

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: S.B. 191 DATE: March 18, 1998
STATUS: As Introduced SPONSOR: Sen. Schafrath
LOCAL IMPACT STATEMENT REQUIRED: No — No local cost
CONTENTS: Enhances educational requirements for dispensing opticians and apprentices; makes other changes in law regarding the Optical Dispensers' Board

State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
General Services Fund			
Revenues	- 0* -	Loss of at least \$50,000	Loss is likely to diminish somewhat by FY 2002
Expenditures	- 0* -	- 0 -	- 0 -

*For the purposes of this analysis, LBO assumes that the fiscal effects of this bill will not be felt until FY 1999.

- This bill requires optical interns to have completed a two-year college program in optical dispensing prior to taking exams to dispense contact lenses or spectacles. This is expected to substantially reduce the number of individuals qualified to take the exam, resulting in a loss of revenue from fewer exams administered. Further losses are expected to result as fewer individuals will be qualified to pay licensing and renewal fees.
- For the next two to three fiscal years, it is expected that more individuals will remain at the optical intern level than is the case now, as they will have not met the educational requirements necessary to permit them to take the exam. These individuals will continue to pay intern registration fees for a longer period of time, resulting in a minimal gain in revenues. The fiscal effects of this bill are expected to diminish in future fiscal years as individuals and colleges adapt to the changes in training requirements presented by this bill.
- There will also be a minimal increase in registration fees as a result of requiring interns to register within the first six months of employment and then annually thereafter. They must register annually under current law.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.



Detailed Fiscal Analysis

Provisions of the Bill

The bill makes the following changes in the law regarding optical dispensers.

- Changes the title of "apprentices" to "optical interns."
- Changes the composition of the Optical Dispensers Board to include five licensed dispensing opticians at least three years of experience, with at least one member being a licensed contact lens dispensing optician, and at least one member being a licensed spectacle dispensing optician.
- Requires that individuals wishing to take the opticians' examination to have completed a two-year college program in optical dispensing.
- Abolishes, after five years, separate licenses for dispensing spectacles and contact lenses.
- Requires optical interns to register with the Board within six months of first commencing employment, and annually thereafter.

State Fiscal Effects

The majority of the provisions of this bill are administrative in nature, and as such, will have a negligible fiscal effect. Changing the title of "apprentice" to "optical intern" should have no fiscal effect.

The bill makes changes in the composition of the Optical Dispensers Board. It requires that dispensing opticians appointed to the Board have a minimum of three years of experience. Furthermore, at least one of the dispensing opticians is to be a licensed contact lens dispensing optician, and one is to be a licensed spectacle dispensing optician. These changes in Board member qualifications should have no fiscal effect, as the total number of individuals sitting on the Board and the hourly rates that Board members receive will not change.

Formal educational requirements for individuals wishing to take an optical dispensing examination are increased under this bill. Under current law, an individual may take the examination if he or she has successfully completed two years of supervised experience in specified areas, or has successfully completed a two-year college program in optical dispensing. This bill eliminates the option of completion of two years' experience. Therefore, this provision is expected to result in a substantial loss in revenue to the Optical Dispensers' Board in terms of lost revenue from fewer examinations and new license application fees.

In FY 1998, the Optical Dispensers' Board administered two sets of exams, one on Aug. 13, 1997, and one on Feb. 11, 1998. The Board reports that for the August set of exams, 17 college-educated individuals and 106 apprentices took the spectacle dispensing exam. At the same time, seven college-educated individuals and 13 apprentices took the contact lens dispensing exam.

For the February set of exams, 21 college-educated individuals and 91 apprentices took the spectacle dispensing exam; four college-educated individuals and nine apprentices took the contact lens exam. Therefore, for FY 1998, a total of 49 college-educated individuals took the

spectacle and contact lens exams, as compared to 297 apprentices. Apprentices clearly represent the majority of individuals taking the exams (approximately 63 percent of the total including previous licensee, optometrists, and M.D.'s). Of the total number of individuals who passed exams for FY 1998 (including previous licensees, optometrists, and M.D.'s), apprentices represent approximately 58 percent of the total, and college-educated applicants represent 20 percent of the total. The fee for this exam is \$100. Assuming 297 apprentices would not have been permitted to take the exams in FY 1998, the Optical Dispensers' Board would have lost approximately \$29,700 (297 apprentices x \$100 per exam).

In addition, the Board would likely experience further losses in revenue as a result of loss of new license application fees. The Board charges a \$50 fee annually to applicants who apply in January through March, \$37.50 to applicants who apply in April through June, \$25.00 to applicants who apply in July through September, and \$12.50 for those applying in October through December. LBO assumes that because apprentices will no longer be permitted to take the examinations, fewer licenses will be issued each year. In FY 1997, the Board collected a total of \$34,650 for license fees. LBO assumes that if, on average, 128 apprentices pass the exam and go on to acquire licenses each year, the Board would lose approximately \$20,000 per year in fees (\$34,650 x 58 percent of the license applicants = \$20,097).

Furthermore, annual renewal fee revenues are also likely to decrease. The annual renewal fee for opticians is \$65. LBO assumes that there will be some loss in revenue from this source in future years as individuals who might otherwise have taken exams, applied for licenses or license renewals, would no longer be eligible to do so.

Under the bill, optical interns are required to register with the Board within six months after commencing employment, and annually thereafter. Under current law, apprentices are required to register annually. This greater initial frequency of registration is expected to result in a minimal increase in revenue to the Board. The current registration fee for apprentices is \$10 per year, and in 1997, the Board registered 1,322 apprentices. Additional registration revenue is expected to result from provisions of the bill discussed above. Specifically, as optical interns become ineligible to take the exams, they will remain at the optical intern level until they meet the educational requirements necessary to permit them to take the exam. These individuals will continue to pay intern registration fees. This will result in a minimal increase in revenue.

The bill also eliminates the need for separate licenses for spectacle and contact lens dispensers. Under current procedure, these individuals pay two exam fees (one for spectacle dispensing, one for contact lens dispensing), but pay only one license fee. This provision of the bill is determined to have no fiscal effect.

Overall, the Optical Dispensers' Board will experience a substantial net loss in revenue as a result of this bill. The magnitude of this effect is difficult to quantify, but is believed to diminish over time as individuals receive the training to be able to complete the exam and licensure requirements. This substantial decrease in revenue will likely have its most significant fiscal impact in the two to three years immediately following the enactment of the bill, as the effects of the changes in exam eligibility requirements will likely become less pronounced over time.

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