~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

April 12, 2012

**S. 1395**

Introduced by Senators Lourie, Cleary, Bryant, S. Martin and Knotts

S. Printed 4/12/12--S.

Read the first time March 29, 2012.

**THE COMMITTEE ON MEDICAL AFFAIRS**

To whom was referred a Bill (S. 1395) to amend Section 40-1-50, Code of Laws of South Carolina, 1976, relating to the authority of the Department of Labor, Licensing and Regulation in the, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Section 40‑1‑50(D) of the 1976 Code is amended to read:

“(D) ~~Initial fees~~ All fees for revenue‑funded boards must be ~~established~~ recommended by each board ~~and shall serve as the base for necessary administrative adjustments. Each board, on at least a biennial basis, shall provide the director with a statement of anticipated expenditures, program changes, and other information as may be used in determining fees for the next biennial period~~ and to the general assembly and apply as provided by legislative enactment in the general and permanent law of the state.

~~Fees for revenue‑funded boards must be assessed, collected, and adjusted on behalf of each board by the department in accordance with this article. Fees may be adjusted biennially to ensure that they are sufficient but not excessive to cover expenses including the total of the direct and indirect costs to the State for the operations of each respective board. Fees must be deposited in accounts established for each respective board.~~

~~The following steps must be used in the development and analysis of fee structures:~~

~~(1)~~ ~~Determine current financial position of the program. Each month, the department’s administrative section shall prepare statements reflecting monthly revenue collection activity and related program expenses for each board program. The financial standing of a board program must be reviewed each biennium for boards that renew biennially, annually for boards that renew on an annual basis, and more frequently if indicators evidence a significant financial fluctuation of more than ten percent variance between a program’s revenue and related expenses;~~

~~(2)~~ ~~Project future activity and related costs of the program. By reviewing historical volume information and adjusting trends to reflect changes in the industry, changes in the program, indicators from the board members to the staff, and general economic indicators, project program activity including, but not limited to, renewals and new applicants for the upcoming two to three years. Based on these population projections, forecast program revenues using the current fee structure. With input from the board and the staff, analyze related program direct board costs for the upcoming two to three years, based on historical trends, changes in program requirements, changes to expenditure centers, and changes in staffing requirements. To these direct costs, add the program’s proportionate share of other related costs of the program including, but not limited to, administration of exams, agency administration, and information systems to arrive at the total program cost;~~

~~(3)~~ ~~Determine the projected financial position of the program, propose changes where necessary, and compare the total projected revenue at the current fees to the total projected costs of the program over the next two to three years. If the current fees and the projected program activity do not support the projected program’s expenses, develop alternative fee structures which would ensure the program’s continuing financial stability as required by law;~~

~~(4)~~ ~~Present findings to the director and staff for discussion, revision, evaluation, and adoption. While developing fee analyses, maintain communications with staff and agency management to ensure all necessary factors are evaluated and cost savings, efficiencies, and alternative cost reduction scenarios are pursued. Present fee analyses to board staff and management for discussion and revision where necessary. Propose alternatives to the director for consideration when preparing to adopt proposed fee schedules to achieve a structure sufficient to support the program.~~

~~Fees for a board funded by general appropriations must be set by the General Assembly and deposited into the general fund. All fees are nonrefundable.~~”

SECTION 2. This act takes effect January 1, 2013. /

Renumber sections to conform.

Amend title to conform.

HARVERY S. PEELER, JR. for Committee.

**A** **BILL**

TO AMEND SECTION 40-1-50, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE AUTHORITY OF THE DEPARTMENT OF LABOR, LICENSING AND REGULATION IN THE OVERSIGHT AND ADMINISTRATION OF PROFESSIONAL AND OCCUPATIONAL BOARDS, INCLUDING THE PROCESS WHEREBY THESE BOARDS ESTABLISH FEE SCHEDULES, SO AS TO DELETE THESE PROVISIONS CONCERNING BOARDS ESTABLISHING FEES AND TO REQUIRE THAT ALL SUCH FEES MUST BE ESTABLISHED BY LEGISLATIVE ENACTMENT IN THE GENERAL AND PERMANENT LAW OF THE STATE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 40‑1‑50(D) of the 1976 Code is amended to read:

“(D) Initial fees for revenue‑funded boards must be ~~established~~ recommended by each board ~~and shall serve as the base for necessary administrative adjustments. Each board, on at least a biennial basis, shall provide the director with a statement of anticipated expenditures, program changes, and other information as may be used in determining fees for the next biennial period~~ and to the general assembly and apply as provided by legislative enactment in the general and permanent law of the state.

~~Fees for revenue‑funded boards must be assessed, collected, and adjusted on behalf of each board by the department in accordance with this article. Fees may be adjusted biennially to ensure that they are sufficient but not excessive to cover expenses including the total of the direct and indirect costs to the State for the operations of each respective board. Fees must be deposited in accounts established for each respective board.~~

~~The following steps must be used in the development and analysis of fee structures:~~

~~(1) Determine current financial position of the program. Each month, the department’s administrative section shall prepare statements reflecting monthly revenue collection activity and related program expenses for each board program. The financial standing of a board program must be reviewed each biennium for boards that renew biennially, annually for boards that renew on an annual basis, and more frequently if indicators evidence a significant financial fluctuation of more than ten percent variance between a program’s revenue and related expenses;~~

~~(2) Project future activity and related costs of the program. By reviewing historical volume information and adjusting trends to reflect changes in the industry, changes in the program, indicators from the board members to the staff, and general economic indicators, project program activity including, but not limited to, renewals and new applicants for the upcoming two to three years. Based on these population projections, forecast program revenues using the current fee structure. With input from the board and the staff, analyze related program direct board costs for the upcoming two to three years, based on historical trends, changes in program requirements, changes to expenditure centers, and changes in staffing requirements. To these direct costs, add the program’s proportionate share of other related costs of the program including, but not limited to, administration of exams, agency administration, and information systems to arrive at the total program cost;~~

~~(3) Determine the projected financial position of the program, propose changes where necessary, and compare the total projected revenue at the current fees to the total projected costs of the program over the next two to three years. If the current fees and the projected program activity do not support the projected program’s expenses, develop alternative fee structures which would ensure the program’s continuing financial stability as required by law;~~

~~(4) Present findings to the director and staff for discussion, revision, evaluation, and adoption. While developing fee analyses, maintain communications with staff and agency management to ensure all necessary factors are evaluated and cost savings, efficiencies, and alternative cost reduction scenarios are pursued. Present fee analyses to board staff and management for discussion and revision where necessary. Propose alternatives to the director for consideration when preparing to adopt proposed fee schedules to achieve a structure sufficient to support the program.~~

~~Fees for a board funded by general appropriations must be set by the General Assembly and deposited into the general fund. All fees are nonrefundable.~~”

SECTION 2. This act takes effect upon approval by the Governor.

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