

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 2024 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 24 funds at the close of FY 2024.¹ 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, 2023, the first day of FY 2024, the 24 funds had a combined cash balance of \$209.2 million. During FY 2024, a total of \$149.5 million in receipts (including transfers) were deposited into the funds and a total of \$110.9 million in expenditures (including transfers) were paid out of the funds. As of June 30, 2024, the last day of FY 2024, these 24 funds had a combined cash balance of \$247.8 million and outstanding encumbrances of just under \$5.3 million, leaving the funds with a combined, unobligated cash balance of about \$242.5 million. Twenty of the funds finished FY 2024 with positive unobligated cash balances. Three funds, the Real Estate Education and Research Fund (Fund 5470), the Manufactured Homes Regulatory Fund (Fund 5SU0), and Real Estate Home Inspector Operating Fund (Fund 5VC0) finished FY 2024 with zero balances as a result of fund consolidation under H.B. 33 of the 135th General Assembly, the main operating budget for the FY 2024-FY 2025 biennium. Under H.B. 33, balances remaining in those three funds were transferred to the Division of Real Estate Operating Fund (Fund 5490).

Occupational Licensing and Regulatory Fund

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 2024 with a cash balance of approximately \$46.8 million, an increase of approximately \$8.4 million (21.8%) from the beginning cash balance of \$38.4 million. The fund had year-end encumbrances of approximately \$3.1 million, leaving a year-end unencumbered balance of almost \$43.6 million.²

Fund 4K90 receipts totaled about \$60.1 million in FY 2024, an increase of \$12.0 million (24.9%) when compared to FY 2023 receipts of \$48.1 million. Fund 4K90 expenditures and

¹ 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, the Pharmacy Federal Grants Fund (Fund 3HD0), and the OARRS Integration HITECH Fund (Fund 3HH0).

² 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.

transfers out for FY 2024 totaled \$51.8 million, or \$7.3 million (16.4%) more than FY 2023 expenditures of \$44.5 million. A portion of the increased spending is likely due to a change in the funding structure for the state's eLicensing system under H.B. 33. The state's eLicensing system is used by 23 state agencies, boards, and commissions to store various professional licensing records. Previously it was supported by funding from the Professionals Licensing Fund (Fund 5JQ0) under the Department of Administrative Services (DAS) budget. Fund 5JQ0 received revenue from billings to licensing boards and commissions that use the system. Under H.B. 33, Fund 5JQ0 was abolished and eLicensing costs were instead directed to be paid by DAS directly from Fund 4K90.

Table 1. Simplified Cash Balance Statement for Funds Used by Occupational Licensing and Regulatory Boards and Commissions, FY 2024

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	\$69,115,330	\$21,868,794	\$8,346,355	\$82,637,768	\$0	\$82,637,768
Medical Marijuana Control Program Fund	5SY0	\$56,551,008	\$22,469,761	\$13,186,351	\$65,834,418	\$174,864	\$65,659,554
Occupational Licensing and Regulatory Fund	4K90	\$38,424,662	\$60,127,022	\$51,782,880	\$46,768,804	\$3,147,915	\$43,620,890
Consumer Finance Fund	5530	\$14,789,256	\$6,522,599	\$4,826,154	\$16,485,701	\$0	\$16,485,701
State Medical Board Operating Fund	5C60	\$7,542,601	\$13,476,708	\$12,947,059	\$8,072,250	\$421,641	\$7,650,609
Investor Education and Enforcement Expense Fund	5GK0	\$3,933,551	\$295,187	\$587,138	\$3,641,601	\$143,757	\$3,497,844
Division of Real Estate Operating Fund	5490	\$6,076,491	\$9,253,879	\$6,322,773	\$9,007,597	\$0	\$9,007,597
Private Investigator and Security Guard Provider Fund	5B90	\$2,826,689	\$1,772,024	\$1,880,394	\$2,718,319	\$33,784	\$2,684,535
Trauma and Emergency Medical Services Fund	83M0	\$802,069	\$3,693,561	\$2,243,276	\$2,252,353	\$552,002	\$1,700,351
Real Estate Recovery Fund	5480	\$1,415,710	\$55,052	\$0	\$1,470,762	\$0	\$1,470,762
Real Estate Appraiser Recovery Fund	4B20	\$1,144,799	\$25,862	\$0	\$1,170,661	\$0	\$1,170,661
Nurse Education Grant Program Fund	5AC0	\$36,680	\$2,397,702	\$1,183,596	\$1,250,786	\$0	\$1,250,786
Real Estate Education and Research Fund*	5470	\$1,111,448	\$0	\$1,111,448	\$0	\$0	\$0
Real Estate Appraiser Operating Fund*	6A40	\$862,915	\$380	\$863,295	\$0	\$0	\$0
Motor Vehicle Dealers Board Fund	5390	\$977,475	\$246,348	\$7,589	\$1,216,234	\$0	\$1,216,234
Auctioneers Fund	5B80	\$657,062	\$243,390	\$209,107	\$691,344	\$61	\$691,284
Manufactured Homes Regulatory Fund*	5SU0	\$699,222	\$0	\$699,222	\$0	\$0	\$0
CPA Education Assistance Fund	4J80	\$349,593	\$296,541	\$483,466	\$162,668	\$0	\$162,668
Board of Pharmacy Drug Law Enforcement Fund	4A50	\$628,063	\$13,286	\$150	\$641,199	\$7,500	\$633,699
Board of Executives of Long-Term Services and Supports Fund	5MT0	\$188,080	\$827,771	\$690,558	\$325,293	\$5,985	\$319,308
Auction Education Fund	4D20	\$345,111	\$30,872	\$50,092	\$325,891	\$500	\$325,391
Drug Database Fund	5SG0	\$105,000	\$5,842,677	\$2,962,713	\$2,984,964	\$791,026	\$2,193,938
Veterinary Student Loan Program Fund	5BU0	\$66,778	\$47,450	\$0	\$114,228	\$20,000	\$94,228
Real Estate Home Inspector Operating Fund*	5VC0	\$553,459	\$0	\$553,549	\$0	\$0	\$0
Total		\$209,203,142	\$149,506,866	\$110,937,166	\$247,772,842	\$5,299,035	\$242,473,807

Data Source: The Ohio Administrative Knowledge System

*These funds were consolidated under H.B. 33 of the 135th General Assembly. The bill required the OBM Director to transfer the balances of these funds to the Division of Real Estate Operating Fund (Fund 5490).

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.³

Nearly all of the revenue received by the boards and commissions covered in this report comes from license fees.⁴ 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 2023-FY 2024 period. Likewise, for boards and commissions issuing on a triennial basis, the table lists revenue and expenditure data over the FY 2022-FY 2024 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.

³ 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).

⁴ 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
Annual Renewal Cycle, FY 2024				
Division of Securities (Commerce)	Total	\$22,150,804	\$8,933,493	\$13,217,311
	5500	\$21,855,617	\$8,346,355	\$13,509,262
	5GK0	\$295,187	\$587,138	\$291,951
Manufactured Homes Program (Commerce) ¹	5560	\$910,349	\$619,827	\$290,522
Division of Industrial Compliance (Commerce)	5560	\$28,612,732	\$29,684,630	-\$1,071,898
Ohio Construction Industry Licensing Board (Commerce)	5560	\$996,053	\$799,499	\$196,554
Division of Financial Institutions (Commerce)	5530	\$6,522,599	\$4,826,154	\$1,696,445
Division of Real Estate and Professional Licensing (Commerce) ²	Total	\$6,107,067	\$6,322,723	-\$215,656
	5480	\$55,052	\$0	\$55,052
	5470	\$0	\$0	\$0
	4B20	\$25,862	\$0	\$25,862
	6A40	\$380	\$0	\$380
Environmental Health Specialist Registration Program (Health)	4700	\$130,179	\$126,504	\$3,675
Private Investigator and Security Guard Unit (Public Safety)	5B90	\$1,772,024	\$1,880,394	-\$108,370
Board of Executives of Long-Term Services and Supports (Aging)	5MT0	\$827,771	\$690,558	\$137,213
Ohio Athletic Commission	4K90	\$220,373	\$334,103	-\$113,730
Motor Vehicle Repair Board	4K90	\$379,787	\$678,160	-\$298,373
Medical Marijuana Control Program (Commerce)	5SY0	\$21,999,661	\$7,845,229	\$14,154,432

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

² 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
Biennial Renewal Cycle, FY 2023-FY 2024				
Board of Nursing ³	Total	\$32,265,577	\$25,141,957	\$7,123,620
	4K90	\$32,017,645	\$22,445,361	\$9,572,284
	5AC0	\$247,932	\$2,696,596	-\$2,448,664
State Board of Pharmacy ⁴	Total	\$58,395,599	\$37,348,730	\$21,046,869
	4K90	\$25,552,146	\$24,957,392	\$594,754
	5SY0	\$29,461,363	\$4,879,466	\$24,581,897
	3HD0	\$2,756,119	\$2,756,119	\$0
	5SG0	\$516,595	\$2,962,713	-\$2,446,118
	4A50	\$109,376	\$442	\$108,934
	3HH0	\$0	\$1,792,598	-\$1,792,598
Occupational Therapy, Physical Therapy, and Athletic Trainers Board	4K90	\$2,877,455	\$2,381,018	\$496,437
State Medical Board	5C60	\$24,886,811	\$24,640,054	\$246,758
Counselor, Social Worker, and Marriage and Family Therapist Board	4K90	\$4,705,829	\$3,573,212	\$1,132,617
Ohio State Dental Board	4K90	\$4,117,578	\$3,512,444	\$605,134
State Speech and Hearing Professionals Board	4K90	\$1,517,063	\$1,283,638	\$233,425
Motor Vehicle Dealer Licensing Board (Public Safety)	5390	\$415,393	\$17,424	\$397,969
State Board of Registration for Professional Engineers and Surveyors	4K90	\$2,701,835	\$2,195,421	\$506,414
Architects Board and the Ohio Landscape Architects Board	4K90	\$1,542,411	\$1,230,341	\$312,070
Veterinary Medical Licensing Board ³	Total	\$1,339,970	\$805,178	\$534,792
	4K90	\$1,291,310	\$805,178	\$486,132
	5BU0	\$48,660	\$0	\$48,660
Chemical Dependency Professionals Board	4K90	\$1,739,226	\$1,753,179	\$13,953

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	\$12,091,138	\$10,666,273	\$1,424,866
State Chiropractic Board	4K90	\$1,376,690	\$999,210	\$377,480
State Board of Psychology	4K90	\$1,683,679	\$1,289,287	\$394,392
Manufactured Homes Program (Commerce)	5SU0	\$256,179	\$155,900	\$100,279
Motor Vehicle Salvage Dealers Licensing Board (Public Safety)	5TM0	\$0	\$769	-\$769
Auctioneers Program (Agriculture)	Total	\$599,063	\$479,343	\$119,720
	4D20	\$73,106	\$67,854	\$5,252
	5B80	\$525,957	\$411,489	\$114,468
State Board of Embalmers and Funeral Directors	4K90	\$1,696,166	\$2,152,418	-\$456,252
X-ray Program (Health)	4700	\$5,942,387	\$6,315,663	-\$373,276
State Vision Professionals Board	4K90	\$1,623,250	\$1,564,693	\$58,557

³ 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.

⁴ 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 3HD0 and 3HH0 are federal funds.

Triennial Renewal Cycle, FY 2022-FY 2024

Accountancy Board ⁵	Total	\$5,619,131	\$4,992,202	\$626,929
	4K90	\$5,608,100	\$3,762,138	\$1,845,961
	4J80	\$11,031	\$1,230,064	-\$1,219,033
Division of Real Estate and Professional Licensing (Commerce)	5490	\$16,277,018	\$14,391,681	\$1,885,337
Board of Building Standards (Commerce)	5560	\$11,372,501	\$4,625,069	\$6,747,432
Board of Emergency Medical, Fire, and Transportation Services (Public Safety) ⁶	83M0	\$11,758,860	\$13,563,862	-\$1,805,001

⁵ 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.

⁶ Fund 83M0 includes some grant-related expenditures for emergency medical services organizations, in addition to licensure activities.