

# SB 390 Options

**Section 1. Interim study of fees assessed -- governmental agencies -- boards.** (1) The economic affairs interim committee provided for in 5-5-223 shall conduct a study of fees charged by the department of labor and industry to licensing boards as provided under subsection (2).

(2) The study must include but is not limited to reviewing the following:

(a) fees incurred, calculated, or charged by the department of labor and industry that are:

(i) associated with licensing individuals, including initial licensing, reciprocity, and renewal;

(ii) related to compliance, including inspections and audits; and

(iii) related to any legal or enforcement actions;

(b) costs by the department that are:

(i) direct and indirect costs;

(ii) standardized administrative service costs for license verification, duplicate licenses, late penalty renewals, license lists, and other administrative service costs;

(iii) administrative service costs not related to a specific board or program; and

(iv) legal costs;

(c) whether fees for administrative services are commensurate with the costs of the services provided; and

(d) whether the services provided add value to the work of the boards and contribute to public safety.

• *The Department has said the fees charged are based on direct time spent by personnel for each task and direct costs like those for background checks plus a portion of indirect costs that are based on direct-cost time spent.*

- *Officials have said that the standardized breakdown of costs requested in (2)(a) is difficult because boards vary in number of licensees, requirements that must be verified, and related costs. (2)(a) costs are not standard every year.*
- *The Department has provided past budget breakdowns of direct and indirect costs. Estimates for (2)(b)(i) and (iv)*
- *Administrative costs not related to a specific board are charged based on percent of time spent on direct costs.*

**EAIC Goal:** 1) Report on cost findings? 2) Draft bills addressing costs? 3) Other related draft bills?

**EAIC NEXT STEPS:**

?? – More information on costs?

?? – Examination of funding options for boards? Possibly included in this:

- 1) Revise licensing to allow pro-rated fees for less than a full license term?
- 2) Allow semi-annual payments (with license dependent on payment)
- 3) Find alternative sources for paying license fees. For example, allow Boards of Health to include in fee charges for sanitarian jobs a small percentage that could be used to help pay up to one-half (or more) of a sanitarian's licensing fee. Amend 50-2-116, MCA, regarding Boards of Health?)

?? – Addressing 2-15-121 “without approval or control” vs. action supervision

?? – Addressing costs? (See options next page)

## COST OPTIONS

1. **Combine** small, related boards into a bigger board with all entities bearing the costs of licensing. This would possibly reduce the number of executive officers needed at the Business Standards Division. Other benefits might be time-saving in budget development. For example, architects and landscape architects, which operate under a combined board, could be configured to have one budget. Time spent on a budget could be parsed out to all members equally.)

Possible combinations (based on 2013 licensee numbers) and tangentially related fields:

Alternative Health Care Board (135) + Athletic Trainers (145) + Massage Therapy (1,767) + Optometry (275)

Occupational Therapy (451) + Physical Therapy (1,364)

Speech Language Pathologists and Audiologists (649) + Hearing Aid Dispensers (59)

Sanitarians (191) + Professional Engineers and Professional Land Surveyors (671)

Electricians (5,054) + Plumbers (1,627)

Clinical Laboratory Science Practitioners (967) + Radiologic Technologists (1,497) + Respiratory Care Practitioners (580)

Real Estate Appraisers (788) + Realty Regulators (7,065)

2. Limit board-based complaint-filing to X number a year. Now that the Department of Labor and Industry has statutory authority--at the direction of a board--to handle routine complaints, the board-based complaints that drive up screening costs might be limited to egregious cases in which no other complainant is coming forward or an anonymous complaint is egregious enough for the board to act on its own.
3. Provide Department authority for rulemaking in cases in which each board adopts standardized language (as in the military-equivalency rulemaking.)