

# Redbook

## LBO Analysis of Executive Budget Proposal

### State Board of Registration for Professional Engineers and Surveyors

Shaina Morris, Legislative Fellow  
March 2019

#### TABLE OF CONTENTS

Quick look.....	1
Agency overview .....	1
Analysis of FY 2020-FY 2021 budget proposal.....	2
Overview .....	2
Executive recommendations by expense category .....	2
Fee revenue .....	3
Licenses and investigation and enforcement statistics .....	4

# LBO Redbook

## State Board of Registration for Professional Engineers and Surveyors

---

### Quick look...

- The State Board of Registration for Professional Engineers and Surveyors (ENG) is entirely supported by licensing and application fees. The Board receives no GRF funding.
- ENG licenses nearly 28,000 engineers and surveyors, and nearly 2,800 engineering and surveying firms.
- The Board consists of five members appointed by the Governor, including four professional engineers and one professional surveyor.
- The executive budget recommends an increase of \$24,653 (2.0%) in FY 2020 and \$49,108 (3.9%) in FY 2021.
  - The additional funding is recommended to cover increasing costs for payroll and maintenance, including the eLicense database.
  - Uses of the budget are: 67.1% for personal services, 28.9% for supplies and maintenance, 3.8% for purchased personal services, and 0.3% for equipment and other costs.

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
<b>Fund 4K90 ALI 892609, Operating Expenses</b>					
\$891,147	\$805,824	\$909,753	\$1,238,498	\$1,263,151	\$1,312,259
% change	-9.6%	12.9%	36.1%	2.0%	3.9%

### Agency overview

The State Board of Registration for Professional Engineers and Surveyors (ENG) licenses nearly 28,000 professional engineers and professional surveyors and nearly 2,800 engineering and surveying firms. The Board consists of five members appointed by the Governor, including four professional engineers (one of whom is also a professional surveyor) and one professional surveyor. The day-to-day operations of ENG are handled by a staff of nine full-time employees led by an executive director. ENG is currently operating with one open vacancy on its staff. ENG receives no GRF funding, but is supported entirely by fees that are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90).

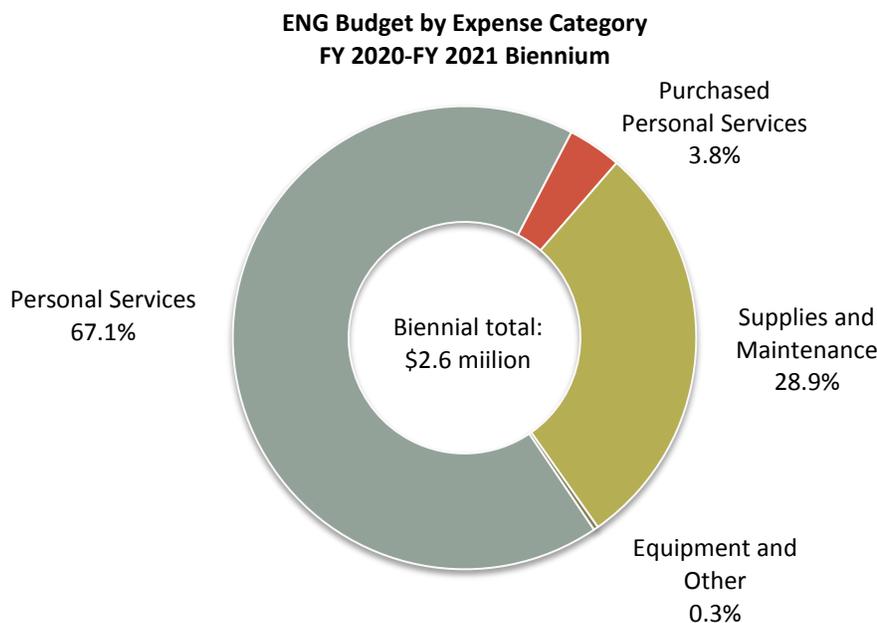
# Analysis of FY 2020-FY 2021 budget proposal

## Overview

ENG is funded by a single appropriation item within Fund 4K90, appropriation item 892609, Operating Expenses. The preceding table shows ENG's actual expenditures from FY 2016 through FY 2018, original appropriation for FY 2019, and recommended appropriation for FY 2020 and FY 2021. The increases in FY 2018 and FY 2019 are in both payroll and supplies and maintenance costs. These costs are expected to continue to increase over the next biennium due to the general wage increase for state employees, rising healthcare costs, and increases in the costs of services provided by the Department of Administrative Services (DAS), including costs related to the new eLicense database system. ENG also anticipates an increase in costs related to investigating and hearing cases of noncompliance with continuing professional development requirements for engineers and surveyors.

## Executive recommendations by expense category

The chart below shows the \$2.6 million proposed budget for the biennium by expense category. As shown, the personal services category accounts for the largest share of ENG's budget at 67.1%. This category provides the wages and benefits for ENG's staff as well as stipends for ENG's board members. The Board typically meets eight to ten times per year. The next largest expenditure category for ENG is supplies and maintenance totaling 28.9% of the budget. This category includes rent and information technology and other services provided by DAS, as well as reimbursements for travel and other necessary expenses. Purchased personal services accounts for 3.7% of ENG's budget. The remaining 0.3% of the budget is to be expended for equipment and other costs.



## Fee revenue

As stated previously, ENG does not receive any GRF funding. The Board receives all of its funding from application fees, renewal fees, exam fees, and fines and late fees. Table 1 below shows the current fees charged by ENG.

License Type	Fee
Exam Fee – Fundamentals of Engineering (FE)/Fundamentals of Surveying	\$25
Exam Fee – Principles and Practice of Engineering (PE) and Surveying (PS)	\$75
Registration Fee for Engineers and Surveyors passing PE and PS exam	\$50
Professional Engineer/Professional Surveyor Biennial Renewal	\$40
Late Fee (Individual Renewal)	\$20
Firm Certificate of Authorization Application Fee	\$50
Firm Certificate of Authorization Biennial Renewal Fee	\$50
License Verification Request Fee	\$24
Standard or NCEES Professional Surveyor Comity Application*	\$455
Standard or NCEES Professional Engineer Comity Application*	\$415

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

Fees collected by ENG are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). Many occupational licensing and regulatory boards and commissions, including ENG, use Fund 4K90 as an operating account to support their regulatory operations. Table 2 below shows ENG's operating and revenue expenditure history from FY 2013 to FY 2018. As can be seen in the table, ENG's biennial renewal cycle results in revenue fluctuations between odd and even numbered fiscal years. 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, ENG's revenues have exceeded expenditures. For example, in the FY 2017-FY 2018 biennium, ENG's total revenues of \$2.3 million exceeded expenditures of \$1.7 million by about \$600,000.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenue	\$599,994	\$1,743,233	\$633,917	\$1,735,126	\$586,641	\$1,712,990
Expenses	\$833,890	\$879,651	\$814,268	\$891,147	\$805,823	\$909,754
Net	-\$233,896	\$863,582	-\$180,351	\$843,979	-\$219,182	\$803,236

## Licenses and investigation and enforcement statistics

Table 3 shows the number of active licenses issued by ENG as of the end of FY 2017 and FY 2018. Beginning in FY 2018, ENG discontinued the dual Professional Engineer/Professional Surveyor license, instead these individuals receive two separate licenses.

License Type	FY 2017	FY 2018	Percent Change
Professional Engineer	26,500	26,086	-1.6%
Professional Surveyor	1,283	1,822	42.0%
Dual Registration	642	0	-100.0%
Firm	2,912	2,791	-4.2%
<b>Total</b>	<b>31,337</b>	<b>30,699</b>	<b>-2.0%</b>

In addition to issuing licenses, ENG has the responsibility of investigating complaints and alleged violations of Chapter 4733. of the Revised Code, the statute governing the engineering and surveying professions. Table 4 shows the history of those investigations from FY 2014 to FY 2018. The Board investigates between 80 and 120 complaints each fiscal year and follows through with disciplinary action if substantiated. The Board ensures that only properly licensed individuals and companies are engaged in the practice of engineering and surveying consistent with the Ohio Revised Code and Administrative Code.

Enforcement Action	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Complaints Investigated	113	93	82	157	120
Complaints Closed	79	67	57	48	71
Formal Investigations Opened	48	38	18	85	59
Formal Investigations Closed	48	33	22	67	60