

## Department of Planning and Budget 2019 Fiscal Impact Statement

**1. Bill Number:** HB2028

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Campbell, R.R.

**3. Committee:** Rules

**4. Title:** Legislation increasing or beginning regulation of an occupation; evaluation required.

**5. Summary:** Provides that when any legislative bill requiring the Department of Professional and Occupational Regulation to increase or begin regulation of an occupation is filed during any session of the General Assembly, the Board for Professional and Occupational Regulation shall prepare an evaluation of the legislation using criteria outlined in current law that the Board is required to use whenever the Board determines that a particular occupation should be regulated or that a different degree of regulation should be imposed on a currently regulated occupation.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary. See Item 8.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2019	\$0	0	n/a
2020	\$133,926	1.0	NGF
2021	\$131,723	1.0	NGF
2022	\$131,723	1.0	NGF
2023	\$131,723	1.0	NGF
2024	\$131,723	1.0	NGF
2025	\$131,723	1.0	NGF

**8. Fiscal Implications:** It is anticipated that the Department of Professional and Occupational Regulation (DPOR) will need to hire one position and conduct additional board meetings in order to implement the provisions of this bill. However, the estimated costs of doing so can be absorbed within current appropriations.

This bill increases the administrative responsibilities of the Department of Professional and Occupational Regulation (DPOR) by requiring the Board for Professional and Occupational Regulation (the Board) to prepare an evaluation of any legislation that increases or begins regulation of an occupation that is or will be under the responsibility of DPOR. DPOR staff would be required to complete extensive research, collect data, and prepare a report for the

Board to consider, adopt, and issue the final evaluation. The Board will then forward the reports to the Clerk of the House of Delegates for transmittal to each patron of the legislation and to the chairman of each committee of the General Assembly.

One classified Policy Planning Specialist is needed to complete extensive research, collect data, and prepare evaluation reports for Board review and approval. The cost of salary and benefits for the position is expected to be \$110,326 in FY 2020 (assuming 23 pay periods) and \$115,123 annually beginning in FY 2021. This is a recurring cost that will continue into future years. DPOR will need to purchase furniture and equipment for the new position at an estimated cost of \$7,000. This is a one-time expenditure that will not continue into future years. Other operating costs beginning in FY 2020 and recurring in future years include telephone, employee development, computer operating support, and supplies. These costs are estimated at \$16,600 each year.

The Board is anticipated to conduct at least two additional meetings annually. Currently, the Board meets on an as-needed basis during the calendar year. In order to implement the provisions of this bill, DPOR anticipates that the Board would need to meet at least twice during the legislative session to analyze and evaluate any new programs proposed by the General Assembly, and more frequently during the interim to conduct any follow-up study responsibilities. It is anticipated that DPOR can absorb these costs within existing appropriations.

The Division of Legislative Services indicates that it can absorb any costs associated with implementing the provisions of this bill.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Professional and Occupational Regulation; all departments; agencies; Division of Legislative Services.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** In October 2018, the Joint Legislative Audit and Review Commission (JLARC) reviewed DPOR's operations and performance. In its report, JLARC recommended that the General Assembly consider amending the Code to require that any proposed legislation to increase or begin regulation of an occupation under DPOR must be first evaluated by the Board of Professional and Occupation Regulation using criteria outlined in current law. Additionally, JLARC recommended the establishment of one or more positions that would be responsible for the following agency-wide duties: (i) coordinate and assist in the development of agency regulations; (ii) coordinate agency legislative efforts; (iii) lead agency communications with external parties; and (iv) serve as staff to the Board for Professional and Occupational Regulation.