

State Board of Optometry

House Higher Education Subcommittee

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Legislative Service Commission*

March 6, 2003

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LSC Redbook
for the
State Board of Optometry
House Higher Education Subcommittee

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March 6, 2003

State Board of Optometry

- The Executive recommends \$306,140 in FY 2004 (approximately level funding from FY 2003 expenditures) and \$324,391 in FY 2005 (a 6% increase over the FY 2004 recommended appropriation)
- Board administered 4,011 licenses in FY 2002

OVERVIEW

The State Board of Optometry was established to regulate the practice of optometry in the state of Ohio. The Board issues licenses to optometrists and conducts investigations for compliance with rules or regarding complaints received from the public. The Board is also responsible for the revision of policies and guidelines for license renewal and the issuance of new licenses.

The Board administers three types of licenses: optometric, therapeutic, and diagnostic. In FY 2002, there were 2,048 licensed optometrists, 1,859 therapeutic licenses, and 81 diagnostic licenses. The Board also licenses 23 military optometrists in which there is no licensure fee. The total number of licensees increased by 5.4% 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. Revenues and expenditures for FY 2002 totaled \$287,286 and \$251,435, respectively. The Board contributed \$35,851 more to Fund 4K9 than it was appropriated for the last renewal cycle.

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 of Optometry will pay an annual fee of \$605 in the next biennium and a monthly fee of \$20.

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.

The Optometry Board estimates that increased administrative fees will cost the Board approximately \$15,000 in FY 2004 and \$16,500 in FY 2005 for the DAS Central Service Agency fees, computer technical support, and license renewal banking and revenue processing fees.

Inactive Licenses

The Board has also seen a decrease in revenue following the enactment of R.C. section 4725.17. This law, passed in 1999, allows licensed optometrists to go into an inactive status. Inactive optometrists are not required to pay renewal fees until the individual reactivates the license. Since 1999, over 300 licensees chose to go into inactive status; this represents a revenue decrease of over \$40,000 per year. The number of inactive licenses has since leveled off and the revenue decreases are being partially offset by new licensees (approximately 100 per year) and cost control measures (e.g., obtaining an 800 number, increased use of the fax machine and email as opposed to the mail, in-house processing of renewals, and online downloadable forms).

ANALYSIS OF EXECUTIVE PROPOSAL

Ohio State Board Of Optometry

Purpose: Licensure and regulation of Ohio’s optometrists

The following table shows the line item that is used to fund the State Board of Optometry, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
4K9	885-609	Operating Expenses	\$306,140	\$324,391
Total funding: Ohio State Board of Optometry			\$306,140	\$324,391

Ohio State Board of Optometry

Program Description: The Ohio State Board of Optometry assures that the optometrists operating in the state are professionally competent by regulating examinations, enforcing continuing education compliance, monitoring continuing education quality, issuance and renewal of licensure, and enforcement of Chapter 4725. of the Revised Code.

Funding Source: General Services Fund (Fund 4K9). Currently, 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 Items: 885-609, Operating Expenses

Implication of the Executive Recommendation: The executive recommendation for the State Board of Optometry is \$306,140 in FY 2004, which is approximately level funding from FY 2003 estimated expenditures, and \$324,391 for FY 2005, an increase of 6% from FY 2004.

The executive recommendation will enable the Board to maintain its current level of service and will cover the increased administrative fees passed on to the Board by other state agencies. The executive recommended funding also allows the Board to print updated law books and send them to licensees in FY 2005.

ADDITIONAL FACTS AND FIGURES

Program Series/Division	2000	2001	2002	2003	2004	2005
Board Members	6	6	6	6	6	6
Administrative Staff	3	3	3	3	3	3
Investigators	0	0	0	0	0	0
Totals	9	9	9	9	9	9

The Board's administrative assistant performs investigations.

Number of Licensees

License Type	FY 1999	FY 2000	FY 2001	FY 2002
Optometrist	2,076	2,039	1,954	2,048
Optometrist (military)	33	32	25	23
Therapeutic (secondary license)	1,721	1,711	1,742	1,859
Diagnostic (secondary license)	129	100	91	81

Current License Fees

The Board issues licenses annually. License fees were last increased in May 1992.

License Type	Fees
Optometrist	\$110
Therapeutic endorsement	\$25
Diagnostic endorsement	\$25
Military Optometrist	No fee

Revenues and Expenditures

Fund 4K9	FY 1999	FY 2000	FY 2001	FY 2002
Revenues	\$268,619	\$282,530	\$282,400	\$287,286
Expenditures	\$234,212	\$257,697	\$199,280	\$251,435
Net	\$34,407	\$24,833	\$83,120	\$35,851
Two Year Net	\$59,240		\$47,269	

PERMANENT AND TEMPORARY LAW

The executive budget contains no permanent or temporary law provisions that will have a fiscal impact on the State Board of Optometry.

REQUESTS NOT FUNDED

State Board of Optometry						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
4K9 885-609	\$315,391	\$306,140	(\$9,251)	\$324,391	\$324,391	\$0

The Board requested an additional \$9,251 in appropriations for FY 2004 that was not funded. According to OBM, the Board overestimated payroll costs for FY 2004 in its budget request. The Office of Budget and Management is confident that the Board can meet its payroll with the Executive's recommendations.

General Services Fund Group

4K9 885-609 Operating Expenses

2000	2001	2002	2003 Estimate	2004 Executive Proposal	2005 Executive Proposal
\$257,697	\$199,279	\$251,434	\$306,051	\$306,140	\$324,391
	-22.7%	26.2%	21.7%	0.0%	6.0%

Source: GSF: Fee revenue received by the State Board of Optometry.

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

Purpose: This appropriation supports the general operating expenses, including payroll, supplies, and equipment for the Ohio State Optometry Board. The board sets standards for licensure and registration for Ohio's optometrists.

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>
OPT	Optometry, State Board of							
4K9	885-609	Operating Expenses	\$ 251,434	\$306,051	\$ 306,140	0.0%	\$ 324,391	6.0%
General Services Fund Group Total			\$ 251,434	\$ 306,051	\$ 306,140	0.0%	\$ 324,391	6.0%
Total All Budget Fund Groups			\$ 251,434	\$ 306,051	\$ 306,140	0.0%	\$ 324,391	6.0%