

## Department of Planning and Budget 2020 Fiscal Impact Statement

**1. Bill Number:** HB982

House of Origin	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

**2. Patron:** Webert

**3. Committee:** General Laws

**4. Title:** Professions and occupations; licensure by endorsement.

**5. Summary:** Establishes criteria for an individual licensed, certified, or having work experience in another state, the District of Columbia, or any territory or possession of the United States to apply to a regulatory board within the Department of Professional and Occupational Regulation or the Department of Health Professions and be issued an occupational license or government certification if certain conditions are met.

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

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

**8. Fiscal Implications:** The fiscal impact of this bill is indeterminate.

Department of Professional and Occupational Regulation:

This bill would increase the administrative and regulatory responsibilities of the Department of Professional and Occupational Regulation (DPOR). The bill requires a written decision on endorsement license and certification applications within 60 days. In order to comply with this timeframe, most boards will be required to hold additional meetings to review and approve applications that require an informal fact finding conference (IFF). Additional classified band 4 Hearing and Legal Services Officer positions may be required to prepare for IFFs and conduct the hearings in order to meet the 60 day time constraint. The number of positions required and the related costs are indeterminate at this time.

The bill also sets a \$100 limit to the endorsement application fee. Currently, fees are set in regulation and there are at least 12 professions or occupations within five boards that have endorsement application fees higher than \$100 in regulation. Fees for other application types within the five boards are adversely affected and would need to be increased to ensure revenue is sufficient to cover expenditures of the boards, in accordance with the provisions of § 54.1-113, Code of Virginia. Net impact to revenue is indeterminate at this time.

Department of Health Professions:

This bill would result in a reduction in revenue for many of the health regulatory boards at the Department of Health Professions (DHP). Currently, the application fee includes not only the costs related to review and processing of an application, but also one to two years of

initial licensure. That one-step process facilitates licensing, so once an application is approved, the license is automatically issued. The limitation of \$100 for an application for licensure by endorsement will reduce revenue and require an increase in fees for all other applicants and licensees. For example, the Board of Nursing would have approximately \$360,000 less revenue per year and the Board of Dentistry approximately \$46,000 less revenue per year.

Two provisions of the bill will necessitate an increase in costs, which will also likely lead to the need to raise fees for all persons regulated by boards at DHP. First, the requirement to license applicants with "government certification" with a "similar scope of practice" will require additional staff review to determine the nature of the certification being presented by the applicant and whether there is a similar scope of practice. The effect of the additional workload is unknown at this time but would likely result in a need for additional FTEs in licensing. Second, the creation of an appeals process that differs from the Administrative Process Act will necessitate additional utilization of board counsel from the Office of the Attorney General. Since an applicant would appeal a licensing decision directly to a district court rather than to a formal hearing before the board, it will be necessary for board counsel to represent a board at such a hearing. It is anticipated that appeals cost from \$25,000 to \$50,000, depending on the complexity and extent of the legal action involved. The effect on board budgets is indeterminate, but for some smaller boards such as the Board of Long-Term Care Administrators, even a few such appeals will necessitate an increase in fees.

**9. Specific Agency or Political Subdivisions Affected:** Department of Professional and Occupational Regulation; Department of Health Professions.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.