

# Section I: Revenues, Expenditures, and Year-End Fund Balances

## Year-end fund balances

This section of the report provides an overview of the year-end FY 2023 financial position of Ohio's occupational licensing and regulatory boards whose operations were supported by license fees, fines, penalties, and other assessments deposited into various non-GRF funds. None of these boards and commissions receive funding from the GRF. Table 1 is a simplified cash balance statement showing income and expenses in these 23 funds at the close of FY 2023.<sup>1</sup> Table 2 shows operating income and expenditures for each board by fund over the course of their licensing cycles. This information helps indicate whether these licensing and regulatory boards and commissions are financially self-supporting.

Table 1 shows that, as of July 1, 2022, the first day of FY 2023, the 23 funds had a combined cash balance of \$173.1 million. During FY 2023, a total of \$130.8 million in receipts (including transfers) were deposited into the funds and a total of \$96.0 million in expenditures (including transfers) were paid out of the funds. As of June 30, 2023, the last day of FY 2023, these 23 funds had a combined cash balance of \$208.6 million and outstanding encumbrances of just under \$3.6 million, leaving the funds with a combined, unobligated cash balance of about \$205.1 million. All 23 of these funds finished FY 2023 with positive unobligated cash balances.

### Occupational Licensing and Regulatory Fund (Fund 4K90)

The Occupational Licensing and Regulatory Fund (Fund 4K90) serves as an operating fund for many of the boards and commissions covered in this report. Fund 4K90 finished FY 2023 with a cash balance of approximately \$38.4 million, an increase of approximately \$3.6 million (10.3%) from the beginning cash balance of \$34.8 million. The fund had year-end encumbrances of approximately \$1.7 million, leaving a year-end unencumbered balance of almost \$36.7 million.<sup>2</sup>

Fund 4K90 receipts totaled about \$48.1 million in FY 2023, a decrease of \$6.4 million (11.7%) when compared to FY 2022 receipts of \$54.5 million. Fund 4K90 expenditures and transfers out for FY 2023 totaled \$44.5 million, or \$2.6 million (5.5%) less than FY 2022 expenditures of \$47.1 million.

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<sup>1</sup> Table 1, which shows fund cash balances, does not include the three funds that are used mainly for purposes other than board activities: the General Operations Fund (Fund 4700) used by the Department of Health, the Public Safety – Highway Purposes Fund (Fund 5TM0) used by the Department of Public Safety, and the Industrial Compliance Operating Fund (Fund 5560) used by the Department of Commerce. Nor does it include federal funds used by the State Board of Pharmacy.

<sup>2</sup> The Fund 4K90 balance reflects the combined cash balance of all boards and commissions operating out of the fund, including the contribution of the State Board of Career Colleges and Schools, which is otherwise not covered in this report.

**Table 1. Simplified Cash Balance Statement for Funds Used by Occupational Licensing and Regulatory Boards and Commissions, FY 2023**

Fund Name	Fund Code	Beginning Cash Balance	Revenues (including transfers in)	Expenditures (including transfers out)	Ending Cash Balance	Year-End Encumbrances	Unobligated Ending Cash Balance
Division of Securities Fund	5500	\$56,819,060	\$22,048,085	\$9,762,481	\$69,115,330	\$357,278	\$68,758,052
Medical Marijuana Control Program Fund	5SY0	\$35,363,787	\$28,295,454	\$7,108,233	\$56,551,008	\$241,874	\$56,309,135
Occupational Licensing and Regulatory Fund	4K90	\$34,810,271	\$48,079,096	\$44,464,706	\$38,424,662	\$1,737,235	\$36,687,426
Consumer Finance Fund	5530	\$12,719,524	\$7,049,918	\$4,980,186	\$14,789,256	\$1	\$14,789,255
State Medical Board Operating Fund	5C60	\$8,337,481	\$11,410,103	\$12,204,983	\$7,542,601	\$384,733	\$7,157,868
Investor Education and Enforcement Expense Fund	5GK0	\$5,835,683	\$424,528	\$2,326,660	\$3,933,551	\$435,141	\$3,498,411
Division of Real Estate Operating Fund	5490	\$5,164,949	\$5,104,939	\$4,193,397	\$6,076,491	\$119,592	\$5,956,899
Private Investigator and Security Guard Provider Fund	5B90	\$2,682,057	\$1,792,603	\$1,647,971	\$2,826,689	\$0	\$2,826,689
Trauma and Emergency Medical Services Fund	83M0	\$1,845,475	\$3,907,778	\$4,951,184	\$802,069	\$261,341	\$540,727
Real Estate Recovery Fund	5480	\$1,355,748	\$59,963	\$0	\$1,415,710	\$0	\$1,415,710
Real Estate Appraiser Recovery Fund	4B20	\$1,118,049	\$26,750	\$0	\$1,144,799	\$0	\$1,144,799
Nurse Education Grant Program Fund	5AC0	\$1,080,240	\$0	\$1,513,000	\$36,680	\$0	\$36,680
Real Estate Education and Research Fund	5470	\$1,069,552	\$66,215	\$24,319	\$1,111,448	\$2,839	\$1,108,609
Real Estate Appraiser Operating Fund	6A40	\$910,077	\$943,814	\$990,976	\$862,915	\$1,349	\$861,566
Motor Vehicle Dealers Board Fund	5390	\$759,339	\$227,970	\$9,835	\$977,475	\$19,529	\$957,946
Auctioneers Fund	5B80	\$679,592	\$282,568	\$305,097	\$657,062	\$0	\$657,062
Manufactured Homes Regulatory Fund	5SU0	\$598,943	\$256,179	\$155,900	\$699,222	\$0	\$699,222
CPA Education Assistance Fund	4J80	\$557,798	\$6,550	\$512,745	\$349,593	\$0	\$349,593
Board of Pharmacy Drug Law Enforcement Fund	4A50	\$532,265	\$96,090	\$292	\$628,063	\$5,000	\$623,063
Board of Executives of Long-Term Services and Supports Fund	5MT0	\$328,818	\$668,836	\$809,574	\$188,080	\$13,267	\$174,813
Auction Education Fund	4D20	\$320,640	\$42,233	\$17,762	\$345,111	\$0	\$345,111
Drug Database Fund	5SG0	\$105,000	\$0	\$0	\$105,000	\$0	\$105,000
Veterinary Student Loan Program Fund	5BU0	\$65,568	\$1,210	\$0	\$66,778	\$0	\$66,778
<b>Total</b>		<b>\$173,059,917</b>	<b>\$130,790,881</b>	<b>\$95,979,301</b>	<b>\$208,649,592</b>	<b>\$3,579,178</b>	<b>\$205,070,415</b>

Data Source: The Ohio Administrative Knowledge System

## Revenues and expenditures

After examining a fund's year-end cash balance, it may be helpful to examine a fund's revenue and expenditure patterns without taking into account the beginning cash balance. While a sufficient beginning cash balance may help a board or commission to absorb an operating deficit during a given year, a board or commission with an annual expenditure level consistently exceeding its annual revenue level may eventually have to reduce its expenditures, increase its license fees, or both. Table 2 lists revenues and expenditures for each board and commission at the fund level. It also compares each fund's revenues and expenditures to determine whether the revenues generated during a given period were sufficient to cover the expenditures incurred in that period. Transfers in and transfers out are excluded from this table in order to view board finances only pertaining to operations.<sup>3</sup>

Nearly all of the revenue received by the boards and commissions covered in this report comes from license fees.<sup>4</sup> This means that license renewal cycles (generally one, two, or three years) can have a significant effect on annual revenues. For those boards and commissions issuing biennial licenses, the table lists total revenues and expenditures by fund over the FY 2022-FY 2023 period. Likewise, for boards and commissions issuing on a triennial basis, the table lists revenue and expenditure data over the FY 2021-FY 2023 period. Some boards and commissions with biennial or triennial license renewal cycles stagger their license renewal periods to avoid larger fluctuations in revenues and expenditures from year to year.

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<sup>3</sup> Table 2 excludes funds that are primarily used to disburse grants (and are therefore not used for general board operations): the CPA Education Assistance Fund (Fund 4J80), the Nurse Education Grant Program Fund (Fund 5AC0), and the Veterinary Student Loan Program Fund (Fund 5BU0).

<sup>4</sup> The main exception is the State Board of Emergency Medical, Fire, and Transportation Services, which is primarily funded by fees and fines, such as a portion of moneys collected from seat belt law violations. Additionally, the State Board of Pharmacy has several grant funds, holding funds, federal funds, or special law funds that do not collect licensing revenue.

**Table 2. Summary of Revenues and Expenditures by Agency by Fund**

Agency Name	Fund Code	Revenues	Expenditures	Revenues Over (Under) Expenditures
<b>Annual Renewal Cycle, FY 2023</b>				
Division of Securities (Commerce)	<b>Total</b>	<b>\$22,472,613</b>	<b>\$9,589,141</b>	<b>\$12,883,472</b>
	5500	\$22,048,085	\$7,262,481	\$14,785,604
	5GK0	\$424,528	\$2,326,660	-\$1,902,132
Manufactured Homes Program (Commerce) <sup>1</sup>	5560	\$967,203	\$760,219	\$206,984
Division of Industrial Compliance (Commerce)	5560	\$30,164,169	\$30,698,561	-\$534,392
State Vision Professionals Board	4K90	\$755,965	\$476,212	\$279,753
Ohio Construction Industry Licensing Board (Commerce)	5560	\$1,176,828	\$655,556	\$521,272
Division of Financial Institutions (Commerce)	5530	\$7,049,918	\$4,980,186	\$2,069,732
Division of Real Estate and Professional Licensing (Commerce) <sup>2</sup>	<b>Total</b>	<b>\$1,096,742</b>	<b>\$1,015,295</b>	<b>\$81,447</b>
	5480	\$59,963	\$0	\$59,963
	5470	\$66,215	\$24,319	\$41,896
	4B20	\$26,750	\$0	\$26,750
	6A40	\$943,814	\$990,976	-\$47,162
Environmental Health Specialist Registration Program (Health) <sup>3</sup>	4700	\$149,637	\$98,408	\$51,228
Private Investigator and Security Guard Unit (Public Safety)	5B90	\$1,792,603	\$1,647,971	\$144,632
Board of Executives of Long-Term Services and Supports (Aging)	5MT0	\$669,331	\$809,574	-\$140,243
Ohio Athletic Commission	4K90	\$182,051	\$317,476	-\$135,425
Motor Vehicle Repair Board	4K90	\$445,457	\$668,460	-\$223,002
Medical Marijuana Control Program (Commerce)	5SY0	\$9,462,820	\$3,681,806	\$5,781,014

<sup>1</sup> These amounts do not include revenues and expenditures related to licenses that are renewed biennially or triennially (Fund 5SU0).

<sup>2</sup> The total shown for the Division does not include Fund 5490, which is used by the Division for licenses issued on a triennial basis.

**Table 2. Summary of Revenues and Expenditures by Agency by Fund**

Agency Name	Fund Code	Revenues	Expenditures	Revenues Over (Under) Expenditures
<b>Biennial Renewal Cycle, FY 2022-FY 2023</b>				
Board of Nursing <sup>4</sup>	<b>Total</b>	<b>\$29,540,575</b>	<b>\$26,106,066</b>	<b>\$3,434,509</b>
	4K90	\$29,358,304	\$23,080,066	\$6,278,238
	5AC0	\$182,272	\$3,026,000	-\$2,843,728
State Board of Pharmacy <sup>5</sup>	<b>Total</b>	<b>\$67,891,502</b>	<b>\$36,371,460</b>	<b>\$31,520,042</b>
	4K90	\$26,064,974	\$24,576,963	\$1,488,011
	5SY0	\$39,382,641	\$6,487,558	\$32,895,083
	3HD0	\$2,207,485	\$2,242,914	-\$35,429
	5SG0	\$84,951	\$84,950	\$1
	4A50	\$151,452	\$292	\$151,160
	3HH0	\$0	\$2,978,784	-\$2,978,784
Occupational Therapy, Physical Therapy, and Athletic Trainers Board	4K90	\$2,904,827	\$2,405,770	\$499,058
State Medical Board	5C60	\$24,611,981	\$23,788,060	\$823,921
Counselor, Social Worker, and Marriage and Family Therapist Board	4K90	\$4,678,404	\$3,643,531	\$1,034,872
Ohio State Dental Board	4K90	\$4,120,210	\$3,322,260	\$797,949
State Speech and Hearing Professionals Board	4K90	\$1,631,496	\$1,313,220	\$318,276
Motor Vehicle Dealer Licensing Board (Public Safety)	5390	\$429,482	\$29,494	\$399,988
State Board of Registration for Professional Engineers and Surveyors	4K90	\$2,574,689	\$2,205,567	\$369,122
Architects Board and the Ohio Landscape Architects Board	4K90	\$1,556,896	\$1,284,737	\$272,159
Veterinary Medical Licensing Board <sup>3</sup>	<b>Total</b>	<b>\$1,327,382</b>	<b>\$841,347</b>	<b>\$486,035</b>
	4K90	\$1,280,092	\$831,347	\$448,745
	5BU0	\$47,290	\$10,000	\$37,290
Chemical Dependency Professionals Board	4K90	\$1,677,844	\$1,662,917	\$14,927

**Table 2. Summary of Revenues and Expenditures by Agency by Fund**

Agency Name	Fund Code	Revenues	Expenditures	Revenues Over (Under) Expenditures
State Cosmetology and Barber Board	4K90	\$13,825,725	\$10,978,207	\$2,847,519
State Chiropractic Board	4K90	\$1,430,360	\$1,068,281	\$362,079
State Board of Psychology	4K90	\$1,713,724	\$1,331,144	\$382,580
Manufactured Homes Program (Commerce)	5SU0	\$421,280	\$356,065	\$65,215
Motor Vehicle Salvage Dealers Licensing Board (Public Safety) <sup>3</sup>	5TM0	\$52,783	\$670	\$52,113
Auctioneers Program (Agriculture)	<b>Total</b>	<b>\$582,610</b>	<b>\$386,040</b>	<b>\$195,570</b>
	4D20	\$53,918	\$30,512	\$23,406
	5B80	\$528,692	\$355,528	\$173,164
State Board of Embalmers and Funeral Directors	4K90	\$1,915,580	\$2,253,259	-\$337,679
X-ray Program (Health) <sup>3</sup>	4700	\$769,781	\$978,056	-\$208,275

<sup>3</sup> Data shown for Fund 5TM0 are estimated. Actual revenue and expenditures for the Motor Vehicle Salvage Dealers Licensing Board under the Department of Public Safety and the Environmental Health Specialist and X-ray programs under the Department of Health are not readily available due to the shared nature of the fund.

<sup>4</sup> Funds 5AC0 and 5BU0 are used by the Board of Nursing and the Veterinary Medical Licensing Board, respectively, to support educational grants and loans. Ten dollars of each renewal fee issued by these boards is transferred into the respective funds from Fund 4K90.

<sup>5</sup> The State Board of Pharmacy has a number of funds that receive grants, holding funds, or special law funds and do not collect license revenue. In addition, funds 3EB0, 3HD0, and 3HH0 are federal funds.

**Triennial Renewal Cycle, FY 2021-FY 2023**

Accountancy Board <sup>6</sup>	<b>Total</b>	<b>\$5,463,559</b>	<b>\$4,738,134</b>	<b>\$725,425</b>
	4K90	\$5,457,009	\$3,686,914	\$1,770,095
	4J80	\$6,550	\$1,051,220	-\$1,044,670
Division of Real Estate and Professional Licensing (Commerce)	5490	\$15,048,017	\$11,359,700	\$3,688,316
Board of Building Standards (Commerce)	5560	\$11,098,771	\$5,296,278	\$5,802,493
Board of Emergency Medical, Fire, and Transportation Services (Public Safety) <sup>7</sup>	83M0	\$12,543,531	\$17,584,749	-\$5,041,218

<sup>6</sup> Fund 4J80 is used by the Accountancy Board to support educational grants and loans. Ten dollars of each license renewal fee issued by these boards is transferred into Fund 4U80 from Fund 4K90.

<sup>7</sup> Fund 83M0 includes some grant-related expenditures for emergency medical services organizations, in addition to licensure activities.