

# **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 2.4% in FY 2014 and increased by 4.2% in FY 2015
- Over 3,600 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 3,600 licenses issued by the Board are currently active.

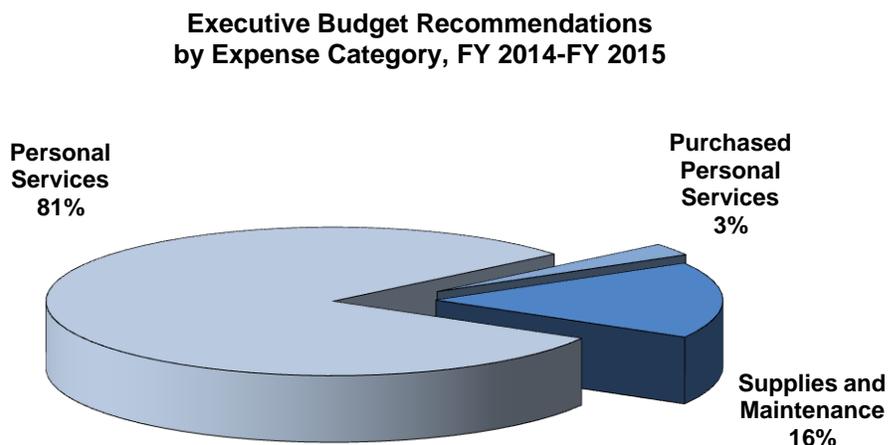
The Board's governing authority consists of nine members appointed by the Governor, including six psychologists or school psychologists and three patient advocates who are either parents or relatives of a recipient of mental health services or representatives of organizations that represent recipients 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 \$535,406 in FY 2013. The Board receives no General Revenue Fund (GRF) money; it is entirely supported by fees.

### Appropriation Overview

The executive recommends \$548,000 in FY 2014, a 2.4% increase over FY 2013 estimated expenditures and \$571,000 in FY 2015, a 4.2% increase over FY 2014. 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, 81% of the executive budget recommendations for the biennium are for personal services, 16% are for supplies and maintenance, and 3% for purchased personal 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 2012, the Board paid \$19,054 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-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 revenue to cover its expenses.

Table 1 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 collects fee revenue in odd-numbered fiscal years. As a result, the revenues in even-numbered years are far below expenditures.

<b>Table 1. Revenues and Expenditures</b>							
	<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	\$1,234,107	\$24,991	\$1,239,109	\$23,336	\$1,253,550	\$25,000	\$1,400,000
Expenditures	\$532,785	\$424,265	\$492,988	\$463,405	\$535,406	\$548,000	\$571,000
Net of Rev. & Exp.	\$701,322	-\$399,274	\$746,121	-\$440,069	\$718,144	-\$523,000	\$829,000

## 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 2014	FY 2015
<b>General Services Fund</b>				
4K90	882609	Operating Expenses	\$548,000	\$571,000

Through this one line item, the Board pays all of its expenses. The executive recommends \$548,000 for FY 2014, a 2.4% increase over FY 2013 estimated expenditures, and \$571,000 for FY 2015, a 4.2% increase over FY 2014. The executive recommendation will allow the Board to generally maintain current operations and staffing levels, including one disciplinary hearing. According to a spokesperson for the Board, if it becomes necessary to hold 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 \$15,000 to \$18,000.

### Licensing

To carry out its regulatory responsibility, the Board licenses and establishes standards of practice for 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 2011 to FY 2012, the total number of active licenses increased 6.5%.

Table 3. Active Licenses, FY 2011 and FY 2012*			
License Type	FY 2011	FY 2012	% Change
Psychologist	3,053	3,268	7.0%
School Psychologist	263	264	0.4%
<b>Total</b>	<b>3,316</b>	<b>3,532</b>	<b>6.5%</b>

\*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 2012-FY 2013 biennium. The table shows initial licenses issued in FY 2012. Renewals

take place in odd-numbered fiscal years, so renewals are shown for FY 2013. In addition to licenses shown in Table 4, the Board granted 14 30-day permits for nonresident psychologists in FY 2012.

<b>License Type</b>	<b>Initial Licenses FY 2012</b>	<b>Renewals FY 2013</b>	<b>Total</b>
Psychologist	115	3,050	3,165
School Psychologist	1	263	264
<b>Total</b>	<b>116</b>	<b>3,313</b>	<b>3,429</b>

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.

### **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 Board received 52 formal complaints in FY 2012.

In FY 2012, the Board completed 57 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 four reprimands and revoked two licenses. The Board issued four cease and desist letters in FY 2012. In addition, the Board formally denied one request for the restoration of a revoked license.

### **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 3,600 continuing education verification records from both associations in FY 2013.

**REQUESTS NOT FUNDED**

Table 5 shows the amount of appropriation requested by the Board and the executive recommendation.

<b>Table 5. Requested Funding Compared to Executive Recommendation</b>						
<b>Fund Line Item</b>	<b>FY 2014 Recommended</b>	<b>FY 2014 Requested</b>	<b>Difference</b>	<b>FY 2015 Recommended</b>	<b>FY 2015 Requested</b>	<b>Difference</b>
4K90 882609	\$548,000	\$558,000	-\$10,000	\$571,000	\$581,000	-\$10,000

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# State Board of Psychology

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## General Services Fund Group

### 4K90 882609 Operating Expenses

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$432,196	\$495,191	\$463,405	\$535,406	<b>\$548,000</b>	<b>\$571,000</b>
	14.6%	-6.4%	15.5%	<b>2.4%</b>	<b>4.2%</b>

**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 361.10 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 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). The Board also establishes standards of practice, investigates complaints, holds administrative hearings, 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>PSY State Board of Psychology</b>								
4K90	882609	Operating Expenses	\$ 463,405	\$ 535,406	\$ 548,000	2.35%	\$ 571,000	4.20%
<b>General Services Fund Group Total</b>			<b>\$ 463,405</b>	<b>\$ 535,406</b>	<b>\$ 548,000</b>	<b>2.35%</b>	<b>\$ 571,000</b>	<b>4.20%</b>
<b>State Board of Psychology Total</b>			<b>\$ 463,405</b>	<b>\$ 535,406</b>	<b>\$ 548,000</b>	<b>2.35%</b>	<b>\$ 571,000</b>	<b>4.20%</b>