

LSC Redbook

Analysis of the Executive Budget Proposal

State Board of Psychology

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State Board of Psychology

- Non-GRF agency; funded by fee revenues
- Funding increased by 0.1% in FY 2012 and increased by 1.9% in FY 2013
- Over 3,700 active licenses

OVERVIEW

Agency Overview

The State Board of Psychology was established in 1972. The Board is responsible for licensing psychologists and school psychologists who may also engage in restrictive private practice. (School psychologists who practice only in school-based settings are regulated by the Department of Education.) The Board establishes standards of practice, education, preprofessional training, and examination for psychologists and school psychologists. The Board also investigates complaints, holds administrative hearings, determines appropriate disciplinary actions, and monitors continuing education compliance among licensees. Over 3,700 licenses issued by the Board are currently active.

The Board's governing authority consists of nine members appointed by the Governor, including six psychologists or school psychologists and three patient advocates who are either parents or relatives of a recipient of mental health services or representatives of organizations that represent recipients of mental health services. Members are appointed for five-year terms and may serve two full terms. The Board is required to meet twice annually; however, it usually meets quarterly. In addition to travel reimbursement, board members receive annual compensation of approximately \$2,000 for conducting official board business.

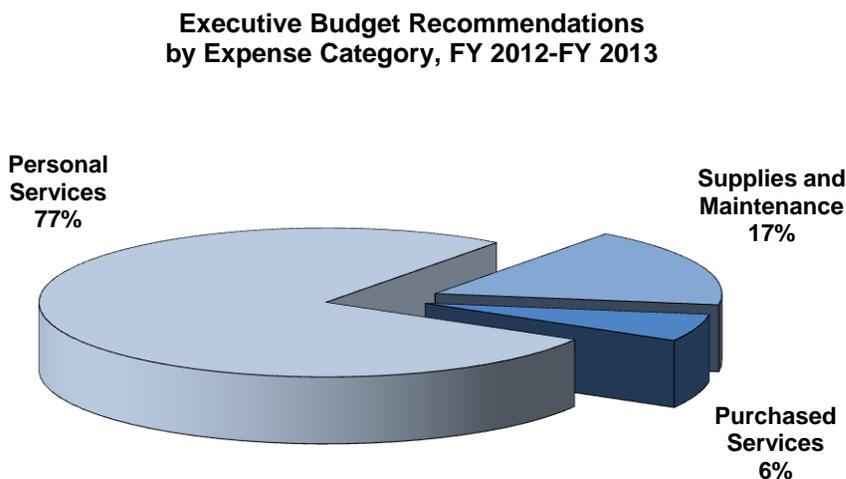
The Board's daily operations are the responsibility of an executive director appointed by the nine-member governing authority. Including the Executive Director, the Board has five full-time staff members and an annual budget of \$525,000 in FY 2011.¹ The Board receives no General Revenue Fund (GRF) money; it is entirely supported by fees.

¹ During the FY 2010-FY 2011 biennium, the Board reduced its staff from six to five full-time employees, saving an estimated \$55,000 annually.

Appropriation Overview

The executive recommends \$525,394 in FY 2012, a 0.1% increase over FY 2011 estimated expenditures and \$535,406 in FY 2013, a 1.9% increase over FY 2012. The Board plans to generally maintain current operations and staffing levels.

As a regulatory agency, personal services is the largest expense category for the Board. As seen in the chart below, 77% of the executive budget recommendations for the biennium are for personal services, 17% are for supplies and maintenance, and 6% for purchased services.



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 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 \$18,305 in CSA charges. These payments are included in the supplies and maintenance category.

Fee Revenues and Fund 4K90

The Board issues two types of licenses. For both psychologists and school psychologists the fee for an initial license is \$125 and the renewal fee is \$350. Licensees are required to renew biennially in odd-numbered fiscal years. License renewal fee increases last occurred in FY 2001.

Fee revenues collected by the Board are deposited into the Occupational Licensing 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 Board, 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 revenue 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 collects fee revenue in odd-numbered fiscal years. As a result, the revenues in even-numbered years are far below expenditures.

Table 1. Revenues and Expenditures							
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 (estimate)	FY 2012 (estimate)	FY 2013 (estimate)
Revenues	\$1,228,443	\$20,020	\$1,234,107	\$24,991	\$1,227,000	\$28,950	\$1,253,550
Expenditures	\$470,118	\$503,729	\$532,785	\$424,265	\$525,000	\$525,394	\$535,406
Net of Rev. & Exp.	\$758,325	(\$483,709)	\$701,322	(\$399,274)	\$702,000	(\$496,444)	\$718,144

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 Psychology Board				
Fund	ALI	Title	FY 2012	FY 2013
General Services Fund				
4K90	882609	Operating Expenses	\$525,394	\$535,406

Through this one line item, the Board pays all of its expenses. The executive recommends \$525,394 for FY 2012, a 0.1% increase over FY 2011 estimated expenditures, and \$535,406 for FY 2013, a 1.9% increase over FY 2012. The executive recommendation will allow the Board to generally maintain current operations and staffing levels. However, if it becomes necessary to hold one or more disciplinary hearings in the next biennium, the Board may not be able to maintain its current level of operations; hearings cost an average of \$12,000 to \$18,000.

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.² 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 (FY 2010-FY 2011 biennial budget bill). The Board expects the cost of the audit to be about \$13,000 in the upcoming biennium. The Board anticipates difficulty paying for the biennial audit.

Licensing

To carry out its regulatory responsibility, the Board establishes standards of practice and licenses psychologists and school psychologists. A psychology license is available for individuals who have met the academic, preprofessional, and examination requirements. A school psychologist license is available for individuals who have met the academic and preprofessional requirements, and have four years of school psychology experience as a certificated or licensed school psychologist. As shown in Table 3, from FY 2009 to FY 2010, the total number of active licenses increased 3.3%.

² R.C. 117.13.

License Type	FY 2009	FY 2010	% Change
Psychologist	3,304	3,421	3.5%
School Psychologist	306	308	<0.1%
Total	3,610	3,729	3.3%

*Data shown is as of June 30th in each year.

Licenses issued by the Board are required to be renewed biennially. Table 4 below shows the number of licenses issued and renewed by the Board during the FY 2010-FY 2011 biennium. The table shows licensure issuance for FY 2010. Renewals take place in odd-numbered fiscal years, so renewals are shown for FY 2011. Psychologist licenses represented over 92% of the licenses issued. In addition to licenses shown in Table 4, the Board granted 17 30-day permits for nonresident psychologists in FY 2010.

License Type	Initial Licenses FY 2010	Renewals FY 2011	Total
Psychologist	117	3,210	3,327
School Psychologist	3	275	278
Total	120	3,485	3,605

The Board currently conducts online license verification through the eLicensing system, which 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.

Legislative Changes

Effective April 7, 2009, H.B. 503 of the 127th General Assembly modified the education and experience requirements for admission to the psychologist licensure examination by specifying the acceptable education or practical experience, primarily as it applies to experience outside the United States and Canada. The Board was required to adopt rules for determining whether a degree from another country is equivalent to a degree from an institution in the United States. H.B. 503 also modified requirements for admission to the psychologist licensure examination, replacing the one-year postdoctoral internship prerequisite with a predoctoral internship. The Board adopted rules implementing these changes effective January 8, 2010.

Investigation and Enforcement

The Board's regulatory obligations also include investigating complaints about issues of incompetent, unethical, and impaired practitioners. All formal 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. The most common complaint has been in the area of competence. Of the 66 formal complaints received in FY 2010, 41 complaints involved issues of competence.

In FY 2010, the Board completed 61 investigations of alleged misconduct. The Board entered into six consent agreements with licensees who were found to be in violation of the Board's laws or rules. Of the six consent agreements, the Board issued one reprimand, revoked two licenses, and referred three licensees for remedial continuing education. The Board issued one cease and desist letter in FY 2010.

Continuing Education

The Board contracts with the Ohio Psychological Association and Ohio School Psychology Association to ensure each licensee completes mandatory continuing education (MCE) requirements on a biennial basis prior to license renewal. The associations forward continuing education information to the Board for licensees who have fulfilled the MCE requirements. The Board anticipates reviewing approximately 3,525 continuing education verification records from both associations in FY 2011.

REQUESTS NOT FUNDED

This section describes the Board's request that was not funded in the executive budget. Table 5 shows the amount of appropriation requested by the Board and the executive recommendation.

Table 5. Requested Funding Compared to Executive Recommendation						
Fund Line Item	FY 2012 Recommended	FY 2012 Requested	Difference	FY 2013 Recommended	FY 2013 Requested	Difference
4K90 882609	\$525,394	\$538,000	(\$12,606)	\$535,406	\$548,000	(\$12,594)

The Board had requested funding to cover various additional board expenses, including online licensure renewal in FY 2013. Given the executive recommendation, the Board will not be able to provide online renewal for its licensees.

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State Board of Psychology

General Services Fund Group

4K90 882609 Operating Expenses

FY 2008	FY 2009	FY 2010	Estimate FY 2011	Introduced FY 2012	Introduced FY 2013
\$503,729	\$522,717	\$432,196	\$525,000	\$525,394	\$535,406
	3.8%	-17.3%	21.5%	0.1%	1.9%

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

Legal Basis: ORC 4732.08 and 4743.05; Section 359.10 of Am. Sub. H.B. 1 of the 128th G.A. (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 Psychology's operating expenses, including personal services, supplies, travel, maintenance, and equipment. The Board licenses and regulates psychologists and school psychologists (those not regulated by the Department of Education).

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					
PSY State Board of Psychology								
4K90	882609	Operating Expenses	\$ 432,196	\$ 525,000	\$ 525,394	0.08%	\$ 535,406	1.91%
General Services Fund Group Total			\$ 432,196	\$ 525,000	\$ 525,394	0.08%	\$ 535,406	1.91%
State Board of Psychology Total			\$ 432,196	\$ 525,000	\$ 525,394	0.08%	\$ 535,406	1.91%