

LSC Greenbook

Analysis of the Enacted Budget

Architects Boards

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August 2013

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Architects Boards

- Budget of approximately \$967,000 over the biennium
- Boards oversee approximately 6,400 architects and 600 landscape architects
- Expected rise in Internship Development Program fee reimbursements

OVERVIEW

Agency Overview

The Ohio Architects Board and the State Board of Landscape Architect Examiners are two separate boards that operate under a combined budget and share staff and facilities. For the purposes of this analysis, the combined entity is known as the Architects Boards (ARC). The governing authority of the Ohio Architects Board consists of five members appointed by the Governor, all of whom must be architects who have at least ten years of active practice in this state. The governing authority of the State Board of Landscape Architect Examiners consists of five members appointed by the Governor, including three registered landscape architects, one licensed design professional, and one individual representing the public. Board members are paid hourly and receive reimbursement for actual and necessary expenses incurred as part of their duties. The day-to-day operations of both boards are handled by a combined staff of four, including an executive director, two other administrative staff members, and an investigator. The boards receive no General Revenue Fund (GRF) moneys; they are entirely supported by fees. Approximately 6,400 architects and 600 landscape architects are currently licensed by the state.

Appropriation Overview

The budget provides funding of \$481,379 in FY 2014, a 6.2% increase when compared to FY 2013 spending of \$453,282. The funding for FY 2015 is \$485,954, a small increase over the FY 2014 amount.

Operating Revenues and Expenses

As mentioned previously, the source of operating income for the occupational licensing boards is license fees. ARC issues certificates of qualification to registered architects and landscape architects, which require biennial renewals, and certificates of authorization to architectural and landscape architectural firms, which require annual renewal. Firms may also receive a dual certificate of authorization that authorizes both architectural and landscape architectural design services. Table 1 below shows each type of credential issued by the boards and the applicable fees.

License Type	Fee
Individual Registration by Reciprocity	\$250
Dual Firm Certificate of Authorization	\$250
Dual Firm Certificate of Authorization Renewal	\$200
Emeritus Architect Registration (if lapsed or inactive)	\$125
Individual Registration Renewal	\$125
Initial Firm Certificate of Authorization	\$125
Firm Certificate of Authorization Renewal	\$100
Initial Individual Registration by Exam	\$50

Fees collected by ARC are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). Twenty-seven occupational licensing and regulatory boards and commissions, including ARC, use Fund 4K90 as an operating account into which receipts are deposited and from which expenses are paid. Although Fund 4K90 is a shared operating pool, each licensing board or commission is expected to be self-sufficient by generating enough income to cover expenses.

Table 2 below shows the operating revenue and expenditures for ARC over the last six fiscal years, from FY 2008 to FY 2013. Notice that ARC's biennial renewal cycle results in significant fluctuations in the amount of revenue received on a year-to-year basis, with the vast majority of revenue coming in even-numbered fiscal years. The income generated during the even-numbered fiscal years of the two-year renewal cycle covers the deficit created in the odd-numbered fiscal years when little license fee revenue is received. As the table shows, over recent two-year renewal cycles, ARC's revenues have consistently exceeded expenditures.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenue	\$1,094,737	\$249,872	\$1,075,673	\$247,494	\$1,064,939	\$276,291
Expenditures	\$532,275	\$513,893	\$444,595	\$437,434	\$454,674	\$453,282
Net	\$562,462	-\$264,021	\$631,078	-\$189,940	\$610,265	-\$176,991

ANALYSIS OF ENACTED BUDGET

ARC's operations are funded by a single line item appropriation from the Occupational Licensing and Regulatory Fund (Fund 4K90). The table below shows the appropriations for the line item.

Appropriations for the Architects Boards				
Fund	ALI and Name		FY 2014	FY 2015
General Services Fund Group				
4K90	891609	Operating	\$481,379	\$485,954

This line item is used to pay the operating expenses of both boards under the administrative umbrella of ARC. The funding increases of approximately \$28,100 in FY 2014 and \$4,600 in FY 2015 can be attributed to two factors: (1) personnel costs, and (2) an expected rise in the number of Intern Development Program (IDP) enrollment fee reimbursements. However, ARC is expected to realize cost savings on equipment through the use of electronic communication with board members and licensees, as well as decreased travel expenditures, due to a reduction in the number of board meetings held. These cost savings are expected to offset most of the increases in other costs over the FY 2014-FY 2015 biennium.

Licenses

ARC regulates both practitioners and firms. Table 3 shows the number of active licenses issued by ARC as of the end of FY 2011, FY 2012, and FY 2013. The total number of active licenses decreased by 4.3% from FY 2011 to FY 2012, due largely to a drop in certificates of qualification issued to individual architects. However, the number of active licenses rebounded in FY 2013, especially among firms. In addition to the individuals and firms listed below, ARC offers an emeritus architect license to individuals that (1) are fully retired and thus not engaging in any practice of architecture, (2) have been licensed in Ohio for at least ten years, and (3) are over the age of 65. Emeritus architects are exempt from continuing education requirements. There is no fee for converting to emeritus status if an individual has an active license. Otherwise, individuals with lapsed or inactive architect licenses pay a one-time fee of \$125. As of the end of FY 2013, there were 222 architects under emeritus status.

License Type	FY 2011	FY 2012	Percent Change	FY 2013	Percent Change
Architecture Certificate of Qualification (individuals)	6,611	6,221	-5.9%	6,536	3.3%
Architecture Certificate of Authorization (firms)	1,196	1,242	3.8%	1,016	7.9%
Landscape Architecture Certificate of Qualification	612	577	-5.7%	611	3.6%
Landscape Architecture Certificate of Authorization	87	92	5.7%	81	17.4%
Dual Firm (ARC/LA) Certificate of Authorization	36	39	8.3%	30	12.8%
TOTAL	8,542	8,171	-4.3%	8,516	4.2%

Intern Development Program

Another notable aspect of ARC's budget is an increase in the amount budgeted for scholarships to architecture students enrolled in the Intern Development Program (IDP) at any of the state's four accredited architecture schools. IDP is a national program overseen by the National Council of Architectural Registration Boards (NCARB) that is designed to give architecture students practical experience under the direct supervision of a registered architect. The IDP enrollment fee is \$100. ARC has awarded 410 IDP scholarships since this incentive was first offered in FY 2008.

The funding of approximately \$14,000 in each fiscal year for this program over the FY 2014-FY 2015 biennium is higher than the \$9,000 set aside for this purpose in FY 2013. The primary cause of this increase in expected reimbursements is a new policy at Kent State University's College of Architecture and Environmental Design requiring all architecture students to enroll in IDP. Board staff estimate that this will lead to approximately 75 to 90 additional fee reimbursements per year. Another development that may affect IDP reimbursement payments in future fiscal years is Bowling Green State University's eligibility for architecture accreditation by the National Architectural Accrediting Board. If the University is accredited as the fifth architecture school in the state of Ohio, this could result in a potential increase in IDP enrollment fee reimbursements in the future.

Investigation and Enforcement Statistics

In addition to licensing, the boards' regulatory duties include investigating complaints concerning alleged violations of the law governing the architect and landscape architect professions. Common violations include illegally advertising architectural services by nonarchitects, improper use of a title, code of conduct violations, and offering architectural services through a firm not holding a certificate of authorization. A total of 57 cases were opened and 48 cases were closed in FY 2013. ARC resolves most cases by obtaining voluntary compliance or reaching settlement agreements. In some cases, no violation is found to have occurred.

ARC has statutory authority to issue fines against registered architects and landscape architects for various violations or criminal acts. The Revised Code limits the fines imposed on architects to a maximum of \$1,000 for each offense and no more than \$5,000 regardless of the number of offenses a person has committed between the time the fine is imposed and the time any previous fine was imposed. Landscape architects may be fined up to \$200 for a first offense and \$500 for subsequent offenses. ARC collected \$3,000 in fines in FY 2009 and \$4,500 in FY 2010. Since then, fines have increased to \$12,400 in FY 2011, \$18,900 in FY 2012, and \$33,200 in FY 2013.

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FY 2014 - FY 2015 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			Appropriation	FY 2013 to FY 2014	Appropriation	FY 2014 to FY 2015		
			FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
Report For Main Operating Appropriations Bill			Version: Enacted					
ARC Architects Boards								
4K90	891609	Operating	\$ 454,674	\$ 453,282	\$ 481,379	6.20%	\$ 485,954	0.95%
General Services Fund Group Total			\$ 454,674	\$ 453,282	\$ 481,379	6.20%	\$ 485,954	0.95%
Architects Boards Total			\$ 454,674	\$ 453,282	\$ 481,379	6.20%	\$ 485,954	0.95%