

**Greenbook**  
**LSC Analysis of Enacted Budget**

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**Architects Boards**

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### **ATTACHMENT:**

Budget Spreadsheet By Line Item

# Architects Boards

- Budget of approximately \$1.2 million over the biennium
- Boards receive no GRF funding and are entirely supported by fee revenue
- Boards oversee approximately 6,600 architects and 670 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. The Architects Board is governed by 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 Landscape Architects Board is also governed by 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. For the purposes of this analysis, the combined entity is known as the Architects Boards (ARC). ARC receives no GRF moneys; its budget is entirely supported by fee revenue. Approximately 6,600 architects and 670 landscape architects are currently licensed by ARC.

### Appropriation Overview

Fund Group	FY 2017*	FY 2018	% change, FY 2017-FY 2018	FY 2019	% change, FY 2018-FY 2019
Dedicated Purpose	\$507,963	\$576,916	13.6%	\$604,765	4.8%
<b>TOTAL</b>	<b>\$507,963</b>	<b>\$576,916</b>	<b>13.6%</b>	<b>\$604,765</b>	<b>4.8%</b>

\*FY 2017 figures represent actual expenditures.

The budget provides funding of \$576,916 in FY 2018, a 13.6% increase compared to FY 2017 spending of \$507,963. The funding for FY 2019 is \$604,765, a 4.8% increase over FY 2018.

### Operating Revenues and Expenses

As mentioned previously, the ARC budget is entirely supported by 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. Table 2 below shows each type of credential issued by the boards and the applicable fees.

Table 2. License Fees	
License Type	Fee
Individual Registration by Reciprocity	\$250
Individual Registration by Exam – Initial	\$50
Individual Registration – Renewal	\$125
Firm Certificate of Authorization – Initial	\$125
Firm Certificate of Authorization – Renewal	\$100

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 account, each licensing board or commission is expected to be self-sufficient by generating enough income to cover its expenses. Table 3 below shows the operating revenue and expenditures for ARC over the last six fiscal years, from FY 2012 to FY 2017. As seen from Table 3, ARC's biennial renewal cycle for individual architects 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 a smaller amount of license fee revenue is received. Over recent two-year renewal cycles, ARC's revenues have consistently exceeded expenditures.

Table 3. Revenues and Expenditures, FY 2012-FY 2017						
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenue	\$1,064,939	\$276,291	\$1,125,325	\$291,695	\$1,027,311	\$350,739
Expenses	\$454,674	\$453,282	\$475,223	\$481,551	\$512,880	\$507,963
<b>Net</b>	<b>\$610,265</b>	<b>-\$176,991</b>	<b>\$650,102</b>	<b>-\$189,856</b>	<b>\$514,431</b>	<b>-\$157,224</b>

## 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 2018	FY 2019
<b>Dedicated Purpose Fund Group</b>				
4K90	891609	Operating	\$576,916	\$604,765

This line item is used to pay the operating expenses of both boards under the administrative umbrella of ARC. ARC's funding increases by \$69,013 (13.6%) in FY 2018 compared to the FY 2017 actual spending level and by an additional \$27,849 (4.8%) in FY 2019 compared to the FY 2018 amount.

### Licenses and Investigation and Enforcement Statistics

ARC regulates both practitioners and firms. Table 4 shows the number of active licenses issued by ARC as of the end of FY 2015 and FY 2016, and FY 2017.

License Type	FY 2015	FY 2016	Percent Change	FY 2017	Percent Change
<b>Architecture</b>					
<i>Individuals</i>	6,588	6,281	-4.7%	6,590	4.9%
<i>Firms</i>	1,490	1,247	-16.3%	1,649	32.2%
<b>Landscape Architecture</b>					
<i>Individuals</i>	620	649	4.7%	666	2.6%
<i>Firms</i>	117	129	10.3%	164	27.1%
<b>Dual Firm (discontinued)</b>	45	0	-100.0%	0	N/A
<b>TOTAL</b>	<b>8,860</b>	<b>8,306</b>	<b>-6.3%</b>	<b>9,069</b>	<b>9.2%</b>

The boards' regulatory duties also include investigating complaints concerning alleged violations of the law governing the architect and landscape architect professions. Common violations include those for not meeting continuing education requirements, illegally advertising architectural services by nonarchitects, improper use of a title, or offering architectural services through an unlicensed firm. A total of 29 cases were opened and all but one was closed in FY 2016. In FY 2017, 17 cases were opened while 13 were closed. ARC resolves most cases by obtaining voluntary compliance or reaching settlement agreements.

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. In an effort to reduce fines, ARC changed its enforcement regulations regarding continuing education. Now, instead of an immediate fine for any lapse in continuing education hours, ARC gives the architect 30 days to complete the annual requirement of 12 hours in continuing education. This change has reduced the amount of total fines ARC collected from \$32,000 in FY 2014 to \$3,667 in FY 2017.

### **Architectural Experience Program Scholarships**

A small portion of ARC's budget funds scholarships of \$100 each to architecture students enrolled in the Architectural Experience Program (AXP) at any of the state's four accredited architecture schools. These four schools are located within Kent State University, Miami University, the Ohio State University, and the University of Cincinnati. AXP is a national program overseen by the National Council of Architectural Registration Boards (NCARB). The program is designed to give architecture students practical experience under the direct supervision of a registered architect. Completion of the AXP is required in order to obtain professional licensure. The scholarship covers the AXP enrollment fee of \$100. The annual funding for this program is \$11,000, which should allow ARC to award 110 scholarships per year.

ARC.docx/lb

**FY 2018 - FY 2019 Final Appropriation Amounts**

**All Fund Groups**

**Line Item Detail by Agency**

			<b>Appropriation</b>	<b>FY 2017 to FY 2018</b>	<b>Appropriation</b>	<b>FY 2018 to FY 2019</b>		
			<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>		
					<b>% Change</b>	<b>% Change</b>		
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Enacted</b>					
<b>ARC Architects Boards</b>								
4K90	891609	Operating	\$ 512,880	\$ 507,963	\$ 576,916	13.57%	\$ 604,765	4.83%
<b>Dedicated Purpose Fund Group Total</b>			<b>\$ 512,880</b>	<b>\$ 507,963</b>	<b>\$ 576,916</b>	<b>13.57%</b>	<b>\$ 604,765</b>	<b>4.83%</b>
<b>Architects Boards Total</b>			<b>\$ 512,880</b>	<b>\$ 507,963</b>	<b>\$ 576,916</b>	<b>13.57%</b>	<b>\$ 604,765</b>	<b>4.83%</b>