

State Board of Optometry

Senate Finance and Financial Institutions Committee

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Legislative Service Commission*

May 2, 2007

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LSC Redbook
for the
State Board of Optometry

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ATTACHMENTS:

 Catalog of Budget Line Items

 LSC Budget Spreadsheet By Line Item: Executive to House Passed

May 2, 2007

State Board of Optometry

- Licensed 2,072 optometrists in FY 2006
- Developed a comprehensive web site to reduce administrative costs for licensure responsibilities

OVERVIEW

The State Board of Optometry regulates optometric practice throughout the state. The Board issues licenses to optometrists and conducts investigations for rule compliance or complaints received from the public. The Board is also responsible for policy revision and license issuance and renewal guidelines.

The Board administers three types of licenses: optometric, therapeutic, and diagnostic. In FY 2006, there were 2,072 optometrist licenses issued. The Board receives revenue from annual new and renewal license fees and expends funds for operating expenses associated with the licensure, regulation, and enforcement processes. In 1999, licensed optometrists were given the opportunity to enter inactive status and not pay the annual license renewal fee. As a result, revenues from license fees declined since FY 1999. Expenditures and revenues for FY 2006 totaled \$303,299 and \$296,761, respectively. The Board contributed \$6,538 less to Fund 4K9 than it expended in FY 2006. In July 2006, the Board unanimously agreed to increase license and late penalty fees, increasing license revenues in the next biennium.

The State Board of Optometry is part of Fund 4K9 (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.

Licensing System

The Board, in partnership with the Department of Administrative Services, implemented a new web-based multi-board licensing system. Each board pays its share of the costs out of Fund 4K9. The Board of Optometry will pay an annual fee of \$3,400 in FY 2008 and \$3,600 in FY 2009 for this system and for the computer firewall protection.

Increases in Administrative Costs

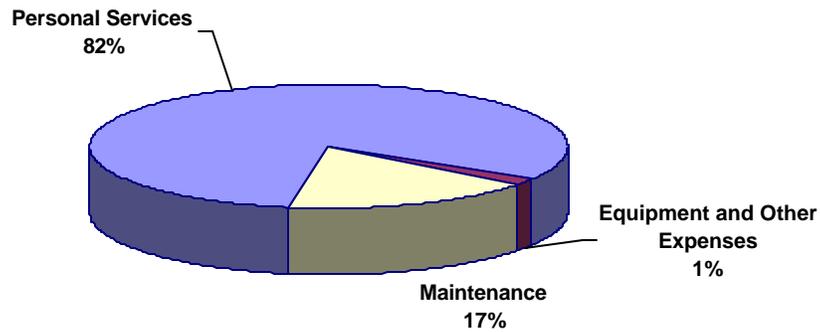
Payroll expenditures for the Board, as well as other state boards and agencies, will increase in this biennium as a result of the negotiated 3.5% salary increase for state employees. Rental rates, health insurance, travel, and other administrative costs continue to rise. The Board has requested an additional \$10,000 in FY 2008 and \$6,000 in FY 2009 to curtail these expenses.

Executive Budget Recommendations

The Board requested \$343,271 in FY 2008 and \$349,771 in FY 2009. The executive recommended funding of \$344,771 in FY 2008 and \$351,071 in FY 2009.

As shown in the chart below, the primary expenses for the Board are for personal services.

Total Budget by Object Code for FY 2006



Staffing Levels

Optometry Board Staffing Levels						
Program Series/Division	2004	2005	2006	2007	Estimated	
					2008	2009
Board Members	6	6	6	6	6	6
Optometry Board Staff	3	3	3	3	3	3
Totals	9	9	9	9	9	9

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 2003	FY 2004	FY 2005	FY 2006
Optometrist	2,052	2,061	2,068	2,099
Optometrist (military)	22	18	17	18
Therapeutic (secondary license)	1,885	1,918	1,933	1,978
Diagnostic (secondary license)	74	69	61	58

Current License Fees

The Board issues licenses annually.

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

Revenues and Expenditures

Fund 4K9	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$284,995	\$289,231	\$286,870	\$296,761
Expenditures	\$280,122	\$296,554	\$301,156	\$303,299
Net	\$4,873	(\$7,323)	\$(14,286)	\$(6,538)
Two Year Net	(\$2,450)		(\$20,824)	

ANALYSIS OF EXECUTIVE PROPOSAL

Single Program Series

Operating Expenses

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 2008	FY 2009
General Services Fund				
4K9	885-609	Operating Expenses	\$344,571	\$351,071
General Services Fund Subtotal			\$344,571	\$351,071
Total Funding: Ohio State Board of Optometry			\$344,571	\$351,071

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). 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 \$343,271 in FY 2008 and \$349,771 in FY 2009. The executive recommended funding of \$344,571 in FY 2008 and \$351,071 in FY 2009. The increase is expected to cover costs in the upcoming biennium associated with H.B. 104 that, if passed, would require specified licensed professions to obtain a criminal background check from the Bureau of Criminal Investigation and Identification and require the appropriate licensing board to consider the results of those checks in determining a person's eligibility for licensure.

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 885-609 Operating Expenses

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$296,555	\$296,835	\$303,299	\$336,771	\$344,571	\$351,071
	0.1%	2.2%	11.0%	2.3%	1.9%

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 2008 - FY 2009

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>Estimated</i> 2007	<i>As</i> <i>Introduced</i> 2008	<i>House Passed</i> 2008	<i>% Change</i> <i>Est. 2007 to</i> <i>House 2008</i>	<i>As</i> <i>Introduced</i> 2009	<i>House Passed</i> 2009	<i>% Change</i> <i>House 2008 to</i> <i>House 2009</i>
<i>OPT Optometry, State Board of</i>									
4K9	885-609	Operating Expenses	\$336,771	\$ 344,571	\$ 344,571	2.3%	\$ 351,071	\$ 351,071	1.9%
General Services Fund Group Total			\$ 336,771	\$ 344,571	\$ 344,571	2.3%	\$ 351,071	\$ 351,071	1.9%
Total All Budget Fund Groups			\$ 336,771	\$ 344,571	\$ 344,571	2.3%	\$ 351,071	\$ 351,071	1.9%