



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

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## Fiscal Note

May 7, 2025

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### **H.472 – An act relating to professions and occupations regulated by the Office of Professional Regulation**

**As recommended by the Senate Committee on Government Operations<sup>1,i</sup>**

#### **Bill Summary**

**T**his bill would amend various provisions governing professions and occupations regulated by the Secretary of State's Office of Professional Regulation (OPR), including:

- Changing the scope and amounts of various professional licensure fees and adding various new fee types;
- Requiring cosmetologists to be trained in the care of textured hair;
- Requiring licensed nursing assistants to take a competency exam after their license has lapsed for a period of not more than five years;
- Removing motor vehicle racing from the regulatory authority of OPR;
- Creating a position of Executive Officer for the Regulation of Mental Health Professions, funded with a \$170,000 General Fund appropriation; and
- Requiring OPR to submit proposed legislation for the regulation of massage therapy establishments.

As recommended by the Senate Committee on Government Operations, the bill would also create a new licensure system for early childhood educators serving in programs regulated by the Department for Children and Families' Child Development Division (DCF-CDD). The bill would establish a Board of Early Childhood Educators, set a fee schedule for licensure, authorize the creation of five permanent, full-time positions, and make appropriations.

#### **Fiscal Impact**

- The miscellaneous fee and regulation changes in Sections 2 and 9 are expected to increase revenue to the Professional Regulation Fund by approximately \$220,000 annually.
- Section 12 would appropriate \$170,000 from the General Fund to OPR in fiscal year 2026 to fund a permanent, full-time exempt Executive Officer for the Regulation of Mental Health Professions. The cost of this position is expected to shift to the Professional Regulation Fund in future budget cycles.

**To support an early childhood educator licensure system, the bill would appropriate \$432,867 from**

<sup>1</sup> *The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.*

the General Fund in fiscal year 2026 and \$628,867 in fiscal year 2027 and create five new permanent, full-time positions in OPR.

- Section 18 would establish and fund five full-time, permanent positions in OPR to administer early childhood educator licensure. Two permanent, full-time positions would be established in fiscal year 2026 and funded by a \$262,000 General Fund appropriation in fiscal year 2026. Three additional positions would be established in fiscal year 2027, and all five positions would be funded by a \$628,867 appropriation in fiscal year 2027.
- In addition, Section 18 would “distribute” \$1,400,000 in fiscal year 2027 from the Child Care Financial Assistance program to OPR for the first licensure and licensure renewal fees for early childhood educators serving in programs regulated by the Child Development Division.
- The licensure fees for early childhood educators are expected to increase revenue to the Professional Regulation Fund by approximately \$1.03 million to \$1.35 million, beginning in fiscal year 2028 and primarily occurring biennially.
- The five positions required to administer the early childhood educator licensure system would have an annualized cost of approximately \$630,000 to the Professional Regulation Fund in future years.

## Background and Details

The following sections of the bill have a fiscal impact:

### Miscellaneous Fee and Regulation Changes

According to data from OPR, various fee and regulation changes effective July 1, 2025 would increase revenue for the Professional Regulation Fund by approximately \$220,000 annually. These changes include:

- Increasing verification of license fees from \$20 to \$30. These fees are typically paid when licensees seek licensure in other states or are providing verification to employers.
- Reinstating the \$200 electrology shop fee in statute. This fee previously existed in Title 26 but was inadvertently removed in a prior bill.
- Creating three fees:
  - \$50 apprenticeship application fee;
  - \$100 specialty or endorsement to existing license application fee; and
  - \$250 disciplinary action surcharge.
- Ending OPR regulation of motor vehicle racing, which would also end the collection of related event permit fees.

The fee increase for peer support providers or peer recovery support specialists (from \$50 to \$75) is estimated to provide a minimal increase in fee revenues for OPR starting in fiscal year 2028.

In addition to these estimated impacts, there are certain changes that the Joint Fiscal Office (JFO) does not or is not able to estimate. JFO does not typically estimate revenue from changes to fines or penalties, such as the increased penalty for unauthorized practice (from \$2,500 to \$5,000) proposed in Section 5 or the \$250 disciplinary action surcharge proposed in Section 6. In addition, language in Section 1 authorizing the Secretary of State to collect fees for optional services, such as data subscriptions, would generate additional revenue for the Secretary of State Services Fund that cannot be forecasted, as those fees would be determined on a case-by-case basis depending on the scope of the services provided.

The table below summarizes the fiscal impact of the proposed changes in fiscal years 2026 and 2027.

Fee Renewal	Current	Proposed	Number of	Fiscal Year	Fiscal Year
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	Period	Fee	Fee	Units	2026 Change in Revenue	2027 Change in Revenue
Verification of License	-	\$20	\$30	2,000	\$20,000	\$20,000
Electrology Shop	Biennial	-	\$200	15	-	\$3,000
Apprenticeship Application	Annual	-	\$150	50	\$7,500	\$7,500
Specialty Endorsement to Existing License Application	Annual	-	100	2,000	\$200,000	\$200,000
Motor Vehicle Racing	Annual; Biennial	Various	-	-	(\$2,000)	(\$14,000)
<b>Total Revenue Changes</b>					<b>\$225,500</b>	<b>\$216,500</b>

### Licensure of Early Childhood Educators

Sections 14-17 would create a licensure system for early childhood educators serving in programs regulated by the Child Development Division of the Department for Children and Families.

Section 15 would create the Vermont Board of Early Childhood Educators. The nine members of the Board would be appointed by the Governor for five-year terms:

- Two public members;
- Two individuals licensed as an Early Childhood Educator I;
- Two individuals licensed as an Early Childhood Educator II;
- Two individuals licensed as an Early Childhood Educator III; and
- One Family Child Care Provider.

The Board would have the powers and duties of adopting rules, providing general information to applicants for licensure as early childhood educators, explaining appeal procedures to licensees and applicants and complaint procedures to the public; and using the administrative and legal services provided by OPR. The Board may also conduct hearings as provided in 3 V.S.A. chapter 5.

Per 3 V.S.A. § 129b(f), the nine Board members would be entitled to per diem compensation at a rate provided in 32 V.S.A. § 1010. Per diem and expense reimbursement costs are estimated to be approximately \$1,100 per meeting, a minimal administrative expense.

Section 16 would set forth the general provisions and licensure requirements and establish a fee schedule for license applications. These licensure requirements would take effect on July 1, 2027 (fiscal year 2028).

	Application Fee for Initial License	Biennial Renewal Fee	Estimated Number of Licenses
Early Childhood Educator I	\$125	\$225	730
Early Childhood Educator II	\$175	\$250	730
Early Childhood Educator III	\$225	\$275	3,200
Family Child Care Provider	\$175	\$250	500

OPR has indicated that it anticipates between 5,000 and 7,000 total licensees in this profession. OPR expects to issue approximately 730 ECE I and ECE II licenses (each), 3,200 ECE III licenses, and 500 Family Childhood Home Provider licenses. This would yield between \$1.03 million and \$1.35 million to the Professional Regulation Fund based on the proposed application and renewal fees, respectively. The licenses would be biennial, meaning fee revenues would mainly be collected every other year initially. Revenues might be less cyclically pronounced in the future due to workforce attrition over time.

In testimony,<sup>2</sup> the Secretary of State identified the following resource needs to implement this licensure system.

- Two positions in fiscal year 2026 – an executive officer and staff attorney: \$262,000.
- Three positions in fiscal year 2027 – licensing staff, enforcement staff, and licensing administrator/case manager: \$350,000.
- One-time start-up costs (e.g., information technology, rulemaking, establishment of Board): \$45,000.
- Two cycles of licensure reimbursement: \$1,300,000.

Once the licensure system is in place, costs to administer the system would be funded from the fee revenue that will flow into the Professional Regulation Fund. The annualized cost of the positions to administer the licensure system, once fully implemented, would be approximately \$630,000.

### **Appropriations and Positions**

Section 12 would appropriate \$170,000 from the General Fund to OPR in fiscal year 2026 to fund a newly created permanent, full-time exempt Executive Officer for the Regulation of Mental Health Professions position. OPR has indicated that it expects the cost of this position can be funded by the Professional Regulation Fund in future budget cycles.<sup>3</sup>

Section 18 would appropriate funds to OPR and create five positions related to the licensure of early childhood educators:

#### Fiscal Year 2026:

- Two new permanent, full-time positions:
  - One classified executive officer for the Vermont Board of Early Childhood Educators; and
  - One exempt staff attorney.
- \$262,000 General Fund appropriation to OPR to be used for the licensure of early childhood educators in accordance with the bill.

#### Fiscal Year 2027:

- Three new permanent, full-time positions:
  - One classified licensing staff;
  - One classified enforcement staff; and
  - One classified administrative staff.
- \$627,867 General Fund appropriation to OPR

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<sup>2</sup> Secretary of State Fiscal Year 2026 budget testimony:

<https://legislature.vermont.gov/Documents/2026/Workgroups/Senate%20Appropriations/FY%202026%20Budget/General%20Government/W~Sarah%20Copeland%20Hanzas~SOS%20Budget%20Memo~3-27-2025.pdf>

Secretary of State testimony on S.119 to the Senate Committee on Government Operations, March 21, 2025.

<https://legislature.vermont.gov/Documents/2026/Workgroups/Senate%20Government%20Operations/Bills/S.119/Witness%20Documents/S.119~Sarah%20Copeland%20Hanzas~Written%20Testimony~3-21-2025.pdf>

<sup>3</sup> Memo to Senate Committee on Government Operations from OPR, April 9, 2025:

<https://legislature.vermont.gov/Documents/2026/Workgroups/Senate%20Government%20Operations/Bills/H.472/Witness%20Documents/H.472~Lauren%20Hibbert~Written%20Testimony~4-9-2025.pdf>

The bill would also require \$1,400,000 to be “distributed” from the Child Care Financial Assistance Program to OPR in fiscal year 2027 for the first licensure and licensure renewal fees for early childhood educators serving in programs regulated by DCF-CDD.

	Fiscal Year 2026 Appropriation (General Fund)	Fiscal Year 2027 Appropriation (General Fund)
Sec. 12: 1 permanent, full-time exempt Executive Officer for the Regulation of Mental Health Professions (funded by Professional Regulation Fund in future years)	\$170,000	
Sec. 18: 2 permanent, full-time positions in fiscal year 2026: <ul style="list-style-type: none"> <li>• Executive officer for the VT Board of Early Childhood Educators (classified)</li> <li>• Staff attorney (exempt)</li> </ul>	\$262,000	
Sec. 18: 3 permanent, full-time classified positions in fiscal year 2027: <ul style="list-style-type: none"> <li>• Licensing staff</li> <li>• Enforcement staff</li> <li>• Administrative staff</li> </ul>		\$627,867

The fiscal year 2026 appropriations bill (H.493, Sec. B.1100(aa)) as passed by the Senate includes two one-time appropriations to the Secretary of State totaling \$1,269,891 to support this initiative:

- \$306,210 General Fund for staff and IT costs at OPR; and
- \$963,681 General Fund for fee waivers relating to implementation.

<sup>i</sup> The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.