

# **LSC Greenbook**

**Analysis of the Enacted Budget**

## **State Board of Registration for Professional Engineers and Surveyors**

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**ATTACHMENT:**

Budget Spreadsheet By Line Item

# State Board of Registration for Professional Engineers and Surveyors

- Budget of \$996,938 in FY 2014 and \$993,889 in FY 2015
- A second staff investigator is likely to be hired

## OVERVIEW

### Agency Overview

The State Board of Registration for Professional Engineers and Surveyors (ENG) regulates the professions of engineering and surveying to protect the public by ensuring that only properly qualified individuals and businesses become registered, and that the registrants follow the established standards and codes of ethics. Approximately 27,000 professional engineers and 2,300 professional surveyors are licensed in the state. ENG's governing body consists of five members appointed by the Governor, including four professional engineers (one of which must also be a professional surveyor) and one professional surveyor. The Board must meet at least twice per year but generally meets monthly. Members receive a per diem amount fixed by state law when attending to Board matters and are reimbursed for expenses incurred in the discharge of their duties. The Board's day-to-day operations are handled by an executive director and seven full-time staff. The Board receives no GRF funding; rather, it is entirely supported by fees that are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90).

### Appropriation Overview

The budget provides \$996,938 for FY 2014, a 19.6% increase compared to FY 2013 spending of \$833,891 for Board operations. For FY 2015, there is a slight decrease in funding, to \$993,889. The increase between FY 2013 and FY 2014 can mostly be attributed to the Board's intention to hire an additional employee to act as the second investigator on staff.

### Operating Revenues

The primary source of operating income for the occupational licensing boards, such as ENG, is license fees. Table 1 shows the current fees charged by the Board.

<b>License Fee</b>	<b>Amount</b>
Standard or NCEES Professional Surveyor Comity Application	\$455
Standard or NCEES Professional Engineer Comity Application	\$415
Dual Registration Renewal (Professional Engineer and Professional Surveyor)	\$80
Principles and Practice of Engineering (PE) and Surveying (PS) Exam Application	\$75
Final Registration Fee for Engineers and Surveyors passing PE and PS Exam	\$50
Firm Certificate of Authorization Application Fee	\$50
Professional Engineer/Professional Surveyor Renewal	\$40
Fundamentals of Engineering (FE)/Fundamentals of Surveying (FS) Exam Application	\$25
Firm Certificate of Authorization Renewal Fee	\$25
Reciprocal License Verification Request Fee	\$24

Note: NCEES refers to the National Council of Examiners for Engineering and Surveying

Fees collected by the Board are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). Twenty-seven occupational licensing and regulatory boards and commissions, including ENG, use Fund 4K90 as an operating account to support their regulatory operations. Table 2 below shows ENG's operating revenue and expenditure history from FY 2008 to FY 2013. During this time, revenues consistently exceeded expenses over each biennial period. Note the increase in revenue that occurred in FY 2012 because of the Board's shift from an annual renewal cycle to a biennial renewal cycle beginning in that fiscal year. As a result, FY 2012 receipts increased by just over \$600,000 to \$1.7 million when compared to FY 2011 collections of approximately \$1.1 million. Because of this shift, FY 2013 revenue decreased to approximately \$600,000, resulting in a total of about \$2.3 million in revenue over the FY 2012-FY 2013 biennium. Overall, this represents an increase of about 8.2% in revenue compared to licensing receipts collected in the FY 2010-FY 2011 biennium.

	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
Revenues	\$1,051,560	\$957,601	\$1,048,336	\$1,098,782	\$1,723,821	\$599,994
Expenditures	\$902,772	\$766,545	\$856,889	\$889,734	\$907,675	\$833,891
<b>Net</b>	<b>\$148,788</b>	<b>\$191,056</b>	<b>\$191,477</b>	<b>\$209,048</b>	<b>\$816,146</b>	<b>-\$233,897</b>

## ANALYSIS OF ENACTED BUDGET

The Board's operations are funded by a single line item appropriation within the Occupational Licensing and Regulatory Fund (Fund 4K90). The table below shows the appropriation for the line item.

Appropriation for State Board of Registration for Professional Engineers and Surveyors				
Fund	ALI and Name		FY 2014	FY 2015
<b>General Services Fund Group</b>				
4K90	892609	Operating	\$996,938	\$993,889
<b>General Services Fund Group Subtotal</b>			<b>\$996,938</b>	<b>\$993,889</b>
<b>Total Funding: State Board of Registration for Professional Engineers and Surveyors</b>			<b>\$996,938</b>	<b>\$993,889</b>

This appropriation item supports all of ENG's operating expenses. Funding of \$996,938 in FY 2014 is 19.6% higher than FY 2013 spending of \$833,891, mostly because of the Board's intention to hire an additional employee as an investigator. H.B. 322 of the 125th General Assembly mandated that professional engineers and surveyors complete 15 hours of continuing professional development each year. According to ENG, the second investigator will allow the Board to audit more registrants for compliance with this requirement and reduce the turnaround time of pending complaints and investigations. The FY 2015 funding level of \$993,889 is slightly less than the FY 2014 amount because of decreased supply and maintenance costs that can be expected in the "off years" of the biennial license renewal cycle when material and equipment costs are lower. For example, certificates will not be printed, prepared, and mailed to engineers or surveyors in FY 2015, since renewal will occur in FY 2014.

### Licenses

Table 3 shows the number of active registrations issued by ENG as of the end of FY 2011, FY 2012, and FY 2013. As the table shows, the total number of active registrations increased slightly between FY 2011 and FY 2012. In FY 2013, the number of active registrations increased at a higher rate, mostly because of increases in the number of professional engineers and firms registered.

<b>Table 3. Active Registrations by Type Issued by ENG</b>					
<b>Registration</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>Percent Change</b>	<b>FY 2013</b>	<b>Percent Change</b>
Professional Engineer	24,710	24,854	1.2%	26,057	4.8%
Professional Surveyor	1,365	1,350	-1.1%	1,381	2.3%
Dual Registration	751	737	-1.9%	744	0.9%
Firm	2,195	2,315	5.5%	2,459	6.2%
<b>TOTAL</b>	<b>29,021</b>	<b>29,256</b>	<b>0.8%</b>	<b>30,641</b>	<b>4.7%</b>

### Investigation and Enforcement Statistics

In addition to licensing, the Board investigates complaints and alleged violations of Chapter 4733. of the Revised Code, the statute governing the engineering and surveying professions. As Table 4 below shows, the Board received and investigated 77 complaints in FY 2013.

<b>Table 4. Enforcement Statistics, FY 2011-FY 2013</b>			
<b>Enforcement Action</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
Complaints Investigated	118	118	77
Complaints Closed	78	80	77
Formal Investigations Opened	40	39	29
Formal Investigations Closed	38	45	35

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**FY 2014 - FY 2015 Final Appropriation Amounts**

**All Fund Groups**

**Line Item Detail by Agency**

			<b>Appropriation</b>	<b>FY 2013 to FY 2014</b>	<b>Appropriation</b>	<b>FY 2014 to FY 2015</b>		
			<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>% Change</b>	<b>FY 2015</b>	<b>% Change</b>
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>					
<b>ENG State Board of Engineers and Surveyors</b>								
4K90	892609	Operating Expenses	\$ 907,675	\$ 833,891	\$ 996,938	19.55%	\$ 993,889	-0.31%
<b>General Services Fund Group Total</b>			<b>\$ 907,675</b>	<b>\$ 833,891</b>	<b>\$ 996,938</b>	<b>19.55%</b>	<b>\$ 993,889</b>	<b>-0.31%</b>
<b>State Board of Engineers and Surveyors Total</b>			<b>\$ 907,675</b>	<b>\$ 833,891</b>	<b>\$ 996,938</b>	<b>19.55%</b>	<b>\$ 993,889</b>	<b>-0.31%</b>