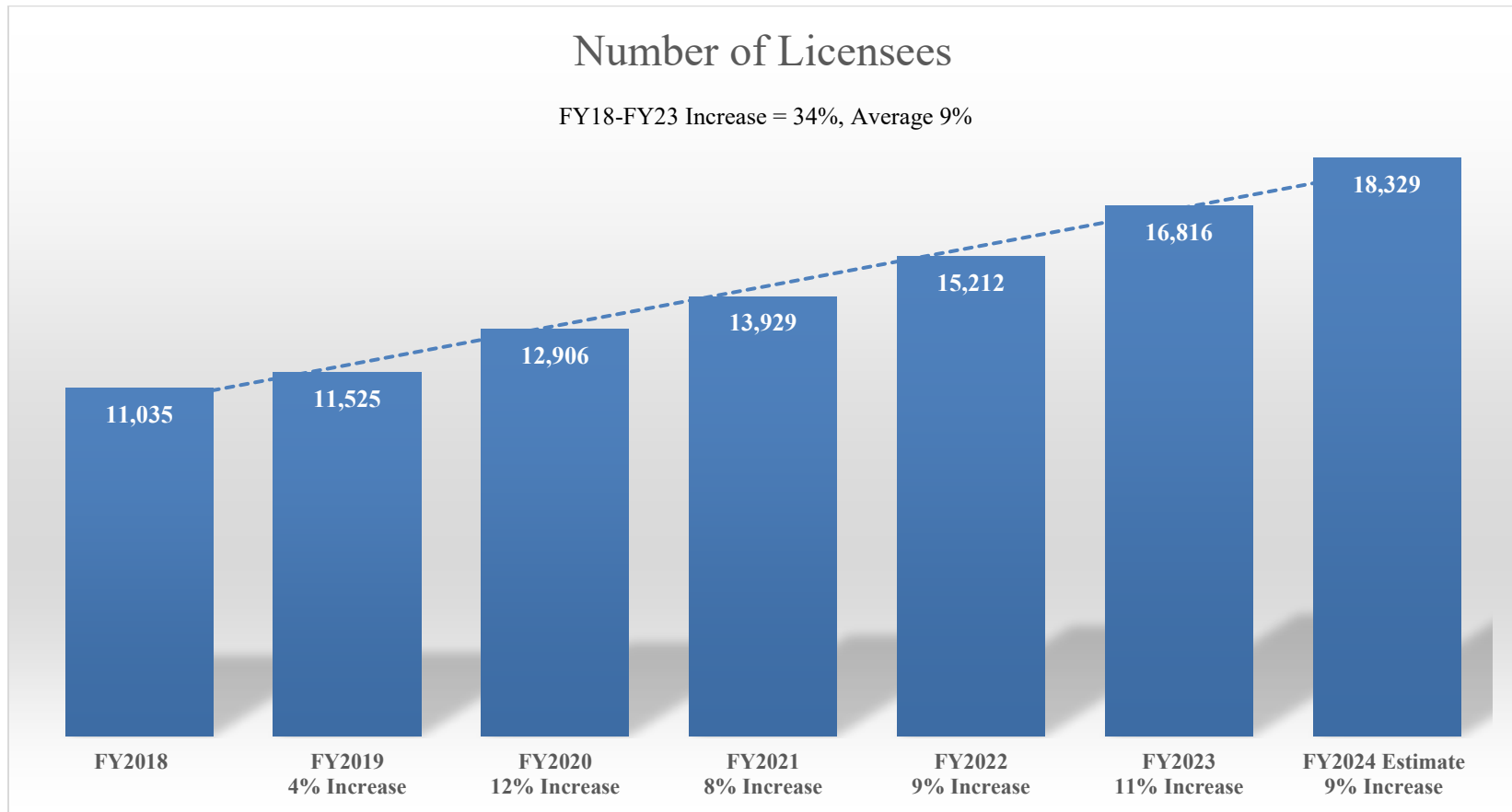
Description of how this furthers the Governor's priorities

With economic growth and workforce development being one of Governor Hobb's priorities, this will support the efficiency and timeliness of licensing applications and requests, which will garner the ability for more Arizonans to secure jobs in the professional workforce.

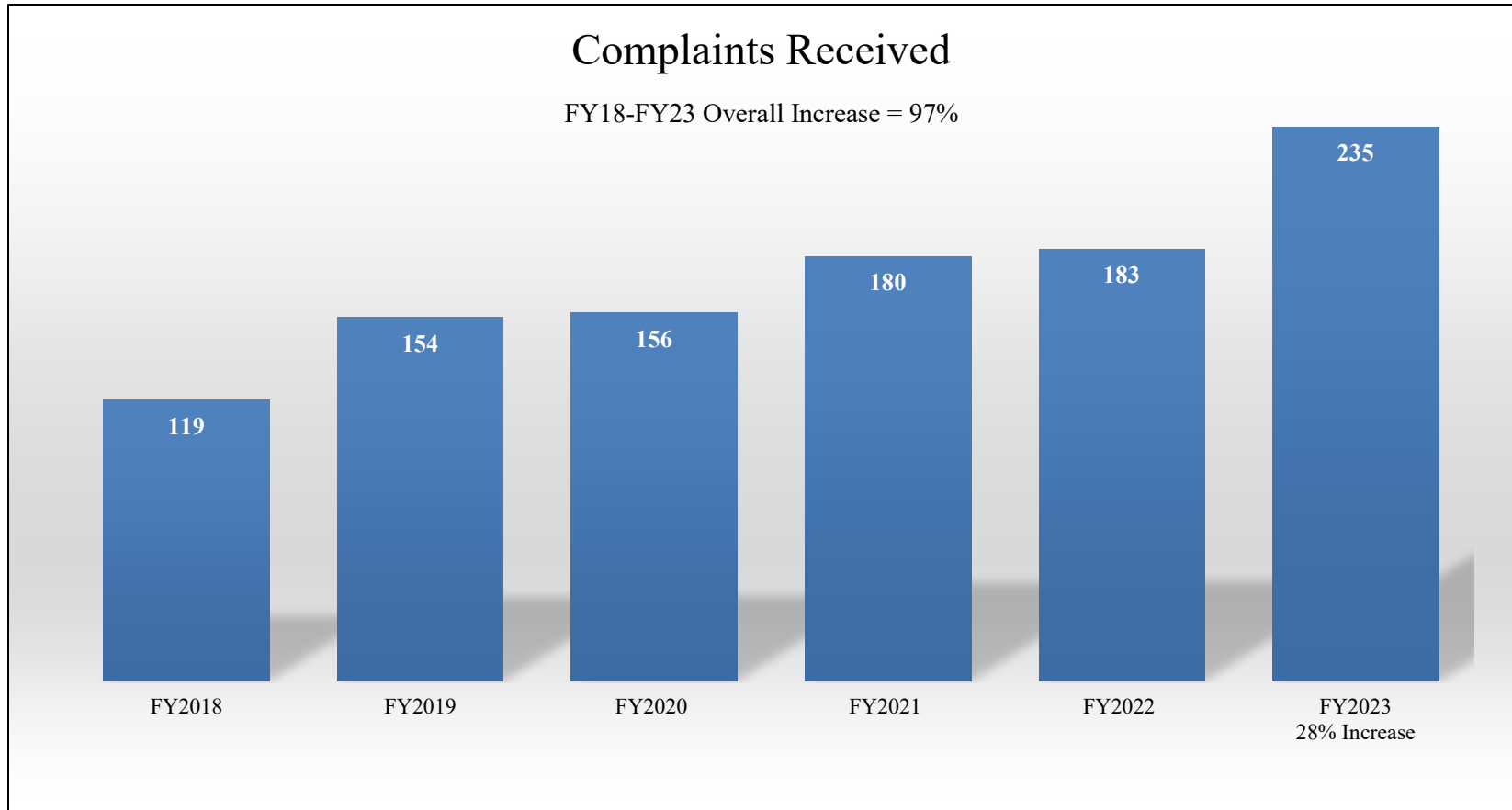
ATTACHMENT A



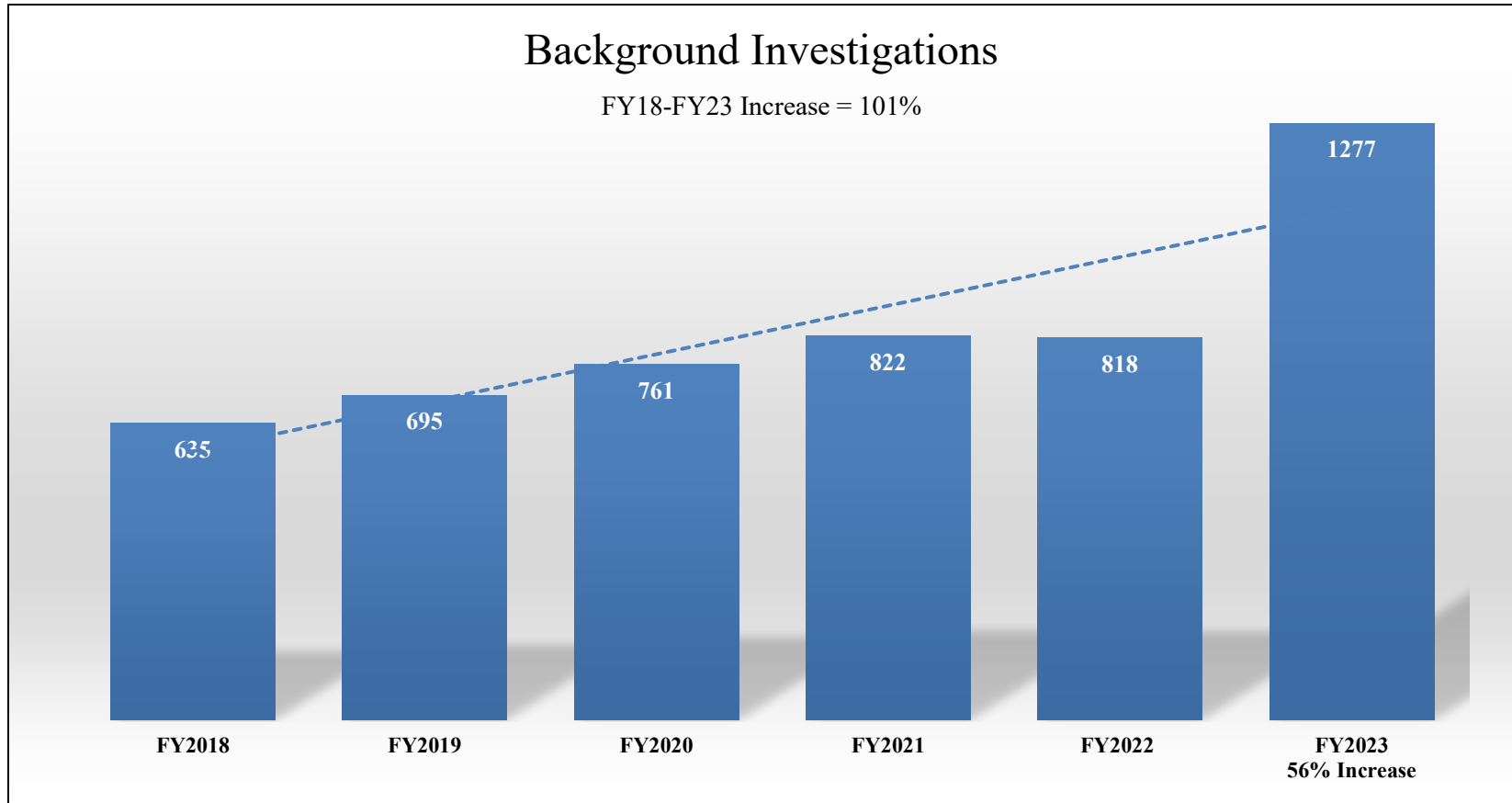
ATTACHMENT B



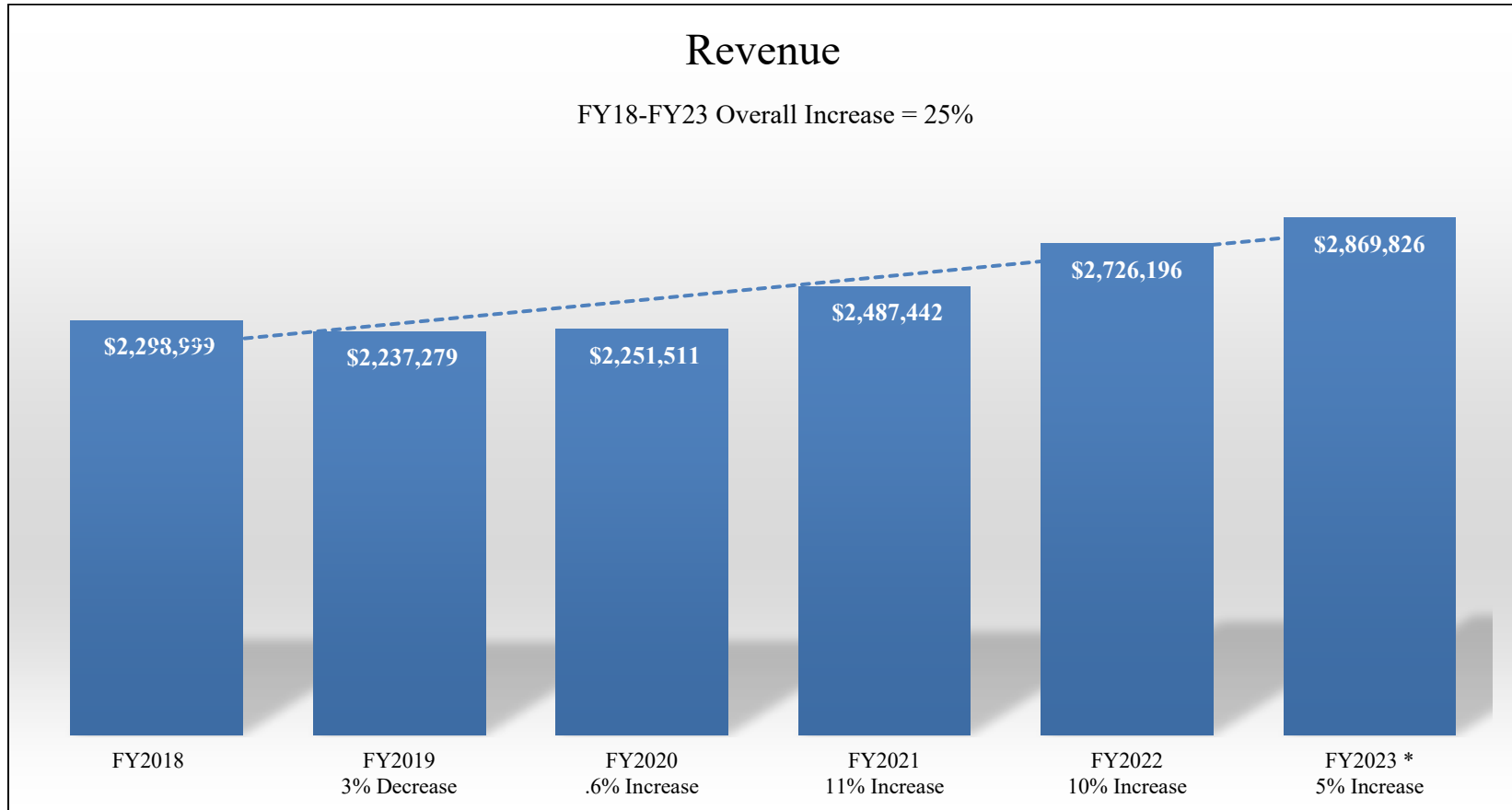
ATTACHMENT C



ATTACHMENT D



ATTACHMENT E



* There was a revenue decrease from FY22-FY23 because the agency now carries the cost for convenience fees (\$4.50 per credit card transaction) effective 8/29/22. This resulted in a revenue loss; however, revenue still increased by 5%.



STATE OF ARIZONA
BOARD OF BEHAVIORAL HEALTH EXAMINERS
1740 WEST ADAMS STREET, SUITE 3600
PHOENIX, AZ 85007
PHONE: 602.542.1882 FAX: 602.364.0890
Board Website: www.azbbhe.us
Email Address: information@azbbhe.us

KATIE HOBBS
Governor

TOBI ZAVALA
Executive Director

Funding for E-Licensing System

Description of Issue

The Board worked with a state-approved contractor to develop a new e-licensing system. This system replaced an outdated Microsoft Access database, which required manual entry of all applications, renewals, and investigative information. This system increases efficiencies tremendously, allowing applicants, licensees, and complainants to log into a web-based portal and provide pertinent information and documentation. The user enter information that speaks directly to an internal database for staff review. Additionally, it eliminated the need for paper applications and countless forms.

The cost of this system is relatively inexpensive and based upon the number of licensees that are in the system. The Board received a one-time increase in appropriation; however, an ongoing appropriation was not provided to cover the cost for this system.

Proposal

The e-licensing system cost is based on the number of licenses at a rate of .28 per licensee. With the expected increase in licensees (see Attachment) for FY24, we are requesting an ongoing allocation of \$65,000, which will cover the majority of the cost to maintain the system. We recognize this will not continue to cover the total cost, but we propose using revenue to cover the remaining balance.

Alternatives considered

Several years ago, this agency had plans to move forward with another e-licensing company. However, due to negative feedback received by existing users, this agency decided to cancel the project. The project plan proposal required a \$242,000 initial charge just to develop the system, not including the operating standard charge. The current e-licensing system did not require a development budget and is solely based off of the number of licensees. It is much more affordable, yet it requires increased funding in order to support the upkeep and cloud-based storage.

Impact of not funding this year

This agency does not have funding allocated to support the e-licensing system, which is maintained by contracted vendor approved by the Arizona Department of Administration. It was provided as a one-time cost, rather than an ongoing expenditure.

Statutory reference

Arizona Revised Statutes, Title 32 – Professions and Occupations, Chapter 33 – Behavioral Health Professionals

This Board is also guided by Arizona Administrative Code, Title 4. Professions and Occupations, Chapter 6. Board of Behavioral Health Examiners.

Equipment to be purchased (if applicable)

N/A

Classification of new positions

N/A

Annualization(s):

	<i>E-Licensing System</i>
	Fiscal Impact Estimate
Thentia E-Licensing System	$.28 \times 18,498 = \$5,179.44 \times 12 \text{ months} = \$62,153.28$
TOTAL REQUEST	\$ <u>60,000</u>

Alignment with agency's strategic plan or statutory responsibilities

The mission statement of this agency is to establish and maintain standards of qualifications and performance for licensed behavioral health professionals in the fields of counseling, marriage and family therapy, social work and substance abuse counseling and to regulate the practice of licensed behavioral health professionals for protection of the public. This e-licensing system will support the efficient provision of licensing and regulation of licenses.

Impact on historically underserved, marginalized, or adversely affected groups

Without timely licensing or investigations, those in need of quality behavioral services are impacted negatively. It is safe to say that those in need of therapeutic services by qualified individuals can be placed in historically underserved, marginalized, or adversely affected groups.

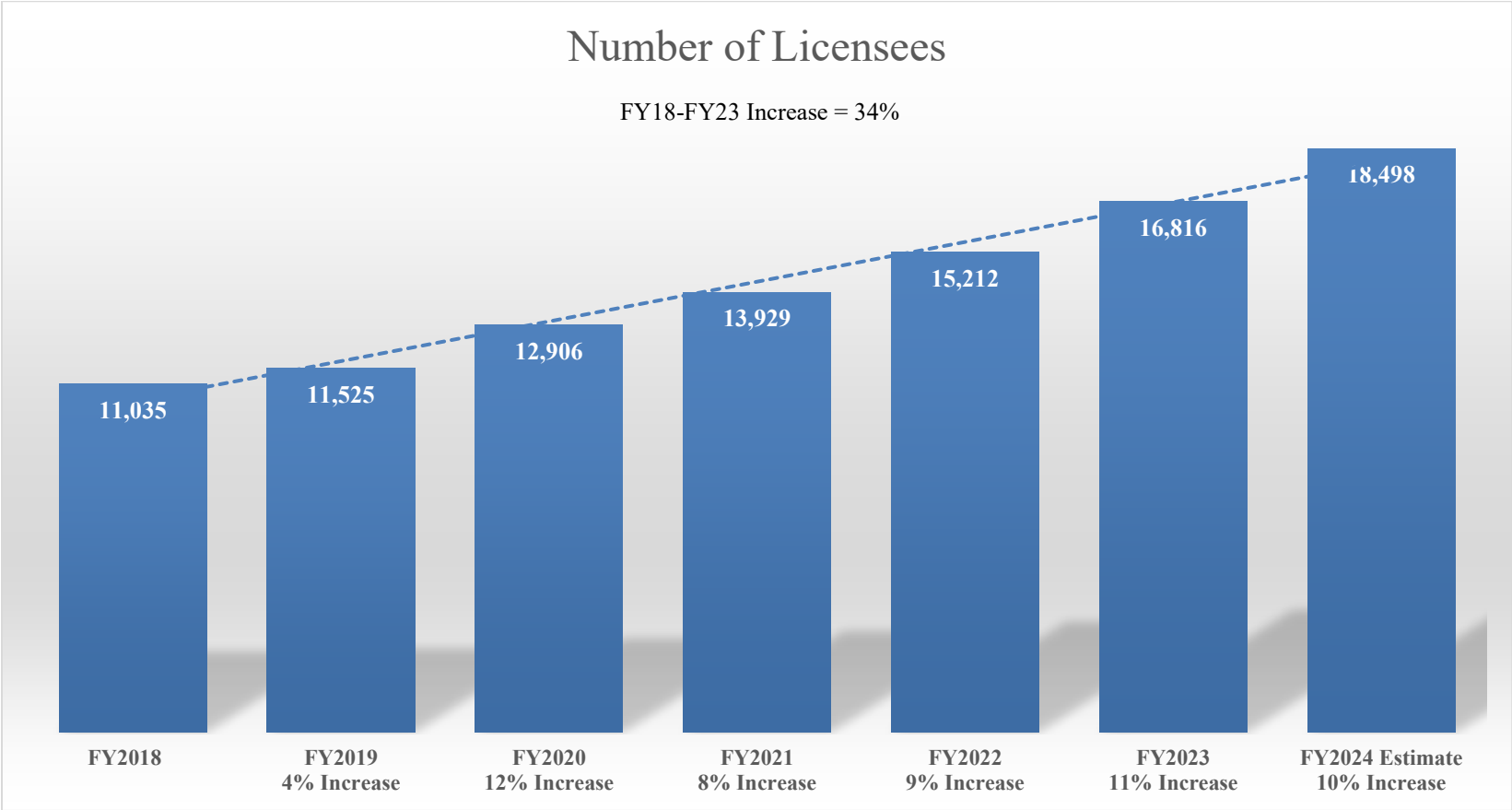
How has feedback been incorporated from groups directly impacted by proposal

Existing staff and the public continue to express the need for efficient processing of application or licensing requests that are supported by the use of current technology. This funding issue is a result of that communication.

Description of how this furthers the Governor's priorities

With economic growth and workforce development being one of Governor Hobb's priorities, this will support the efficiency and timeliness of licensing applications and requests, which will garner the ability for more Arizonans to secure jobs in the professional workforce.

ATTACHMENT



Agency Summary

Board of Behavioral Health Examiners

Tobi Zavala, Executive Director

Phone: 6025421617

A.R.S. §§ 32-3251 to 32-3322

Mission:

To establish and maintain standards of qualifications and performance for licensed behavioral health professionals in the fields of counseling, marriage and family therapy, social work, and substance abuse counseling, and to regulate the practice of licensed behavioral health professionals for the protection of the public.

Description:

The Board of Behavioral Health Examiners licenses and biennially renews licensure for approximately 16,816 behavioral health professionals, requiring these professionals to meet minimum standards of education, experience, and competency, as measured by examination. The Board also receives and investigates complaints, takes necessary disciplinary action, and responds to inquiries from consumers regarding the licensure status and complaint history of individual behavioral health professionals.

Agency Summary: (\$ Thousands)

Program	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
► Licensing and Regulation	2,123.6	2,112.7	2,738.3
Agency Total:	2,123.6	2,112.7	2,738.3

Funding:

	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Other Appropriated Funds	2,123.6	2,112.7	2,738.3
Total Funding	2,123.6	2,112.7	2,738.3

FTE Positions	20.0	20.0	27.0
----------------------	-------------	-------------	-------------

5 Year Plan

Issue 1 Increased Licensure Applications

Description: From FY18-FY23, the Board had a 89% increase in the number of applications. The anticipated volume is expected to continue to increase with the Board's changes in 2018 to A.R.S. § 32-3274 which regulates licensure by endorsement, and the Universal Recognition path to licensure passed in Laws 2019, Chapter 55. Additionally, there is an increased demand for behavioral health professionals.

Ongoing challenges related to the increased volume:

1. Increased documents, tracking, applicant follow-up and incoming phone/email traffic.
2. Prioritizing different types of applications and those in varying stages in the process is more challenging with the influx.
3. Increasing number of renewal applications.
4. Increased traffic in background investigations.

Solutions:

The Board plans to address these challenges as follows:

1. The Board will continue to streamline application processing through use of electronic systems.
2. The Board will maximize new credentialing staff by restructuring responsibilities by duty type and level of complexity.
3. The Board will address increasing investigations with new staff, which will allow appropriate case assignment numbers.
4. The Board is continuing to LEAN the application process by eliminating inefficient or redundant procedures.

Issue 2 Continued migration to electronic business practices

Description: The Board recognizes the need to move to a more paperless environment to assist the public with submitting information to the Board and help staff process incoming work more efficiently. The Board is implementing an e-licensing system, which allows individuals to apply for licensure through a web-based portal. This eliminates manual data entry for applications, address changes, renewals, and other important data. This increases efficiencies and streamlines processes, while making the information exchange easier with the public.

Solutions:

The Board plans to continue evaluating processes and communication that can be moved to an electronic platform as follows:

1. Continued implementation of e-licensing system.
2. Convert forms used by the public to an online platform.
3. Use digital signature programs to secure authorization on forms requiring signatures.
4. Improve the Board's digitization of records originally in paper format for archiving according to retention schedules.
5. Consolidate electronic resources, streamlining processes.

Resource Assumptions

	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate
Full-Time Equivalent Positions	27.0	27.0	27.0
General Fund	-	-	-
Other Appropriated Funds	-	-	-
Non-Appropriated Funds	-	-	-
Federal Funds	-	-	-

◆ **Goal 1** To improve agency operations to ensure equitable, consistent, and timely enforcement of statutes and rules regulating behavioral health professionals.

Performance Measures	FY 2022 Actual	FY 2023 Estimate	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Administration as a percentage of total cost	5.0	5.0	5.0	5.0	5.0
Applications received	2,914	3,205	3,220	3,542	3,896
Average days to resolve a complaint	163	180	203	180	180
Average number of days to process verifications	5	4	4	4	4
Average number of days to renew a license from receipt of application to issuance	8	7	7	5	5
Individuals licensed	2,413	2,654	3,062	3,368	3,705
Number of complaints received about licensees	183	201	235	259	284
Number of new and existing licenses issued	15,212	16,733	16,816	18,498	20,347
Numbers of inspections/investigations	818	900	1,277	1,405	1,545
Percent of application reviews completed within 180 days	99	99	99	99	99
Renewals received	6,004	6,604	6,233	6,856	7,542
Verifications received	695	765	711	782	860

Agency 5 Year Plan

BHA Board of Behavioral Health Examiners

Issue 1 Increased Licensure Applications

Description: From FY18-FY23, the Board had a 89% increase in the number of applications. The anticipated volume is expected to continue to increase with the Board's changes in 2018 to A.R.S. § 32-3274 which regulates licensure by endorsement, and the Universal Recognition path to licensure passed in Laws 2019, Chapter 55. Additionally, there is an increased demand for behavioral health professionals.

Ongoing challenges related to the increased volume:

1. Increased documents, tracking, applicant follow-up and incoming phone/email traffic.
2. Prioritizing different types of applications and those in varying stages in the process is more challenging with the influx.
3. Increasing number of renewal applications.
4. Increased traffic in background investigations.

Solutions:

The Board plans to address these challenges as follows:

1. The Board will continue to streamline application processing through use of electronic systems.
2. The Board will maximize new credentialing staff by restructuring responsibilities by duty type and level of complexity.
3. The Board will address increasing investigations with new staff, which will allow appropriate case assignment numbers.
4. The Board is continuing to LEAN the application process by eliminating inefficient or redundant procedures.

Issue 2 Continued migration to electronic business practices

Description: The Board recognizes the need to move to a more paperless environment to assist the public with submitting information to the Board and help staff process incoming work more efficiently. The Board is implementing an e-licensing system, which allows individuals to apply for licensure through a web-based portal. This eliminates manual data entry for applications, address changes, renewals, and other important data. This increases efficiencies and streamlines processes, while making the information exchange easier with the public.

Solutions:

The Board plans to continue evaluating processes and communication that can be moved to an electronic platform as follows:

1. Continued implementation of e-licensing system.
2. Convert forms used by the public to an online platform.
3. Use digital signature programs to secure authorization on forms requiring signatures.
4. Improve the Board's digitization of records originally in paper format for archiving according to retention schedules.
5. Consolidate electronic resources, streamlining processes.

Resource Assumptions

	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate
Full-Time Equivalent Positions	27.0	27.0	27.0
General Fund	-	-	-
Other Appropriated Funds	-	-	-
Non-Appropriated Funds	-	-	-
Federal Funds	-	-	-



Arizona Board of Behavioral Health Examiners

ORGANIZATIONAL CHART

