

Vermont Legislative Joint Fiscal Office

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FISCAL NOTE

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H.562 Professional Regulation (with current Senate proposals)

This bill transfers the responsibility and the fees for licensing three professions to the Secretary of State's Office of Professional Regulation (OPR) from the Departments of Health and Environmental Conservation. As part of this transition, some of the fees are adjusted in order to align them with other fees for similar professions currently charged at OPR. The loss of fee revenue would have a very minor impact to the respective departments in FY17 and forward, while OPR would stand to gain approximately \$135k annually in special fund revenue from taking over the collection of the fees. The revenue would be used to fund a new position in OPR, which would be established in this bill.

Alcohol and Drug Abuse Counselors

Currently, licensure of drug and alcohol abuse counselors falls within the jurisdiction of the Department of Health (VDH). The bill proposes to transfer licensing authority to the Office of Professional Regulation. The current fee structure, established in 2013 under 26 VSA §3241, would be repealed and would instead reflect fees under 3 VSA §25. Initial registrations would increase to \$100 from the current rate of \$75, an increase of 33%. Biennial renewals would go up to \$200 from the current rate of \$135, an increase of 48%.

Revenues from these fees currently go into a special fund for use by VDH. Under this bill, fee revenues would go into OPR's regulatory special fund in the future. VDH has already planned for this loss of revenue in its FY17 operating budget and so the passage of this bill in its current form would not have any unforeseen fiscal impacts to VDH. OPR would gain approximately \$160k (\$80k average annually) in special fund revenue from initial registrations and biennial renewals.

Potable Water Supply and Wastewater System Designers

Designers of potable water and wastewater systems are currently separated into two classes under the jurisdiction of the Dept. of Environmental Conservation (DEC). Class A licensees and Class B licensees are differentiated by the types of work they are authorized to perform. Class A licensees typically have authority to do more than Class B licensees. Current fees are \$150 for an original Class A application and \$75 for an original Class B application with annual renewals being \$50 for both. Under the OPR fee schedule, both types of license would be charged \$100 for an initial application (a 33% decrease for Class A and a 33% increase for Class B). Renewals would be \$200 every two years, which would be an effective increase of 100% over the current annual renewal fee.

Under this bill, DEC would continue to perform some administrative activities related to regulating this profession while ceding licensing authority to OPR. Losing the revenue stream from licensing fees would have a negligible impact to DEC. OPR would gain approximately \$30k (\$15k average annually) from initial license and biennial renewal fee revenues.

Wastewater System Operators

Operators of wastewater systems are currently regulated by DEC and pay fees set out under 3 VSA §2822(j)(14). Original applications and renewals are each charged \$125 under current law. Renewals are required every 5 years. Under the OPR fee schedule an initial applicant would pay a \$100 fee, which is a 20% decrease over current law, and a renewal applicant would pay a \$200 fee every two years, which is a 300% increase over current law.

(Note: These fees were just increased in the 2015 fee bill from \$110 to \$125)

DEC was already looking to outsource the administration of this licensing program elsewhere and had previously lost a staff position to early retirement and so the fiscal impact to DEC would be minimal. OPR would gain approx. \$80k in new special fund revenue (\$40k annual average), which would be used for the new position.