



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4799 Signed by Governor on May 18, 2018
Author: Howard
Subject: Physical Therapy Licensure Compact
Requestor: House of Representatives
RFA Analyst(s): A. Martin
Impact Date: June 19, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$0	\$0
Other and Federal	See Below	\$0
Full-Time Equivalent Position(s)	1.00	0.00
State Revenue		
General Fund	Undetermined	\$0
Other and Federal	Undetermined	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will increase Other Fund expenditures for the Department of Labor, Licensing and Regulation (LLR) by \$44,063 in FY 2018-19 and \$42,863 each year thereafter for the addition of 1 FTE. Due to several additional factors, total Other Funds expenditures are undetermined.

LLR is authorized to adjust licensure fees biennially to ensure that revenue is sufficient to cover expenses. However, due to the undetermined number of licenses issued and unknown fee structure, the revenue impact on Other Funds is undetermined. Additionally, LLR is required to remit an amount equal to 10 percent of expenditures annually to the General Fund. This will increase General Fund revenue by an undetermined amount.

This bill will have no impact on the General Fund, Other Funds, or Federal Funds for the State Law Enforcement Division (SLED), because it does not materially alter the oversight or regulatory duties of the agency.

Explanation of Fiscal Impact

Signed by Governor on May 18, 2018

State Expenditure

Department of Labor, Licensing and Regulation. This bill allows the state to enter into a multi-state physical therapy licensure compact. This compact will allow physical therapists and physical therapist assistants licensed in a member state to practice in South Carolina. The licensee will not be required to obtain a license from LLR. However, the licensee will be required to adhere to South Carolina laws and regulations regarding the practice of physical

therapy. Previously, LLR did not share reciprocity with any other state, but could endorse a permanent license issued by another state if the applicant met certain qualifications.

This compact establishes a national commission to oversee administration of the compact. The commission will establish and maintain a repository of information on all licensees in member states. LLR is required to participate in this repository by submitting a uniform data set and notifying the commission of any adverse action or investigation of a licensee.

This bill requires LLR to incorporate state and federal criminal record checks into the licensure process. The criminal record check must include the collection of fingerprints. Prior to this bill, such record checks were required for licensure of physical therapists and physical therapist assistants. In addition, fees for record checks are borne by the applicant. Therefore, this portion of the bill will have no impact on the General Fund, Federal Funds, or Other Funds for the agency.

LLR estimates that it will need to hire a Program Assistant to assist with the day-to-day activities associated with licensure and administrative functions directly related to the multi-state compact. The salary and fringe benefits for 1 additional FTE are expected to total \$42,863. The associated non-recurring costs for infrastructure and technological requirements for this position are expected to be \$1,200. Therefore, this bill will increase Other Funds expenditures by \$44,063 in FY 2018-19 and \$42,863 each year thereafter.

This bill includes additional responsibilities that will increase Other Fund expenditures, but we are unable to determine the impact. For instance, the bill allows member states to take adverse action against a licensee's compact privilege. Member states have the authority to issue subpoenas for hearings and investigations that require the attendance of a witness or production of evidence from a remote state. This may require LLR to pay witness fees, travel expenses, mileage, and other fees required by the remote state. Member states also have the authority to recover these costs from the licensee under investigation. The fees associated with these occurrences, as well as their potential recovery, are undetermined.

In addition, the national commission established by this compact is comprised of one delegate from each member state, and meets at least once each calendar year. The annual expenditures are undetermined due to the unknown travel requirements for the delegate. The national commission has the authority to assess annual fees on member states. However, the commission has no plans to levy an assessment now or in the future.

State Law Enforcement Division. This bill requires state and federal criminal record checks for the licensure of physical therapists and physical therapist assistants to include the collection of fingerprints. Such record checks were required for licensure prior to this bill. SLED is responsible for the collection of fingerprints and the submission of record searches to the Federal Bureau of Investigations. SLED indicates that this bill creates no additional duties for the agency. Therefore, this bill will have no impact on the General Fund, Other Funds, or Federal Funds of the agency.

State Revenue

This bill allows physical therapists and physical therapist assistants licensed in a member state to practice in South Carolina without obtaining a license from LLR. Previously, LLR did not share reciprocity with any other state, but could endorse a permanent license in another state. An application fee was required, and an additional fee was required to renew the license on a biennial basis.

This bill allows member states to charge a fee for granting the privilege to practice in their state. LLR has not yet established a fee for compact license applicants. In addition, the number of applicants who will apply for compact licensure is unknown. Therefore, the revenue impact of this bill on Other Funds is undetermined.

Pursuant to Section 40-1-50(D), LLR is required to adjust Other Fund fees biennially to ensure that fee revenue is sufficient, but not excessive, to cover expenses of each respective board. Therefore, the expenditures associated with this bill will be offset by subsequent fee adjustments made to cover any shortfalls in revenue collections associated with the regulation of compact licensure.

The licensure board for physical therapists falls under the Division of Professional and Occupational Licensing. Pursuant to Proviso 81.3 of the FY 2017-18 Appropriations Act, LLR is required to remit annually to the General Fund an amount equal to 10 percent of expenditures. Consequently, this bill will increase General Fund revenue. However, because the total expenditures are unknown, the increase in revenue is undetermined.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director