Redbook

LBO Analysis of Executive Budget Proposal

State Board of Registration for Professional Engineers and Surveyors

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LBO Redbook

State Board of Registration for Professional Engineers and Surveyors

Quick look...

- ➤ The State Board of Registration for Professional Engineers and Surveyors, established in 1933, regulates the professions of engineering and surveying in the state of Ohio.
- In FY 2024, the Board licensed nearly 31,000 individuals and firms.
- Licensing and application fees support the Board's operations; it receives no GRF funding.
- ➤ The executive budget proposes funding of \$1.4 million for FY 2026 and \$1.5 million for FY 2027.
 - Existing service levels to be maintained; proposed funding increases are tied to anticipated expenses in payroll, DAS services, and eLicense programming changes.

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced				
Fund 4K90 ALI 892609, Operating Expenses									
\$1,113,152	\$1,092,415	\$1,100,250	\$1,281,904	\$1,378,866	\$1,465,930				
% change	-1.9%	0.7%	16.5%	7.6%	6.3%				

Agency overview

The State Board of Registration for Professional Engineers and Surveyors, established in 1933, regulates the professions of engineering and surveying in the state of Ohio. The Board consists of five members appointed by the Governor, including four professional engineers (two of whom are also professional surveyors) and one professional surveyor. A staff of eight full-time employees, including an executive director, handle day-to-day operations. Each board member is entitled to receive compensation of necessary expenses incurred while actually attending to the work of the Board or any of its committees and for time spent in necessary travel. Additionally, board members are entitled to reimbursement for all actual travelling, hotel, and other expenses necessarily incurred in the performance of official duties. The Board is entirely supported by money appropriated from the Occupational Licensing and Regulatory Fund (Fund 4K90).

Analysis of FY 2026-FY 2027 budget proposal

Overview

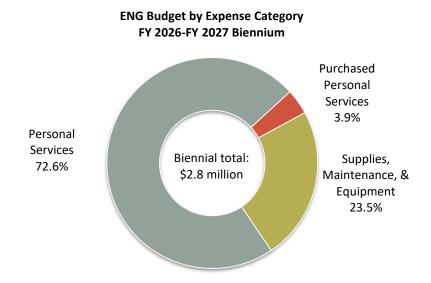
The executive recommended funding in each fiscal year will allow the Board to maintain its current operations during the FY 2026-FY 2027 biennium. Proposed funding increases, as compared to the FY 2024-FY 2025 biennium levels, are tied to anticipated increases in payroll adjustments due to a recently approved bargaining agreement and general operational expenses, including support services provided by the Department of Administrative Services (i.e.,

rent and information technology support services) and bank fees to process license renewals. The increase will also be used to cover programming costs for the eLicensing system in order to accommodate the Board's anticipated adjustments to its fees and revisions and streamlining of its application process.

Executive recommendations by expense category

The chart below shows the \$2.8 million proposed biennial budget by expense category. The personal services category accounts for the largest share of the Board's budget at 72.6%. This includes the wages and benefits for the Board's staff, stipends for board members, and payroll processing charges. The Board typically meets eight times per year.

The next largest expenditure category is supplies, maintenance, and equipment totaling 23.5% of the budget. This category includes rent and information technology and other services provided by the Department of Administrative Services, as well as reimbursements for travel and other necessary expenses. Purchased personal services account for 3.9% of the Board's budget.



Fee revenue

The Board receives all of its funding from application fees, renewal fees, examination fees, and fines and late fees. Fees collected by the Board are credited to the Occupational Licensing and Regulatory Fund (Fund 4K90), which is used by many occupational licensing and regulatory boards and commissions, including the Board, that use Fund 4K90 as an operating account to support their regulatory operations. Each licensing board or commission that uses Fund 4K90 is generally expected to be self-sufficient, i.e., generate enough revenues to cover its expenses. The Board's fees were last increased in 2006. The Board does not receive any GRF funding. Table 1 below shows a selection of the current fees charged by the Board.¹

Legislative Budget Office of the Legislative Service Commission

¹ A complete list of <u>fees</u> charged by the Ohio Board of Engineers and Surveyors is available on the Board's website at peps.ohio.gov/about/Board-fees.

Table 1. License Fees by Type					
License Type	Fee				
Application Fee – Principles and Practice of Engineering (PE)/ Surveying (PS)	\$75				
Application Fee – Engineer Intern (EI)/Surveyor Intern (SI)	\$25				
Final Registration Fee – PE and PS	\$50				
Biennial Renewal Fee – PE and PS	\$40				
Biennial Renewal Fee – Dual PE and PS	\$80				
Firm Certificate of Authorization Application/Biennial Renewal Fee	\$50				
Standard or NCEES PE Comity Application (reciprocity)*	\$415				
Standard or NCEES PS Comity Application (reciprocity)*	\$455				

^{*}NCEES refers to the National Council of Examiners for Engineering and Surveying; this application is for a person licensed in another state.

Table 2 below shows the Board's operating and revenue expenditure history from FY 2019 through FY 2024. The Board's biennial renewal cycle results in revenue fluctuations between odd and even-numbered fiscal years, with increased revenue and expenditures occurring in even-numbered years when individual renewals occur. The revenue collected during even-numbered fiscal years has historically been able to cover the deficit that occurs during odd-numbered fiscal years. Overall, the Board's revenue has generally outpaced its expenditures on a biennial basis.

Table 2. Revenues and Expenditures, FY 2019-FY 2024								
Category	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		
Revenue	\$566,924	\$1,684,432	\$608,395	\$1,819,121	\$755,568	\$1,946,267		
Expenses	\$957,607	\$1,049,946	\$996,082	\$1,113,152	\$1,092,415	\$1,100,250		
Net	-\$390,683	\$634,486	-\$387,687	\$705,969	-\$336,847	\$846,017		

Licenses and investigation and enforcement statistics

Table 3 shows the number of active licenses issued by the Board from FY 2019 through FY 2024.

Table 3. Number of Licenses, FY 2019-FY 2024								
License Type	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		
Professional Engineer	26,917	29,949	26,622	25,597	28,585	26,210		
Professional Surveyor	1,794	1,666	1,712	1,637	1,096	1,574		
Engineering & Surveying Firms	3,162	3,323	3,324	3,090	3,516	3,027		
Total	31,873	34,938	31,658	30,324	33,197	30,811		

The Board is responsible for investigating complaints and alleged violations of Chapter 4733 of the Revised Code, which governs the engineering and surveying professions. Table 4 shows the history of those investigations from FY 2019 through FY 2024. Over that six-year period, the Board investigated an average of 127 complaints and opened an average of 58 formal investigations in each fiscal year, following through with disciplinary action if substantiated.

Table 4. Enforcement Statistics, FY 2019-FY 2024							
Enforcement Action	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	
Complaints Investigated	124	94	58	148	175	163	
Complaints Closed	104	49	52	37	59	77	
Formal Investigations Opened	49	32	26	62	105	71	
Formal Investigations Closed	73	26	25	55	104	69	