

LSC Redbook

Analysis of the Executive Budget Proposal

State Board of Optometry

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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 remained flat in FY 2014 and in FY 2015
- Regulates nearly 2,200 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 nearly 2,200 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 four times in FY 2012. Including travel reimbursement, board members are paid approximately \$2,000 annually for time spent conducting board business.

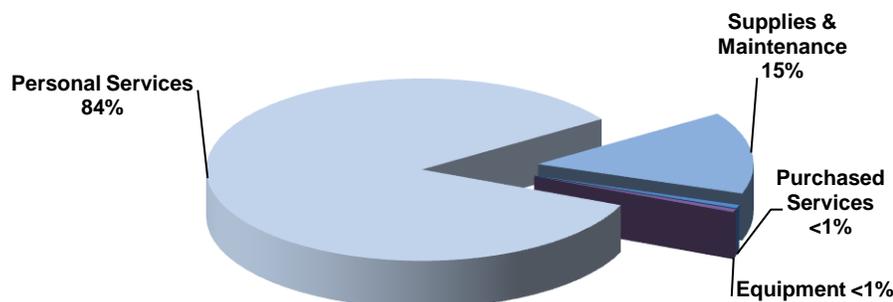
The Board's daily operations are the responsibility of an executive director appointed by the six-member governing authority. Including the Executive Director, the Board has two full-time employees with a budget of \$347,278 in FY 2013. The Board receives no General Revenue Fund (GRF) dollars; it is entirely supported by fees.

Appropriation Overview

The executive recommends flat funding at the estimated FY 2013 level of \$347,278 for both FY 2014 and FY 2015.

As a regulatory agency, personal services is the Board's largest expense category. As shown in the chart below, 84% of the executive budget recommendations for the biennium are for personal services, 15% for supplies and maintenance, less than 1% for purchased services, and less than 1% for equipment.

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. The Board pays CSA for services rendered. In FY 2012, the Board paid \$10,820 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 renewal fee is waived for optometrists on active duty in the military; ten optometrists are currently on active duty. H.B. 153 of the 129th General Assembly (the FY 2012-FY 2013 biennial budget bill) increased the licensure certificate (initial and renewal) from \$110 to \$130, the therapeutic pharmaceutical agents certificate (initial and renewal) from \$25 to \$45, and the topical ocular pharmaceutical agent certificate from \$25 to \$45. H.B. 153 also increased the fines for late renewal of a certificate or late completion or submission of continuing education credits from \$75 to \$125. The additional fee and fine increases are expected to generate additional annual revenue of about \$89,900. Table 1 below shows the current fee amount for each type of license.

License Type	Fee Amount
Optometrist License*	\$130
Therapeutic Pharmaceutical Agents Certificate*	\$45
Late Submission or Completion of Continuing Education Requirements	\$125
Late Renewal	\$125
Reinstatement Fees	\$75

*Initial and renewal fees are the same.

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 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 2 shows the Board's annual revenues and expenditures from FY 2009 through FY 2015 as well as the net of revenues less expenditures. The Board's expenditures consistently exceeded revenues until FY 2012 when the fee increases went into effect.

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 (estimate)	FY 2014 (estimate)	FY 2015 (estimate)
Revenues	\$297,945	\$300,025	\$307,550	\$404,745	\$398,775	\$398,675	\$398,575
Expenditures	\$331,017	\$325,653	\$336,518	\$326,715	\$347,278	\$347,278	\$347,278
Net of Rev. & Exp.	-\$33,072	-\$25,628	-\$28,968	\$78,030	\$51,497	\$51,397	\$51,297

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	Name	FY 2014	FY 2015
General Services Fund Group				
4K90	885609	Operating Expenses	\$347,278	\$347,278

Through this one line item, the Board pays all of its expenses. The executive recommends flat funding at the estimated FY 2013 level of \$347,278 for both FY 2014 and FY 2015. For the FY 2014-FY 2015 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. The recommended funding will allow the Board to generally maintain current operations and staff.

During the FY 2012-FY 2013 biennium, in addition to ongoing operating expenses, the Board paid \$11,000 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.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 \$11,000 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 4 below, therapeutic optometry licenses represented approximately 97% of total licenses issued by the Board in 2012. The number of active therapeutic licenses has grown slightly from 2011 to 2012. 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.

Table 4. Active Licenses*			
License Type	2011	2012	% Change
Therapeutic Optometry	2,071	2,131	2.9%
General Optometry	37	33	-10.8%
Diagnostic Optometry	38	33	-13.2%
Total	2,156	2,197	2.4%

*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 2012, the Board investigated 23 cases, revoked one license, and entered into one consent agreement. 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 2012, the Board completed 147 on-site inspections and identified 39 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>).

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State Board of Optometry

General Services Fund Group

4K90 885609 Operating Expenses

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$317,928	\$336,518	\$326,715	\$347,278	\$347,278	\$347,278
	5.8%	-2.9%	6.3%	0.0%	0.0%

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 353.10 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 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 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
Report For Main Operating Appropriations Bill			Version: As Introduced					
OPT State Board of Optometry								
4K90	885609	Operating Expenses	\$ 326,715	\$ 347,278	\$ 347,278	0.00%	\$ 347,278	0.00%
General Services Fund Group Total			\$ 326,715	\$ 347,278	\$ 347,278	0.00%	\$ 347,278	0.00%
State Board of Optometry Total			\$ 326,715	\$ 347,278	\$ 347,278	0.00%	\$ 347,278	0.00%