

# **LSC Redbook**

**Analysis of the Executive Budget Proposal**

**Ohio Optical Dispensers Board**

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# Ohio Optical Dispensers Board

- Non-GRF agency; funded by fee revenues
- Funding increased by 5.4% in FY 2014 and decreased by 0.3% in FY 2015
- Nearly 3,500 active licenses

## OVERVIEW

The Optical Dispensers Board was established in 1979 to regulate the practice of opticianry and ophthalmology. The Board issues licenses to opticians and ophthalmologists<sup>1</sup> and investigates complaints, determines appropriate disciplinary actions, and monitors continuing education compliance. The Board is also responsible for registering optical apprentices who work for two years under the supervision of licensed opticians to gain practical experience. Nearly 3,500 licenses issued by the Board are currently active.

The Board's governing authority consists of nine members appointed by the Governor, including five dispensing opticians, a licensed physician who practices ophthalmology, a licensed optometrist, and two public members, one of whom must be at least 60 years old. Members are appointed for five-year terms and may serve two consecutive terms. The Board met six times in FY 2012. However, the Board recently agreed to meet five times each year rather than six, which the Board estimates will save \$2,470 each year. In addition to travel reimbursement, board members receive annual compensation of approximately \$800 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, there are three full-time employees with a budget of \$347,300 in FY 2013. The Board receives no General Revenue Fund (GRF) moneys; it is entirely supported by fees.

## Appropriation Overview

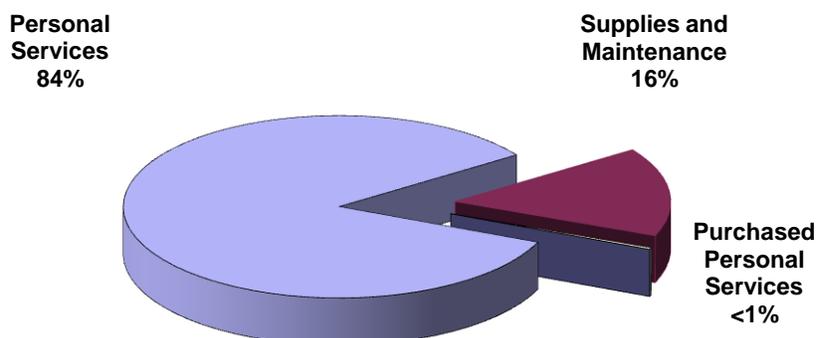
The executive recommends funding of \$366,000 in FY 2014, a 5.4% increase over FY 2013 estimated expenditures, and \$365,000 in FY 2015, a 0.3% decrease from FY 2014.

As a regulatory agency, personal services is the Board's largest expense category. As seen from the chart below, 84% of the executive budget recommendations for the biennium are for personal services, 16% are for supplies and maintenance, and less than 1% are for purchased personal services.

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<sup>1</sup> An ophthalmologist is a person who is engaged in the designing, fabricating, and fitting of an artificial eye or of prostheses associated with the appearance or function of the human eye.

### Executive Budget Recommendations by Expense Category, FY 2014-FY 2015



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. These centralized services help increase overall efficiency. The Board pays CSA for services rendered. In FY 2012, the Board paid \$6,705 in CSA charges. These payments are included in the supplies and maintenance category.

### Fee Revenues and Fund 4K90

The Board issues optician and ocularist licenses; it also registers apprentices. Table 1 below shows the initial and renewal licensure fee for opticians, ocularists, and registered apprentices. H.B. 153 of the 129th General Assembly (the FY 2012-FY 2013 biennial budget bill) increased the apprentice registration (initial and renewal) fee from \$10 to \$20, and decreased the reciprocity fee for out-of-state opticians from \$75 to \$50. H.B. 153 also removed the prorated fee schedule for optician licenses and set the fee at \$50, regardless of the date of application. These fee changes went into effect beginning in FY 2012. The Board also raised optician and ocularist renewal fees from \$97.50 to \$100 beginning in the 2013 renewal period. The fee changes are expected to generate a net gain of \$23,390 in annual revenue.

Licenses issued by the Board expire on January 1 each year. Apprentice registrations expire on the last day of June each year. Licenses and registrations must be renewed prior to the expiration date.

<b>Fee Type</b>	<b>Fee Amount</b>
Optician and Ocularist Initial License	\$50
License Renewal	\$100
Registered Apprentice (initial and renewal)	\$20
Reciprocity Application	\$50

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-seven 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 revenues to cover its expenses.

Table 2 below shows the Board's annual revenues and expenditures from FY 2009 through FY 2015 as well as the net of revenues less expenditures.

	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013 (estimate)</b>	<b>FY 2014 (estimate)</b>	<b>FY 2015 (estimate)</b>
Revenues	\$346,956	\$345,272	\$343,677	\$362,560	\$373,560	\$373,560	\$373,560
Expenditures	\$344,894	\$345,988	\$343,407	\$349,251	\$354,490	\$358,035	\$361,615
Net of Rev. & Exp.	\$2,062	-\$716	\$270	\$13,309	\$19,070	\$15,525	\$11,945

## ANALYSIS OF EXECUTIVE PROPOSAL

The Board's operations are funded by a single line item appropriation from the General Services Fund Group. Table 3 shows the Governor's recommended funding for the line item.

Table 3. Governor's Recommended Funding for the Board				
Fund	ALI	Title	FY 2014	FY 2015
<b>General Services Fund Group</b>				
4K90	894609	Operating Expenses	\$366,000	\$365,000

Through this one line item, the Board pays all of its expenses. The executive recommends funding of \$366,000 in FY 2014, a 5.4% increase over FY 2013 estimated expenditures, and \$365,000 in FY 2015, a 0.3% decrease from FY 2014. According to the Executive Director, in order to operate within the executive recommended appropriations, the Board will need to eliminate online renewal for apprentices in FY 2014 and most likely will have to eliminate online renewal for all licenses in FY 2015. The Board will also need to reduce or eliminate the availability of travel for investigations in FY 2015 and reduce the number of Board meetings from five per year to four per year.

During the FY 2012-FY 2013 biennium, in addition to ongoing operating expenses, the Board paid \$7,471 for 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.<sup>2</sup> 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).

### Licensing

To carry out its regulatory responsibility, the Board licenses opticians and ocularists and registers apprentices. An optician or ocularist license is available for individuals meeting academic, preprofessional, and examination requirements. A registered apprentice is someone who is gaining the necessary supervised work experience to be eligible for licensure. Table 4 shows the total number of active licenses and registrations from FY 2011 to FY 2012.

<sup>2</sup> R.C. 117.13.

Type	FY 2011	FY 2012	% Change
Optician	3,332	3,476	4.3%
Ocularist	8	8	0%
Apprentice	2,156	1,865	-13.5%
<b>Total</b>	<b>5,496</b>	<b>5,349</b>	<b>-2.7%</b>

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

The Board currently utilizes the license verification component of 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. The Board initiated online license renewal for opticians in the second quarter of FY 2011, with 95% of opticians renewing online in that year, and 97% renewing online in FY 2012. The Board incurred \$4,472 in bank and credit card charge fees for that service in FY 2012.

Table 5 shows the licenses issued and renewed in FY 2012. Licenses expire on January 1 and apprentice registrations expire on June 30; each must be renewed annually prior to the expiration date.

Type	Initial	Renewal	Total
Optician	273	3,203	3,476
Ocularist	0	8	8
Registered Apprentice	451	1,414	1,865
<b>Total</b>	<b>724</b>	<b>4,625</b>	<b>5,349</b>

## Investigation and Enforcement

The Board's regulatory obligations also include investigating complaints about issues of incompetent, unethical, and impaired practitioners. All complaints are reviewed to determine whether the Board has the legal authority to take action. In FY 2011 and FY 2012, the Board investigated a total of 72 complaints. The top three types of complaints, accounting for 90% of all complaints, were: illegally selling or dispensing contact lenses (29), miscellaneous issues such as unlicensed practice (21), and practice issues (15). In FY 2012, the Board entered into 22 consent agreements and issued one fine totaling \$400. The Board also issued three initial licensees with additional requirements to work under the supervision of another licensed optician and to submit monthly reports to the Board from their employers for one to two-year periods.

The Board also conducts on-site office inspections of facilities that have been illegally selling or dispensing contact lenses. Although the Board has no authority over these facilities (only the practicing opticians and ocularist), it does have the authority to issue cease and desist orders. In FY 2012, the Board completed 30 on-site inspections and issued cease and desist orders to each of the inspected facilities. If the facility continues to dispense illegally, the Board, in conjunction with the Attorney General's Office, may issue an injunction.

### Continuing Education

The Board requires licensees to complete continuing education requirements for license renewal. Table 6 below outlines the continuing education requirements of licensees; for opticians the requirement is based on the type of optical aids the optician dispenses. Continuing education programs must be approved by the Board. A list of approved programs and activities is posted on the Board's web site (<http://optical.ohio.gov>).

<b>Table 6. Continuing Education Requirements</b>	
Optician (glasses)	Four hours in eye glass dispensing
Optician (contact lenses)	Eight hours in contact lens dispensing
Optician (contact lenses & glasses)	Four hours in eye glass dispensing and eight hours in contact lens dispensing
Ocularist	Four hours (one hour in communicable diseases, only one hour may be in management, all other hours must pertain to fitting and fabricating ocular devices)

Each licensee must provide documentation that they have completed the continuing education requirements during the renewal period. If the licensee fails to provide documentation within the specified time, their license lapses until the Board receives it and any applicable late fees. In FY 2012, 109 licensees missed the December 31 licensure renewal deadline and each paid a \$75 late fee to renew.

## REQUESTS NOT FUNDED

This section describes the Board's request that was not funded in the executive budget. Table 7 shows the amount of appropriation requested by the Board and the executive recommendation.

Table 7. Executive Recommendation Compared to Requested Funding						
Fund Line Item	FY 2014 Recommended	FY 2014 Requested	Difference	FY 2015 Recommended	FY 2015 Requested	Difference
4K90 894609	\$366,000	\$370,000	-\$4,000	\$365,000	\$373,000	-\$8,000

According to the Executive Director, in order to operate within the executive recommended appropriations, the Board will need to eliminate online renewal for apprentices in FY 2014 and most likely will have to eliminate online renewal for all licenses in FY 2015. The Board will also need to reduce or eliminate the availability of travel for investigations in FY 2015 and reduce the number of Board meetings from five per year to four per year.

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# Ohio Optical Dispensers Board

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## General Services Fund Group

### 4K90 894609 Operating Expenses

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$318,372	\$343,407	\$349,251	\$347,300	<b>\$366,000</b>	<b>\$365,000</b>
	7.9%	1.7%	-0.6%	<b>5.4%</b>	<b>-0.3%</b>

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

**Legal Basis:** ORC 4725.45 and 4743.05; Section 351.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Am. Sub. H.B. 152 of the 120th G.A.)

**Purpose:** This line item is used to pay the Ohio Optical Dispensers Board's operating expenses, including personal services, supplies, maintenance, and equipment. The Board licenses opticians and ocularists. (An ocularist is a person who is engaged in the designing, fabricating, and fitting of an artificial eye or of prostheses associated with the appearance or function of the human eye.) The Board also investigates complaints, determines appropriate disciplinary actions, and monitors continuing education compliance among its licensees.

# FY 2014 - FY 2015 Introduced Appropriation Amounts

# All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Introduced</b>					
<b>ODB Ohio Optical Dispensers Board</b>								
4K90	894609	Operating Expenses	\$ 349,251	\$ 347,300	\$ 366,000	5.38%	\$ 365,000	-0.27%
<b>General Services Fund Group Total</b>			<b>\$ 349,251</b>	<b>\$ 347,300</b>	<b>\$ 366,000</b>	<b>5.38%</b>	<b>\$ 365,000</b>	<b>-0.27%</b>
<b>Ohio Optical Dispensers Board Total</b>			<b>\$ 349,251</b>	<b>\$ 347,300</b>	<b>\$ 366,000</b>	<b>5.38%</b>	<b>\$ 365,000</b>	<b>-0.27%</b>