

LSC Redbook

Analysis of the Executive Budget Proposal

Ohio Optical Dispensers Board

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ATTACHMENTS:

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

Ohio Optical Dispensers Board

- Non-GRF agency; funded by fee revenues
- Funding increased by 2.2% in FY 2016 and increased by 0.6% in FY 2017
- Nearly 4,500 active licenses

OVERVIEW

The Ohio Optical Dispensers Board was established in 1979 to regulate the practice of opticianry and ophthalmology. The Board issues licenses to opticians and ophthalmologists¹ 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 4,500 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 meets about five times each year. In addition to travel reimbursement, Board members receive annual compensation of approximately \$780 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 \$365,000 in FY 2015. The Board receives no General Revenue Fund (GRF) moneys; it is entirely supported by fees.

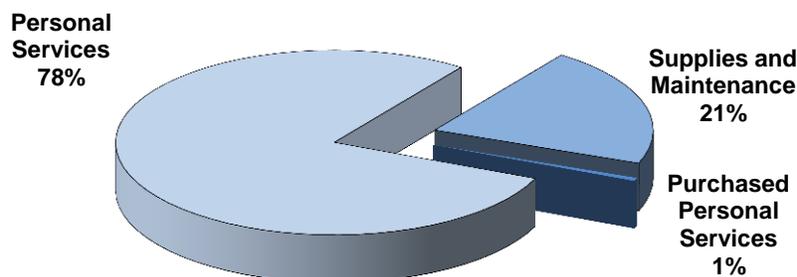
Appropriation Overview

The executive recommends funding of \$373,000 in FY 2016, a 2.2% increase over FY 2015 estimated expenditures, and \$375,400 in FY 2017, a 0.6% increase over FY 2016.

As a regulatory agency, personal services is the Board's largest expense category. As seen from the chart below, 78% of the executive budget recommendations for the biennium are for personal services, 21% are for supplies and maintenance, and 1% are for purchased personal services.

¹ 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.

**Chart 1: Executive Budget Recommendations
by Expense Category, FY 2016-FY 2017**



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 2014, the Board paid \$13,408 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 have generated a net gain of approximately \$67,500 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.

Table 1. License and Registration Fees	
Type	Fee Amount
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-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 revenues to cover its expenses.

Table 2 below shows the Board's annual revenues and expenditures from FY 2011 through FY 2017 as well as the net of revenues less expenditures.

Table 2. Revenues and Expenditures							
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 (estimate)	FY 2016 (estimate)	FY 2017 (estimate)
Revenue	\$343,677	\$362,560	\$374,150	\$370,870	\$371,000	\$371,000	\$371,000
Expenditures	\$343,407	\$349,251	\$344,575	\$351,973	\$365,000	\$373,000	\$375,400
Net of Rev. & Exp.	\$270	\$13,309	\$29,575	\$18,897	\$6,000	-\$2,000	-\$4,400

ANALYSIS OF EXECUTIVE PROPOSAL

The Board's operations are funded by a single line item appropriation from the Dedicated Purpose Fund Group. The table below shows the Governor's recommended funding for the line item.

Fund	ALI	Title	FY 2016	FY 2017
Dedicated Purpose Fund Group				
4K90	894609	Program Support	\$373,000	\$375,400

Through this one line item, the Board pays all of its expenses. The executive recommends funding of \$373,000 in FY 2016, a 2.2% increase over FY 2015 estimated expenditures, and \$375,400 in FY 2017, a 0.6% increase over FY 2016. According to the Executive Director, the recommended funding will allow the Board to generally maintain current operations and staff.

During the FY 2014-FY 2015 biennium, in addition to ongoing operating expenses, the Board paid \$7,681 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.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 (the FY 2010-FY 2011 biennial budget bill). The Board expects the cost of the audit to be approximately \$8,400 in the upcoming biennium.

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 3 shows the total number of active licenses and registrations from FY 2013 to FY 2014.

Table 3. Active Licenses and Registrations*			
Type	FY 2013	FY 2014	% Change
Optician	3,298	3,292	-0.2%
Ocularist	8	8	0.0%
Apprentice	2,048	1,167	-43.0%
TOTAL	5,354	4,467	-16.6%

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

² R.C. 117.13.

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, 97% renewing online in FY 2012, and 98% renewing online in FY 2013. With the success of online renewal for opticians, the Board offered online renewal for apprentices beginning in FY 2012. Of the eligible individuals applying for apprentice registration, 91% used the online system. The Board incurred approximately \$9,000 in bank and credit card charge fees for these services in FY 2014.

Table 4 shows the licenses issued and renewed in FY 2014. Licenses expire on January 1 and apprentice registrations expire on June 30; each must be renewed annually prior to the expiration date.

Table 4. Licenses and Registrations Issued in FY 2014			
Type	Initial	Renewal	Total
Optician	132	3,160	3,292
Ocularist	0	8	8
Registered Apprentice	813	354	1,167
TOTAL	945	3,522	4,467

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 2014, the Board investigated a total of 39 complaints. Of these 39 complaints, 19 were related to illegally dispensing colored contact lenses. In FY 2014, the Board entered into 21 consent agreements and issued fines totaling \$800.

The Board also conducts 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 2014, the Board issued 18 cease and desist orders to facilities that were found to have been illegally dispensing colored contact lenses. 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 5 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 website (<http://optical.ohio.gov>).

Beginning January 2016, H.B. 258 of the 130th General Assembly permits a spectacle dispensing optician to also dispense prepackaged soft contact lenses if the only action necessary is to match the packaging description to a written prescription. The bill also requires two hours in related contact lens dispensing continuing education requirements for those individuals, in addition to the currently required four hours in eye glass dispensing.

Optician (glasses)	Four hours in eye glass dispensing Two hours in contact lens 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.

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Ohio Optical Dispensers Board

Dedicated Purpose Fund Group

4K90 894609 Program Support

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$349,251	\$344,575	\$351,973	\$365,000	\$373,000	\$375,400
	-1.3%	2.1%	3.7%	2.2%	0.6%

Source: Dedicated Purpose 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 341.10 of Am. Sub. H.B. 59 of the 130th 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 2016 - FY 2017 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			Estimate	Introduced	FY 2015 to FY 2016	Introduced	FY 2016 to FY 2017	
			FY 2014	FY 2015	FY 2016	% Change	FY 2017	% Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
ODB Ohio Optical Dispensers Board								
4K90	894609	Program Support	\$ 351,973	\$ 365,000	\$ 373,000	2.19%	\$ 375,400	0.64%
Dedicated Purpose Fund Group Total			\$ 351,973	\$ 365,000	\$ 373,000	2.19%	\$ 375,400	0.64%
Ohio Optical Dispensers Board Total			\$ 351,973	\$ 365,000	\$ 373,000	2.19%	\$ 375,400	0.64%