

# State Board of Optometry

**House Higher Education Subcommittee**

*Wendy Risner, Budget Analyst*

*Legislative Service Commission*

*February 24, 2005*

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**LSC Redbook**  
**for the**  
**State Board of Optometry**

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*February 24, 2005*

# State Board of Optometry

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- Licensed 2,061 optometrists in FY 2004.
- The Board received no funding for FY 2007 and will be absorbed into the Department of Health that year.

## OVERVIEW

The State Board of Optometry is part of the 4K9 Fund group. The 4K9 Fund (Occupational Licensing and Regulatory Fund) is a General Services Fund that is a repository for license fees and other assessments collected by the state's professional and occupational licensing boards. The 4K9 Fund was established by Am. Sub. H.B. 152 of the 120th General Assembly. Prior to the creation of the fund, appropriations for each licensing board were made from the GRF. This created some problems as some boards contributed more revenues than they expended and others had to be subsidized by the GRF since the revenues generated did not meet their expenditures. The 4K9 Fund eliminated these problems. The philosophy of the fund is that each board must generate enough revenues to cover their expenses. It is also quite common for the boards to develop a surplus in the fund to cover unforeseen economic hardships.

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 2004, there were 2,061 optometrist licenses issued. 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 revenues for FY 2004 totaled \$296,554 and \$289,231, respectively. The Board contributed \$7,323 less to Fund 4K9 than it expended in FY 2004. However, in FY 2003, the Board had a net of \$4,873 to Fund 4K9 with revenues of \$284,995 and expenditures of \$280,122. According to the Board, this loss of \$2,450 over the past two fiscal years is primarily due to fluctuations in licensing revenues.

### Licensing System

The Board, in partnership with the Department of Administrative Services, has implemented a new web-based multi-board licensing system. Each board pays their share of the costs out of Fund 4K9. The Board of Optometry will pay an annual fee of \$2,000 per fiscal year for this system and for the computer firewall protection.

**Increases in Salary and Health Care Expenses**

Payroll expenditures for the Board, as well as other state boards and agencies, will increase in this biennium as a result of the negotiated 4% increase in salary for state employees. Health insurance costs continue to rise each year as well. The Board has requested an additional \$10,500 per fiscal year as a result.

**Licenses to Individuals from Another State or Canadian Province**

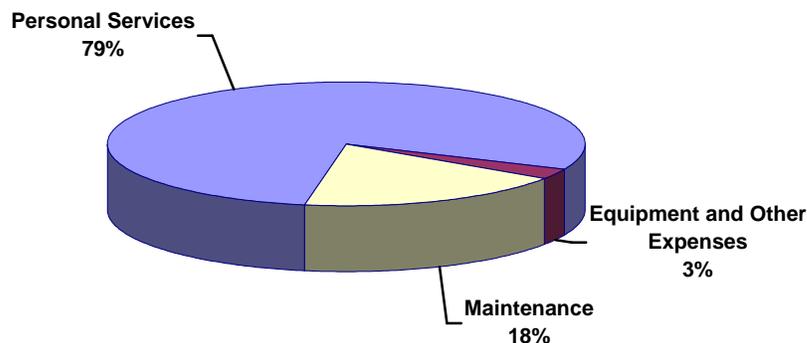
Sub. H.B. 23 of the 125th General Assembly permits the Board to issue a license to an individual licensed by another state or a Canadian province provided they meet established standards. According to the Board, this bill did not affect the number of licenses issued. However, it did make it easier for optometrists to move from one state to another and retain licensure.

**Governor's Recommendations**

The Board requested \$334,891 in FY 2006 and \$334,891 in FY 2007. The Executive recommended funding of \$336,771 in FY 2006, which is a 3.8% increase over estimated FY 2005 levels and \$0 in FY 2007. The Executive recommends that the 27 independent occupational licensing boards be absorbed into the departments of Health, Commerce, and Public Safety. As such, the Executive recommended no funding in FY 2007 for the boards. In the case of the Optometry Board, the Board and its duties will be absorbed into the Department of Health. The specifics of this transfer will be addressed during FY 2006 by a task force consisting of the departments of Commerce, Health, Public Safety, and Administrative Services, the Office of Budget and Management (OBM), and the Governor's Office. According to OBM, current staff will be retained through FY 2006 and a hiring freeze and early retirement incentives will be offered to regulatory board staff. Effective July 1, 2006, all remaining regulatory board staff will be transferred to the relevant agency. Board members will be retained.

As shown in the chart below, the primary expenses for the Board are for personal services. Personal services increased by 3.5% for FY 2006 over estimated FY 2005 levels.

**Total Budget by Object Code for FY 2006**



**Staffing Levels**

Optometry Board Staffing Levels						
Program Series/Division	2002	2003	2004	2005	Estimated	
					2006	2007
Board Members	6	6	6	6	6	6*
Optometry Board Staff	3	3	3	3	3	3*
<b>Totals</b>	9	9	9	9	9	9*

\* In FY 2007, the 27 occupational licensing boards will be consolidated into various agencies. According to OBM, current staff will be retained through FY 2006. However, it is expected that some staff reductions will occur as a result of the implementation of a hiring freeze and early retirement incentive. Remaining staff for the Board will be transferred to the Department of Health in FY 2007. Board members will be retained.

The board members receive an hourly rate of \$19 to \$20 per hour for attending meetings.

## FACTS AND FIGURES

### Number of Licensees

License Type	FY 2001	FY 2002	FY 2003	FY 2004
Optometrist	1,954	2,048	2,052	2,061
Optometrist (military)	25	23	22	18
Therapeutic (secondary license)	1,742	1,859	1,885	1,912
Diagnostic (secondary license)	91	81	74	69

### 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 2001	FY 2002	FY 2003	FY 2004
Revenues	\$282,400	\$287,286	\$284,995	\$289,231
Expenditures	\$199,280	\$251,435	\$280,122	\$296,554
Net	\$83,120	\$35,851	\$4,873	(\$7,323)
Two Year Net	\$47,269		(\$2,450)	

## ANALYSIS OF EXECUTIVE PROPOSAL

### Ohio State Board of Optometry

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**Purpose:** Licensure and regulation of Ohio's optometrists.

The following table shows the line items that are used to fund the Optometry Board, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2006	FY 2007
<b>General Services Fund</b>				
4K9	885-609	Operating Expenses	\$336,771	\$0
<b>General Services Fund Subtotal</b>			<b>\$336,771</b>	<b>\$0</b>
<b>Total Funding: Ohio State Board of Optometry</b>			<b>\$336,771</b>	<b>\$0</b>

### 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 27 occupational licensing boards is placed in Fund 4K9 and then reallocated to each board. Each board is expected to raise enough revenue through its license fees to cover its expenses.

**Line Items:** 885-609, Operating Expenses

**Implication of Executive Recommendation:** The Board requested funding of \$334,891 in each fiscal year. The Executive recommended funding of \$336,771 in FY 2006 and \$0 in FY 2007. The recommended funding for FY 2006 will allow the Board to carry out its mission and allow for the 4% increase in payroll. In FY 2007, the Board will be absorbed into the Department of Health. The specifics of this transfer will be addressed during FY 2006 by a task force consisting of the departments of Commerce, Health, Public Safety, and Administrative Services, the Office of Budget and Management, and the Governor's Office.

**Temporary and Permanent Law Provisions:** H.B. 66, As Introduced, includes a provision that consolidates the Board into the Department of Health beginning in FY 2007. The provision also includes the creation of a transition team to ensure the consolidation occurs smoothly and on schedule. The temporary language states that the necessary statutory changes and appropriations needed for the consolidation will be introduced in FY 2006.

## REQUESTS NOT FUNDED

Fund Line Item	FY 2006 Requested	FY 2006 Recommended	Difference	FY 2007 Requested	FY 2007 Recommended	Difference
885-609	\$334,891	\$336,771	\$1,880	\$334,891	\$0	(\$334,891)
<b>TOTALS</b>	\$334,891	\$336,771	\$1,880	\$334,891	\$0	(\$334,891)

In FY 2006, the Board received \$1,880 more than requested. These extra funds may be used to help pay for CAVU licensing costs. In FY 2007, the Board requested funding of \$334,891 for operating expenses for licensure and enforcement. The Executive recommended funding of \$0. The Board will be absorbed into the Department of Health. Specifics of this transfer will be addressed by a task force made up of the departments of Commerce, Health, Public Safety, and Administrative Services, the Office of Budget and Management, and the Governor's Office.

## General Services Fund Group

### 4K9 885-609 Operating Expenses

2002	2003	2004	2005 Estimate	2006 Executive Proposal	2007 Executive Proposal
\$251,434	\$276,576	\$296,555	\$324,391	\$336,771	\$0
	10.0%	7.2%	9.4%	3.8%	-100.0%

**Source:** GSF: License fees and other assessments collected by the state's professional and occupational licensing boards

**Legal Basis:** ORC 4725.03 and 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 2006 - FY 2007**

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>2004</i>	<i>Estimated 2005</i>	<i>Executive 2006</i>	<i>% Change 2005 to 2006</i>	<i>Executive 2007</i>	<i>% Change 2006 to 2007</i>
<b>OPT</b>		<b>Optometry, State Board of</b>						
4K9	885-609	Operating Expenses	\$ 296,555	\$324,391	\$ 336,771	3.8%	\$ 0	-100.0%
<b>General Services Fund Group Total</b>			<b>\$ 296,555</b>	<b>\$ 324,391</b>	<b>\$ 336,771</b>	<b>3.8%</b>	<b>\$ 0</b>	<b>-100.0%</b>
<b>Total All Budget Fund Groups</b>			<b>\$ 296,555</b>	<b>\$ 324,391</b>	<b>\$ 336,771</b>	<b>3.8%</b>	<b>\$ 0</b>	<b>-100.0%</b>