

LSC Greenbook

Analysis of the Enacted Budget

Architects Boards

Jason Phillips, Fiscal Supervisor
Legislative Service Commission

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ATTACHMENT:

Budget Spreadsheet By Line Item

Architects Boards

- Budget of approximately \$1 million over the biennium
- Funding increases by 5.0% in FY 2016 and 2.0% in FY 2017
- Boards oversee approximately 6,600 architects and 600 landscape architects

OVERVIEW

Agency Overview

The Ohio Architects Board and the Ohio Landscape Architects Board 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 Ohio Landscape Architects Board 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, primarily license fees. Approximately 6,600 architects and 600 landscape architects are currently licensed by the state.

Appropriation Overview

The budget provides funding of \$507,614 in FY 2016, a 5.4% increase compared to FY 2015 spending of \$481,551. The funding for FY 2017 is \$517,912, a 2.0% increase over the FY 2016 amount.

Operating Revenues and Expenses

As mentioned previously, the primary 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 renewal, 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.

Table 1. License Fees	
License Type	Fee
Individual Registration by Reciprocity	\$250
Dual Firm Certificate of Authorization	\$250
Dual Firm Certificate of Authorization Renewal	\$200
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-six 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 2010 to FY 2015. 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 relatively little license fee revenue is received. As the table below shows, over recent two-year renewal cycles, ARC's revenues have consistently exceeded expenditures.

Table 2. Revenues and Expenditures, FY 2010-FY 2015						
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revenue	\$1,075,673	\$247,494	\$1,064,939	\$276,291	\$1,125,325	\$291,695
Expenses	\$444,595	\$437,434	\$454,674	\$453,282	\$475,223	\$481,551
Net	\$631,078	-\$189,940	\$610,265	-\$176,991	\$650,102	-\$189,856

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 funding for the line item.

Appropriations for the Architects Boards				
Fund	ALI and Name		FY 2016	FY 2017
Dedicated Purpose Fund Group				
4K90	891609	Operating	\$507,614	\$517,912

This line item is used to pay the operating expenses of both boards under the administrative umbrella of ARC. The funding increases of \$26,063 (5.4%) in FY 2016 and \$10,298 (2.0%) in FY 2017 can be attributed primarily to supplies and maintenance-related expenses. These expenses have increased in recent years in large part due to charges assessed by other state agencies for various services, including office space (rent), Central Service Agency personnel and fiscal assistance, information technology, and the agency's biennial audit by the Auditor of State. In addition, the budget includes small increases for payroll-related costs. More discussion of operating statistics is provided below.

Licenses

ARC regulates both practitioners and firms. Table 3 shows the number of active licenses issued by ARC as of the end of FY 2013, FY 2014, and FY 2015.

License Type	FY 2013	FY 2014	Percent Change	FY 2015*	Percent Change
Architecture Certificate of Qualification (individuals)	6,536	6,298	-3.6%	6,588	4.6%
Architecture Certificate of Authorization (firms)	1,015	1,290	27.1%	1,239	-4.0%
Landscape Architecture Certificate of Qualification	611	585	-4.3%	620	6.0%
Landscape Architecture Certificate of Authorization	81	97	19.8%	94	-3.1%
Dual Firm (ARC/LA) Certificate of Authorization	30	39	30.0%	40	2.6%
TOTAL	8,273	8,309	0.4%	8,581	3.3%

* FY 2015 figures are current as of July 1, 2015.

Intern Development Program

A small portion of ARC's budget funds 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. Completion of the IDP is required in order to obtain professional licensure. The

scholarship covers the IDP enrollment fee of \$100. The annual funding for this program is \$10,000.

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 those for continuing education, illegal advertising of architectural services by nonarchitects, improper use of a title, and offering architectural services through a firm not holding a certificate of authorization. A total of 43 cases were opened and all but four were closed in FY 2015. 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 \$8,250 in fines in FY 2015.

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FY 2016 - FY 2017 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			FY 2014	FY 2015	Appropriation FY 2016	FY 2015 to FY 2016 % Change	Appropriation FY 2017	FY 2016 to FY 2017 % Change
Report For Main Operating Appropriations Bill			Version: As Enacted					
ARC Architects Boards								
4K90	891609	Operating	\$ 475,223	\$ 481,551	\$ 507,614	5.41%	\$ 517,912	2.03%
Dedicated Purpose Fund Group Total			\$ 475,223	\$ 481,551	\$ 507,614	5.41%	\$ 517,912	2.03%
Architects Boards Total			\$ 475,223	\$ 481,551	\$ 507,614	5.41%	\$ 517,912	2.03%