

State Board of Psychology

Senate Finance and Financial Institutions Committee

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Legislative Service Commission*

May 10, 2007

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

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May 10, 2007

State Board of Psychology

- Board reduced open investigations by 50%
- The Board will work with the Office of Budget and Management to establish a performance contract to support Turnaround Ohio initiatives

OVERVIEW

Formed in 1972, the State Board of Psychology provides regulatory oversight of psychologists and licensed school psychologists (the state Department of Education regulates school-based school psychologists). The Board's primary mission is to provide protection to the public through examinations, licensing, monitoring continuing education requirements, monitoring unlicensed practice, (both supervised practice of extenders and illegal practice), and to investigate complaints and discipline licensees pursuant to Chapter 4732. of the Revised Code.

The Psychology Board 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. Each board must generate enough revenues to cover its expenses. Some boards develop a surplus to cover unforeseen economic hardships.

Administrative Changes

During the current biennium, the Board experimented with functioning at reduced staffing levels. The Board's FY 2006 staff level consisted of five full-time equivalents (FTEs). In order to fulfill its statutory mandates, the Board recognized it needed to increase its staff and in FY 2007, filled an Administrative Assistant I position. In addition to hiring a new staff member, two employees were reclassified, increasing payroll costs for the Board during the upcoming biennium.

Operational Changes

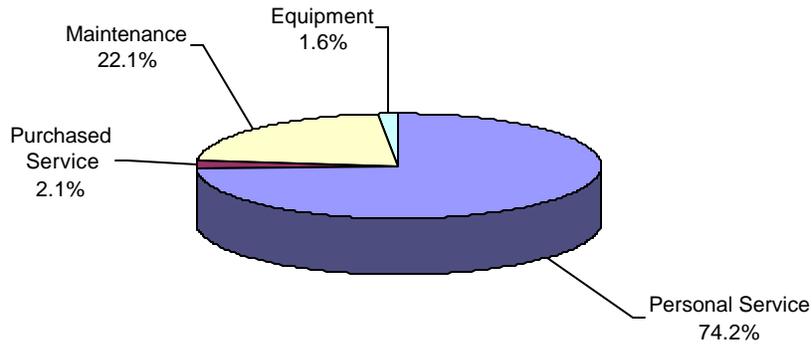
In the next biennium, the Board will need to upgrade the current computer system to continue to support the e-Licensing software. The total cost for application and infrastructure maintenance upgrades is \$46,300, \$28,300 in FY 2008 and \$18,000 in FY 2009. The Board instituted a bank-based lock box to increase efficiency and is currently considering utilizing web-based biennial license registration in FY 2009. In addition, the Board will work with the Office of Budget and Management and other partners to establish a performance contract during future budget cycles to support the Governor's initiatives. According to a spokesperson at the Board, these initiatives will be supported with the executive's recommended funding level.

Staffing Levels

Psychology Board Staffing Levels						
Program Series/Division	2004	2005	2006	2007	Estimated	
					2008	2009
Board Members	9	9	9	9	9	9
Administrative Staff	4	4	4	4	4	4
Investigative Staff	2	2	2	2	2	2
Totals	15	15	15	15	15	15

The nine Board members and five school psychology examination committee members are projected to total 1.02 FTEs for FYs 2008 and 2009. The Board currently operates with six FTEs.

FY 2008 Total Budget by Object Code



FACTS AND FIGURES

Board Expense and Revenue Summary

Psychology Board Fund 4K9 Cash Flow History		
Fiscal Year	Revenue	Expenses
2005	\$1,250,766	\$482,771
2006	\$24,187	\$436,593
TOTAL	\$1,274,953	\$919,364
	Two-Year Net	\$355,589

The Board's annual operating expenses are supported entirely by revenue generated through license fees and other revenue. The table above displays the amount of revenue the State Board of Psychology deposited into Fund 4K9 for FYs 2005 and 2006, as well as the amount of expenditures that the Board incurred during the same time period. The Board collects renewal fees during the summer of even-numbered fiscal years. Revenue collected by the Board is cyclical during the biennium.

Number of Licensees

License Type	FY 2003	FY 2004	FY 2005	FY 2006
Psychologist	3,328	3,438	3,430	3,480
School Psychologist	351	355	335	343
Total	3,679	3,793	3,765	3,823

In FY 2002, the Board published *Guidelines for Disciplinary Actions*, a document outlining minimum and maximum sanctions for specific violations of the laws and rules governing psychologists. According to the Board, more licensees accept hearings versus settling cases by agreement. As a result, the number of administrative hearings during the past biennia increased. The Board is offering more hearings to licensees in matters alleging significant violations, as opposed to imposing sanctions.

Current License Fees

	Initial	Renewal
Psychologist	\$125	\$350
School Psychologist	\$125	\$350

Fees for the initial license were last increased in 1996. Renewal fees were last increased in 2001.

ANALYSIS OF EXECUTIVE PROPOSAL

Single Program Series

Operating Expenses

Purpose: To ensure the health, safety, and general welfare of citizens of the state through oversight of the regulated profession.

The following table shows the line items that are used to fund the State Board of Psychology, as well as the executive recommended funding levels.

Fund	ALI	Title	FY 2008	FY 2009
General Services Fund				
GSF	4K9	Operating Expenses	\$586,565	\$586,565
General Services Fund Subtotal			\$586,565	\$586,565
Total Funding: Psychology Board			\$586,565	\$586,565

Program Description: In accordance with Chapter 4732. of the Revised Code, the State Board of Psychology tests, licenses, and regulates all psychologists and licensed school psychologists who practice in Ohio.

Funding Source: GSF Fund 4K9. Currently, all revenue from the 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: 882-609, Operating Expenses

Implication of Executive Recommendation: The Board requested and received \$586,565 in both fiscal years. This funding level will allow the Board to maintain staffing levels and daily functions required of the licensing, monitoring of unlicensed supervised practice, and enforcement of the psychology profession; support administrative hearings; and reimburse Board members for attending meetings and hearings.

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 882-609 Operating Expenses

2004	2005	2006	2007 Estimate	2008 House Passed	2009 House Passed
\$435,390	\$485,686	\$461,456	\$586,565	\$586,565	\$586,565
	11.6%	-5.0%	27.1%	0.0%	0.0%

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

Legal Basis: ORC 4732.02 and 4743.05; Section 209.45 of Am. Sub. H.B. 66 of the 126th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: Funds are used for general operating expenses, including payroll, investigations, hearings, and supplies for the State Board of Psychology. The Board licenses and regulates psychologists and school psychologists who practice in Ohio.

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

<i>Fund</i>	<i>ALI</i>	<i>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>
PSY		Psychology, State Board of							
4K9	882-609	Operating Expenses	\$586,565	\$ 586,565	\$ 586,565	0.0%	\$ 586,565	\$ 586,565	0.0%
General Services Fund Group Total			\$ 586,565	\$ 586,565	\$ 586,565	0.0%	\$ 586,565	\$ 586,565	0.0%
Total All Budget Fund Groups			\$ 586,565	\$ 586,565	\$ 586,565	0.0%	\$ 586,565	\$ 586,565	0.0%