

# Redbook

## LBO Analysis of Executive Budget Proposal

### Architects Board

Shaina Morris, Legislative Fellow  
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# LBO Redbook

## Architects Board

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### Quick look...

- The Ohio Architects Board and Ohio Landscape Architects Board operate under a combined budget, and are supported entirely by fees paid by licensees. The boards receive no GRF funding.
- Together the two boards license about 6,400 architects, 1,400 architecture firms, 660 landscape architects, and 160 landscape architecture firms.
- Each board is governed by five members appointed by the Governor.
- The executive budget proposes \$638,661 in FY 2020 and \$646,294 in FY 2021.
  - The increase in appropriation is recommended due to increasing costs for payroll, eLicensing, and other DAS charges.
  - Uses of the budget are: 74.5% for personal services, 20.9% for supplies and maintenance, and 4.7% for purchased personal services and other expenses.

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
<b>Fund 4K90 ALI 891609, Operating</b>					
\$512,880	\$507,963	\$572,245	\$609,381	\$638,661	\$646,294
% change	-1.0%	12.7%	6.5%	4.8%	1.2%

### Agency overview

The Ohio Architects Board and the Ohio Landscape Architects Board are two boards that operate under a combined budget and share staff and facilities. Each board consists of five members appointed by the Governor. For the Architects Board, all five members must be architects who have been in active practice in Ohio for at least ten years. For the Landscape Architects Board, three members must be landscape architects registered with the state for at least five years, one must be a licensed design professional, and one must represent the public. For the purpose of this report, the two boards together are referred to as ARC. The day-to-day operations of ARC are handled by a staff of four employees, led by an executive director. ARC receives no GRF funding, but is supported entirely by fees that are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). ARC oversees approximately 6,400 architects and 660 landscape architects.

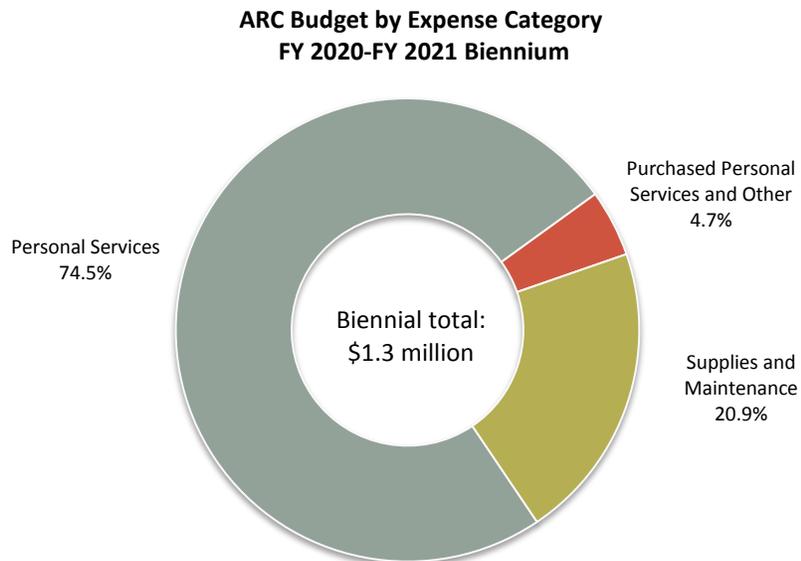
## Analysis of FY 2020-FY 2021 budget proposal

### Overview

ARC is funded by a single appropriation item within Fund 4K90: appropriation item 891609, Operating. The executive budget proposes to increase funding for this appropriation by \$29,230 (4.8%) in FY 2020 and \$7,683 (1.2%) in FY 2021. This increased funding will allow ARC to continue providing the same level of services while paying for increasing DAS charges, including eLicensing costs.

### Executive recommendations by expense category

The chart below shows the \$1.3 million proposed budget for the biennium by expense category. As shown, the personal services category accounts for the largest share of ARC's budget at 74.5%. This category provides wages and benefits for ARC's full-time staff. The next largest category for ARC is supplies and maintenance totaling 20.9% of the budget. This category includes rent, information technology, and other services provided by DAS. Purchased personal services and other expenses account for 4.7% of ARC's budget.



### Revenue and license statistics

As stated previously, ARC does not receive any GRF funding. The Board receives all of its funding from fees. Such fees include biennial renewals and certificates of authorization which require annual renewal. Table 1 below shows each type of credential issued by the boards and the current fees. ARC does not expect any fee changes during the FY 2020-FY 2021 biennium.

<b>License Type</b>	<b>Fee</b>
Individual Registration – Examination	\$50
Individual Registration – Renewal	\$125
Individual Registration by Reciprocity	\$250
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). Many occupational licensing and regulatory boards and commissions, including ARC, use Fund 4K90 as an operating account to support their regulatory operations. Table 2 below shows ARC's operating and revenue expenditure history from FY 2013 to FY 2018. ARC issues licenses on a biennial renewal cycle. Revenue collected during even-numbered years is able to cover the deficit that happens during odd-numbered fiscal years when much less revenue is received. For each of the three biennia shown in Table 2, ARC's revenues have exceeded expenditures. For example, in the FY 2017-FY 2018 biennium, ARC's total revenues of \$1.4 million exceeded expenditures of \$1.1 million by almost \$400,000.

	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Revenue	\$276,291	\$1,125,324	\$291,694	\$1,027,311	\$350,738	\$1,089,211
Expenses	\$453,281	\$475,222	\$481,551	\$512,879	\$507,963	\$572,245
Net	-\$176,990	\$650,102	-\$189,856	\$514,431	-\$157,224	\$516,966

Table 3 shows the number of licenses issued by ARC that were active for the last three fiscal years. Although there was a drop in the total number of licenses in FY 2018, that drop followed an increase in FY 2017, so that over the two-year cycle from FY 2016 to FY 2018, all types of licenses have increased.

<b>Table 3. Active Licenses by Type, FY 2016-FY 2018</b>					
<b>License Type</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>Percent Change</b>	<b>FY 2018</b>	<b>Percent Change</b>
<b>Architecture</b>					
Individuals	6,281	6,590	4.9%	6,430	-2.4%
Firms	1,247	1,649	32.2%	1,386	-15.9%
<b>Landscape Architecture</b>					
Individuals	649	666	2.6%	660	-0.9%
Firms	129	164	27.1%	165	0.6%