

LSC Redbook

Analysis of the Executive Budget Proposal

State Board of Optometry

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March 2011

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ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

State Board of Optometry

- Non-GRF agency; funded by fee revenues
- Funding increases by 3.1% in FY 2012 and decreases by 2.7% in FY 2013
- Regulates more than 2,100 licensees

OVERVIEW

Agency Overview

The State Board of Optometry was established in 1919. The Board issues optometry licenses and certifications, conducts investigations of complaints, enforces continuing education requirements, and approves continuing education programs. The Board regulates more than 2,100 licensees.

The Board's governing authority consists of six members appointed by the Governor, including five optometrists and one public member who is at least 60 years old. Members are appointed for five-year terms and are limited to two successive terms on the Board. The Board met five times in 2010. In addition to travel reimbursement, board members are paid about \$2,000 annually for time spent conducting board business.

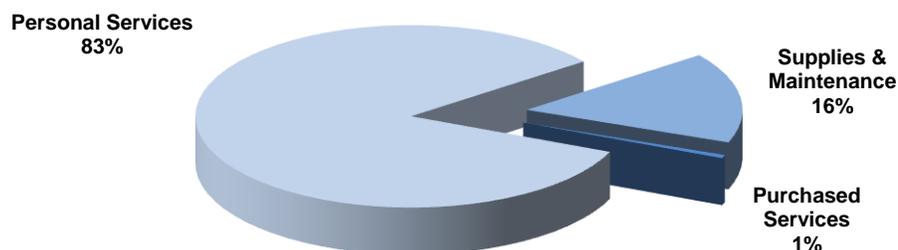
The Board's daily operations are the responsibility of an executive director appointed by the six-member governing authority. Including the Executive Director, the Board has two full-time employees with a budget of \$346,185 in FY 2011. The Board receives no General Revenue Fund (GRF) dollars; it is entirely supported by fees.

Appropriation Overview

The executive recommends funding of \$356,914 in FY 2012, a 3.1% increase over FY 2011 estimated expenditures, and \$347,278 for FY 2013, a 2.7% decrease from FY 2012.

As a regulatory agency, personal services is the Board's largest expense category. As shown in the chart below, 83% of the executive budget recommendations for the biennium are for personal services, 16% for supplies and maintenance, and 1% for purchased services.

Executive Budget Recommendations by Expense Category, FY 2012-FY 2013



As with many other licensing boards and commissions, the Board receives centralized administrative support services provided by the Central Service Agency (CSA) of the Department of Administrative Services. Services made available through CSA include items such as budget development, Controlling Board request preparation assistance, management consultation, procurement, fiscal processing, human resources, and payroll. The Board pays CSA for services rendered. In FY 2010, the Board paid \$11,120 in CSA charges. These payments are included in the supplies and maintenance category.

Fee Revenues and Fund 4K90

The Board issues and renews optometry licenses and therapeutic certifications. The Board also renews diagnostic certifications. Diagnostic certification was available to optometrists licensed prior to 1992. An optometrist who holds a diagnostic certification may administer topical ocular pharmaceutical agents for evaluation purposes only.

The licensure and renewal fee for an optometry license is \$110. The fee for therapeutic certification (initial and renewal) and diagnostic certification (renewal only) is \$25. The renewal fee is waived for optometrists on active duty in the military; 12 optometrists are currently on active duty.

Fee revenues collected by the Board are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90), which was established by H.B. 152 of the 120th General Assembly. Twenty-six occupational licensing and regulatory boards and commissions, including the State Board of Optometry, use Fund 4K90 as an operating account into which receipts are deposited and from which expenses are paid. Each licensing board or commission is generally expected to be self-sufficient, i.e., generating enough revenues to cover its expenses.

Table 1 shows the Board's annual revenues and expenditures from FY 2007 through FY 2013 as well as the net of revenues less expenditures. The Board's expenditures have consistently exceeded revenues.

Table 1. Revenues and Expenditures							
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 (estimate)	FY 2012 (estimate)	FY 2013 (estimate)
Revenues	\$295,845	\$295,811	\$297,945	\$300,025	\$291,000	\$295,000	\$295,000
Expenditures	\$321,367	\$325,185	\$331,015	\$317,928	\$346,000	\$356,914	\$347,278
Net of Rev. & Exp.	(\$25,522)	(\$29,374)	(\$33,070)	(\$17,903)	(\$55,000)	(\$61,914)	(\$52,278)

ANALYSIS OF EXECUTIVE PROPOSAL

The Board's operations are funded by a single line item appropriation from the General Services Fund Group. Table 2 shows the Governor's recommended funding for the line item.

Table 2. Governor's Recommended Funding for the Board				
Fund	ALI	Title	FY 2012	FY 2013
General Services Fund Group				
4K90	885609	Operating Expenses	\$356,914	\$347,278

Through this one line item, the Board pays all of its expenses. The executive recommends funding of \$356,914 for FY 2012, a 3.1% increase over FY 2011 estimated expenditures, and \$347,278 for FY 2013, a 2.7% decrease from FY 2012. For the FY 2012-FY 2013 biennium, the Board's main priority is to continue to assure the licensing of professionally competent optometrists and protect the eye care health of the public, while exploring ways to be more efficient and effective.

During the FY 2012-FY 2013 biennium, in addition to ongoing operating expenses, the Board will be required to pay the cost of the biennial audit conducted by the Auditor of State. S.B. 155 of the 128th General Assembly, effective March 31, 2010, requires all state agencies to pay for their own audits.¹ In the past, the cost of state agency audits was paid for by the Department of Administrative Services, but funding for that purpose was eliminated by Am. Sub. H.B. 1 of the 128th General Assembly (the FY 2010-FY 2011 biennial budget bill). The Board expects the cost of the audit to be about \$10,000 in the upcoming biennium.

Licensing

To carry out its regulatory responsibility, the Board establishes standards of practice and issues optometry licenses and therapeutic certifications. The Board also renews diagnostic certifications.² An optometry license is available for individuals meeting academic, preprofessional, and examination requirements. A therapeutic certification is available for licensed optometrists who meet the study and examination

¹ R.C. 117.13.

² This type of certification is no longer available to optometrists licensed after 1992. An optometrist who received a diagnostic certification prior to 1992 may administer topical ocular pharmaceutical agents for evaluation purposes only. Optometrists licensed prior to 1992, with or without diagnostic certification, may continue to practice and renew the license and certification they currently hold until they retire or stop practicing.

requirements in pharmacology. An optometrist who is issued a therapeutic certification may employ, apply, administer, and prescribe Schedule III controlled substances that are determined to be appropriate for use in the practice of optometry as specified in rules adopted by the Board. With certain exceptions, to engage in the practice of optometry a person must hold both an optometry license and therapeutic certification.

As seen in Table 3 below, therapeutic optometry licenses represent over 95% of total licenses issued by the Board in 2010. The number of active therapeutic licenses has grown slightly from 2009 to 2010. As would be expected, the number of general optometry and diagnostic optometry licenses is declining as those optometrists retire. The Board does not track license renewal data by fiscal year; all licenses and certifications are renewed annually on the calendar year.

License Type	2009	2010	% Change
Therapeutic Optometry	2,012	2,051	1.9%
General Optometry	50	42	-16.0%
Diagnostic Optometry	48	43	-10.4%
Total	2,110	2,136	1.2%

*Data shown is as of December 31st in each year.

The Board currently utilizes the licensure verification component of the eLicensing system. The eLicensing system is administered through CSA. Each board that participates in the eLicensing system receives a basic component of the system that includes a database of all licensees and their license status. Boards have the option of purchasing additional components of the system including initial licensure, renewal, image storing and indexing, and complaint tracking.

Investigation and Enforcement

The Board's regulatory obligations also include investigating complaints about issues of incompetent, unethical, and impaired practitioners. All complaints to the Board must be submitted in writing, which are then reviewed to determine whether the Board has the legal authority to take action. In FY 2010, the Board investigated 24 cases but did not take any disciplinary action. In addition to investigating complaints, the Board also conducts unannounced on-site optometry office inspections to check for compliance with the Board's laws and rules. In FY 2010, the Board completed 114 on-site inspections and identified 18 violations during those inspections.

Continuing Education

For license renewal, the Board requires that optometrists complete 25 continuing education hours; ten of those hours must be related to pharmacology. The pharmacology instruction requirement applies to all optometrists, including general optometrists. A list of approved programs and activities is posted on the Board's web site (<http://optometry.ohio.gov>).

REQUESTS NOT FUNDED

This section describes the Board's request that was not funded in the executive budget. Table 4 shows the amount of appropriation requested by the Board and the executive recommendation.

Table 4. Requested Funding Compared to Executive Recommendation						
Fund Line Item	FY 2012 Recommended	FY 2012 Requested	Difference	FY 2013 Recommended	FY 2013 Requested	Difference
4K90 885609	\$356,914	\$365,985	(\$9,071)	\$347,278	\$356,185	(\$8,907)

The Board had requested funding to cover expenses in FY 2012 for the 32-hour collective bargaining payroll supplement, the 27th pay period, and the biennial audit.

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State Board of Optometry

General Services Fund Group

4K90 885609 Operating Expenses

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$325,185	\$331,018	\$317,928	\$346,185	\$356,914	\$347,278
	1.8%	-4.0%	8.9%	3.1%	-2.7%

Source: General Services Fund Group: License fees and other assessments collected by the state's professional and occupational licensing boards

Legal Basis: ORC 4725.34 and 4743.05; Section 351.10 of Am. Sub. H.B. 1 of the 128th General Assembly (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item is used to pay the State Board of Optometry's operating expenses, including personal services, supplies, maintenance, and equipment. The Board issues optometry licenses and certifications, conducts investigations of complaints, enforces continuing education requirements, and approves continuing education programs.

FY 2012 - FY 2013 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	Estimate FY 2011	Introduced FY 2012	FY 2011 to FY 2012 % Change	Introduced FY 2013	FY 2012 to FY 2013 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
OPT State Board of Optometry								
4K90	885609	Operating Expenses	\$ 317,928	\$ 346,185	\$ 356,914	3.10%	\$ 347,278	-2.70%
General Services Fund Group Total			\$ 317,928	\$ 346,185	\$ 356,914	3.10%	\$ 347,278	-2.70%
State Board of Optometry Total			\$ 317,928	\$ 346,185	\$ 356,914	3.10%	\$ 347,278	-2.70%