

# Optical Dispensers Board

**House Higher Education Subcommittee**

*Clay Weidner, Budget Analyst  
Legislative Service Commission*

*March 6, 2003*

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# **LSC Redbook**

## **for the**

# **Ohio Optical Dispensers Board**

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## **TABLE OF CONTENTS**

<b>Overview.....</b>	<b>A1</b>
<b>Analysis of Executive Proposal.....</b>	<b>A3</b>
<b>Additional Facts and Figures.....</b>	<b>A4</b>
<b>Permanent and Temporary Law Section.....</b>	<b>A5</b>
<b>Requests Not Funded.....</b>	<b>A6</b>
<b>Catalog Of Budget Line Items.....</b>	<b>COBLI 1</b>
<b><i>Attachment: LSC Budget Spreadsheet By Line Item</i></b>	

*March 6, 2003*

Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

# Ohio Optical Dispensers Board

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- The Executive recommends \$307,096 in FY 2004 (a 4% increase over estimated FY 2003 expenditures) and \$312,656 in FY 2005 (a 1.8% increase over the FY 2005 recommended appropriation)
- Licensed 4,584 professionals in FY 2002

## OVERVIEW

The Ohio Optical Dispensers Board (ODB) was established in 1979 to maintain standards in the industry by the issuance of spectacle, contact lens, and ocularist licenses. The Board seeks to maintain industry standards by establishing licensure requirements for people entering these fields. In addition to licensing opticians, ocularists, and apprentices, the Board is responsible for establishing continuing education requirements and investigating complaints, with discipline as necessary.

The Board licensed 3,348 opticians (optical dispensers), 13 ocularists, and 1,223 apprentices. The total number of licensees decreased by 0.5% between FY 2001 and FY 2002.

Revenue is generated from new and renewal license fees, which are collected annually. Expenditures are for operating expenses associated with the licensure, regulation, and enforcement processes. Expenditures and revenue for FY 2002 were \$284,642 and \$235,534, respectively. The Board used \$49,108 more out of Fund 4K9 than it was appropriated during the last renewal cycle.

### Administrative Fees

During the current biennium, occupational licensing boards have absorbed increased administrative costs charged by other state agencies. Many boards contracted for services that were once provided for free such as lock-box services and computer technical support. Increases in the Department of Administrative Services (DAS) Central Service fees and postage have also significantly raised occupational boards' expenditures.

The Optical Dispenser's Board's Central Service Agency assessment will increase 68% from \$5,694 in FY 2002 to \$9,569 in FY 2003 and by another 5% in FYs 2004 and 2005. The Management Information Services fee increased by 150% between FY 2001 and FY 2002 and the Board projects a 21% increase for FYs 2003-2005. The Board will be charged \$2,524 in FY 2003 for computer technical support, which once was provided by DAS. This fee will increase by approximately 5% in both FYs 2004 and 2005. The Board also estimates a 4% rent increase in FY 2004.

### **Health Care**

Health care costs are also driving up the Board's incurred costs. Health care costs are expected to rise by as much as 15% for the Board's three employees over the next biennium. Furthermore, board members now have the option of buying into the state's health plan. Although the premiums are paid completely by the individual board member and deposited into Fund 4K9, the Board is required to show this as an incurred cost. Only two members have taken advantage of the program to date; however, the annual cost for the two board members is \$6,852. If other board members were to take advantage of this program, the costs would impact the Board.

### **Licensing Examination**

Prior to FY 2002, the Board processed license examination applications and rented the facility where the examinations were given. The Board charged each applicant a \$100 fee. The Board paid the American Board of Opticianry (ABO) \$50 to generate, proctor, and score each examination. In FY 2001, examination fees generated \$36,500 in revenue.

For FY 2002, ABO increased its fee to \$130 per examination. Current law allows the Board to charge up to \$100 for the examination. Consequently, OBM advised the Board to turn over all of the duties associated with the examination to ABO. In FY 2002, ABO performed all of the examination duties.

### **Licensing System**

The occupational licensing boards, in partnership with the Department of Administrative Services, are working to implement a new licensing system. The system will be phased in over the next biennium and each board will pay their share of the costs out of Fund 4K9. The Board will pay an annual fee of \$1,296 in the next biennium and a monthly charge of \$97 in FY 2004 and \$101 in FY 2005.

### **Fee Changes**

The Board instituted many cost control measures to balance expenditures and revenue. Staff is using desktop publishing software instead of contracting for the service. The Board Director changed the board director's position's overtime status to overtime exempt. Travel expenses are meticulously scrutinized and only necessary trips are authorized. However, despite all these efforts, the Board was unable to cover incurred costs with generated revenue. Consequently, the Board received Controlling Board approval to raise optician fees by 50% from \$65.00 to \$97.50. This fee increase will take effect in FY 2004.

## ANALYSIS OF EXECUTIVE PROPOSAL

### Ohio Optical Dispensers Board

**Purpose:** Regulate the practice of Opticianry and Ocularistry, through examination, continuing education and license enforcement

The following table shows the line item that is used to fund the Optical Dispensers Board, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
4K9	894-609	Operating Expenses	\$307,096	\$312,656
<b>Total funding: Ohio Optical Dispensers Board</b>			<b>\$307,096</b>	<b>\$312,656</b>

### Ohio Optical Dispensers Board

**Program Description:** In accordance with sections 4725.40 and 4725.99 of the Ohio Revised Code, the Ohio Optical Dispensers Board issues licenses to optical dispensers, ocularists, and registers apprentices, all on an ongoing manner. The Board also investigates and disciplines as necessary and prosecutes the unlicensed work of opticianry or ocularistry.

**Funding Source:** General Services Fund Group (Fund 4K9). All revenue from 24 occupational licensing boards is placed in Fund 4K9 and then reallocated to each board. Each board must raise enough revenue through its license fees to cover its expenses.

**Line Item:** 894-609, Operating Expenses

**Implication of the Executive Recommendation:** For FY 2004, the Executive recommends a 4% increase, amounting to \$11,819 over the FY 2003 estimate. The Executive recommends a 1.8% increase in FY 2005 over the FY 2004 appropriation. This increase translates to additional funding of \$5,560 for the Board in FY 2005. The executive recommendations provide for current service levels to be maintained and cover the increased administrative costs passed on to the Board.

No new initiatives are planned with the executive recommendations except for the implementation of the new licensing system.

## ADDITIONAL FACTS AND FIGURES

Ohio Optical Dispensers Board, Staffing Levels						
Program Series/Division	2000	2001	2002	2003	Estimated	
					2004	2005
Board Members	9	9	9	9	9	9
Administrative Staff	2	2	2	2	2	2
Investigative Staff	1	1	1	1	1	1
<b>Totals</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>

### Number of Licensees

License Type	FY 2000	FY 2001	FY 2002	FY 2003 Estimated
Optician	3,286	3,308	3,348	3,350
Ocularist	13	13	13	13
Apprentice	1,331	1,286	1,223	1,223

### Current License Fees

The Board will increase optician renewal fees in FY 2004.

	Current Renewal Fees	Renewal Fees FY2004
Optician	\$65	\$97.50
Ocularist	\$135	\$135
Apprentice	\$10	\$10

### Revenue and Expenditures

Fund 4K9	FY 1999	FY 2000	FY 2001	FY 2002
Revenues	\$267,407	\$271,179	\$271,265	\$235,534
Expenditures	\$238,606	\$257,599	\$249,866	\$284,642
Net	\$28,801	\$13,580	\$21,399	(\$49,108)
Two-Year Net	\$42,381		(\$27,709)	

## PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the Board's activities and spending decisions during the next biennium.

### Permanent Law

#### Ohio Optical Dispensers Board fees (R.C. sections 4725.44, 4725.45, 4725.48, 4725.50, 4725.51, 4725.52, and 4725.57)

The bill eliminates the amounts specified for fees charged by the Optical Dispensers Board and provides for the amounts to be specified in rules adopted pursuant to Chapter 119. of the Revised Code. However, any such fees must be approved by the Controlling Board and cannot exceed the previous amounts by more than 50%.

The bill also clarifies provisions for the endorsement of out-of-state licenses and the licensure of ocularists. The change exempts an applicant who is licensed by another state of the examination requirements as long as the individual is eligible for licensure under division (B) of section 4725.48 of the Revised Code.

## REQUESTS NOT FUNDED

Ohio Optical Dispensers Board						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
4K9 894-609	\$312,453	\$307,096	(\$5,357)	\$315,552	\$312,656	(\$2,896)

The Board requested an additional \$5,357 in appropriations in FY 2004 and \$2,896 in FY 2005 that was not funded.

The Board requested additional funding to replace a printer. The Executive's recommendations will not allow the Board to replace the printer.

In FY 2002, the Board conducted 404 "drop-by" investigations. According to the Board, the recommended funding will require the Board's investigator to focus on reactive investigations to reduce travel expenses.

The Board will also seriously consider reducing the number of board meetings or board members. The Board currently is composed of nine members and holds six meetings per year.

## General Services Fund Group

### 4K9 894-609 Operating Expenses

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$257,599	\$249,867	\$284,642	\$295,277	<b>\$307,096</b>	<b>\$312,656</b>
	-3.0%	13.9%	3.7%	<b>4.0%</b>	<b>1.8%</b>

**Source:** GSF: License fee revenue from opticians and ocularists received by the Board.

**Legal Basis:** ORC 4743.05 (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

**Purpose:** Funds are used for general operating expenses, including payroll, supplies, and equipment. The appropriated amount may be increased a maximum of ten percent with Controlling Board approval.

**LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005**

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2002</i>	<i>Estimated 2003</i>	<i>Executive 2004</i>	<i>% Change 2003 to 2004</i>	<i>Executive 2005</i>	<i>% Change 2004 to 2005</i>
<b>ODB Optical Dispensers Board, Ohio</b>								
4K9	894-609	Operating Expenses	\$ 284,642	\$295,277	\$ 307,096	4.0%	\$ 312,656	1.8%
<b>General Services Fund Group Total</b>			<b>\$ 284,642</b>	<b>\$ 295,277</b>	<b>\$ 307,096</b>	<b>4.0%</b>	<b>\$ 312,656</b>	<b>1.8%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 284,642</b>	<b>\$ 295,277</b>	<b>\$ 307,096</b>	<b>4.0%</b>	<b>\$ 312,656</b>	<b>1.8%</b>