

Optical Dispensers Board

Senate Finance and Financial Institutions Committee

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Legislative Service Commission*

May 2, 2007

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LSC Redbook

for the

Optical Dispensers Board

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May 2, 2007

Optical Dispensers Board

- The Board licensed 3,192 opticians, 10 ophthalmologists, and 941 apprentices in FY 2006
- New federal legislation increased complaints and investigation costs

OVERVIEW

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

The Ohio Optical Dispensers Board (ODB) is part of the 4K9 Fund group (Occupational Licensing and Regulatory Fund), a General Services Fund. The fund is a repository for license fees and other assessments collected by the state's professional and occupational licensing boards. Prior to the creation of the fund, appropriations for each licensing board were made from the GRF. To eliminate revenue and expenditure issues created when some boards contributed more revenues than they expended and others required subsidies from the GRF, the 120th General Assembly established the 4K9 Fund in Am. Sub. H.B. 152. The philosophy of the fund is that each board must generate enough revenues to cover its expenses. Some boards develop a surplus to cover unforeseen economic hardships.

As of July 2006, the Board licensed 3,192 opticians (optical dispensers), 10 ophthalmologists, and 941 apprentices. These numbers have continued to decrease since FY 2003 when the Board licensed 3,393 opticians, 12 ophthalmologists, and 1,190 apprentices. The Board generates revenue from annual new and renewal license fees. Expenditures are for operating expenses associated with the licensure, regulation, and enforcement processes. Expenditures and revenue for FY 2006 were \$341,836 and \$293,910, respectively. The Board contributed \$47,926 more to Fund 4K9 than it expended during FY 2006.

Fee Changes

In FY 2006, the annual renewal fee for ophthalmologists decreased from \$135.00 to \$97.50. The Board anticipates increasing optician, ophthalmologist, and apprentice renewal fees during the upcoming biennium, generating approximately \$18,000 in additional revenue.

Administrative Fees

During the past few years, occupational licensing boards absorbed increased administrative costs charged by other state agencies. The Optical Dispensers Board will pay \$2,517 in FY 2008 and \$2,886 in FY 2009 for computer technical support once provided by the Department of Administrative Services (DAS). Additionally, the Optical Dispenser Board anticipates purchasing additional computer hardware during the upcoming biennium. The total cost of these purchases is approximately \$3,900.

Increases in Salary

Payroll expenditures for the Board, as well as other state boards and agencies, will increase in this biennium as a result of the negotiated 3.5% increase in salary for state employees.

eLicensing System

The Board, in partnership with DAS, implemented the web-based multi-board online licensing system during FY 2004. Each board is responsible for its share of the costs, which come out of Fund 4K9. The costs for the licensing system will be \$3,397 in each FY 2008 and \$3,566 in FY 2009 for the Board.

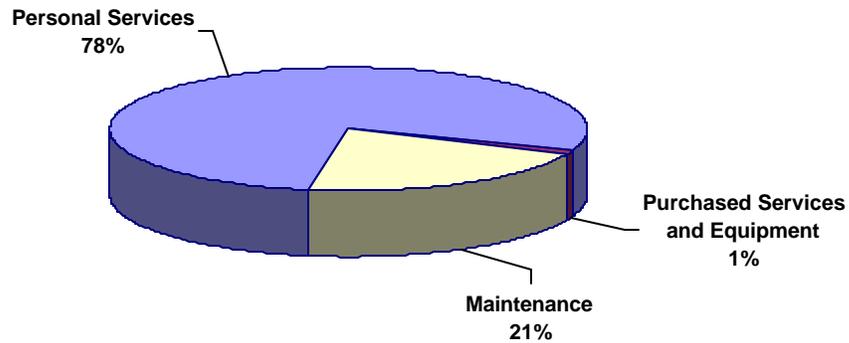
Cost-Cutting Measures

The Board instituted many cost control measures to balance expenditures and revenue. The Board has reduced operating costs by making important information and forms available online. Board staff also implemented a new system to produce wall certificates internally versus using an outside vendor also reducing administrative costs.

Executive Budget Recommendations

The executive recommended \$333,656 in FY 2008 and \$345,324 in FY 2009, the same amounts the Board requested.

Total Budget by Object Code for FY 2006



As shown in the chart above, the primary expense in FY 2008 for the Board is for personal services.

Staffing Levels

Optical Dispensers Board Staffing Levels						
Program Series/Division	2004	2005	2006	2007	Estimated	
					2008	2009
Board Members	9	9	9	9	9	9
Board Staff	3	3	3	3	3	3
Totals	12	12	12	12	12	12

The Board members are budgeted at 144 hours per year.

FACTS AND FIGURES

Current License Fees

The Board licenses annually. In FY 2004, the Board increased optician renewal fees by \$32.50. However, in FY 2006, the Board reduced ocularist license fees by \$37.50.

	Renewal Fees
Optician	\$97.50
Ocularist	\$97.50
Apprentice	\$10.00

Number of Licensees

License Type	FY 2004	FY 2005	FY 2006
Optician	3,365	3,224	3,192
Ocularist	13	10	10
Apprentice	1,159	1,095	941

Source: Ohio's Occupational Licensing and Regulatory Boards Annual Report for Fiscal Year 2006

Revenue and Expenditures

Fund 4K9	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$246,717	\$343,925	\$348,978	\$341,836
Expenditures	\$285,158	\$247,921	\$281,098	\$293,910
Net	(\$38,441)	\$96,004	\$67,880	\$47,926
Two-Year Net	\$57,563		\$115,806	

ANALYSIS OF EXECUTIVE PROPOSAL

Single Program Series

Operating Expenses

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

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

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund				
GSF	894-609	Operating Expenses	\$333,656	\$345,324
General Services Fund Subtotal			\$333,656	\$345,324
Total Funding: Optical Dispensers Board			\$333,656	\$345,324

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 in an ongoing manner. The Board also investigates and disciplines as necessary and prosecutes unlicensed opticians and ocularists.

Funding Source: General Services Fund Group (Fund 4K9). All revenue from 27 occupational licensing boards is deposited 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: 894-609, Operating Expenses

Implication of Executive Recommendation: The Board requested and received \$333,656 in FY 2008 and \$345,324 in FY 2009. This level of funding will allow the Board to enhance current services and operations, including implementing outreach programs to minority groups to encourage recruiting diversity in the optician and ocularist fields and developing continuing education programs to increase cultural competence of licensees. In addition, the funding level includes the increase in personnel costs the Board anticipates in the upcoming biennium.

Temporary and Permanent Law Provisions

There are no temporary or permanent law provisions affecting this program.

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General Services Fund Group

4K9 894-609 Operating Expenses

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$243,545	\$285,754	\$297,114	\$312,656	\$333,656	\$345,324
	17.3%	4.0%	5.2%	6.7%	3.5%

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

Legal Basis: ORC 4725.42 and 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 10% with Controlling Board approval.

LSC Budget Spreadsheet by Line Item, FY 2008 - FY 2009

<i>Fund ALI ALI Title</i>	<i>Estimated 2007</i>	<i>As Introduced 2008</i>	<i>House Passed 2008</i>	<i>% Change Est. 2007 to House 2008</i>	<i>As Introduced 2009</i>	<i>House Passed 2009</i>	<i>% Change House 2008 to House 2009</i>
<i>ODB Optical Dispensers Board, Ohio</i>							
4K9 894-609 Operating Expenses	\$312,656	\$ 333,656	\$ 333,656	6.7%	\$ 345,324	\$ 345,324	3.5%
General Services Fund Group Total	\$ 312,656	\$ 333,656	\$ 333,656	6.7%	\$ 345,324	\$ 345,324	3.5%
<hr/>							
Total All Budget Fund Groups	\$ 312,656	\$ 333,656	\$ 333,656	6.7%	\$ 345,324	\$ 345,324	3.5%