

## June 25, 2019, Full House Legislative Oversight Committee Contents

Agenda .....	2
Draft minutes from prior meeting .....	3
Agency Snapshot and Executive Summary of the study of the Department of Labor, Licensing and Regulation .....	7
Correspondence to and from the Department of Labor, Licensing and Regulation .....	13
Agency Snapshot - Rural Infrastructure Authority .....	33
Committee Contact Information .....	34

South Carolina  
House of Representatives



Legislative Oversight Committee

**AMENDED AGENDA - TIME CHANGE**

*Tuesday, June 25, 2019*

*Room 110 - Blatt Building*

*2:00 p.m., or immediately upon adjournment of the House, whichever is later  
Pursuant to Committee Rule 4.9, S.C. ETV shall be allowed access for internet  
streaming whenever technologically feasible.*

**AGENDA**

- I. Approval of minutes
- II. Discussion of the [Study of the Department of Labor, Licensing and Regulation](#)
- III. Opportunity for public input about the Rural Infrastructure Authority at 2:30 p.m.

For information about providing testimony to the House Legislative Oversight Committee click [here](#).

Individuals can sign up to testify by calling the House Legislative Oversight Committee at 803-212-6810, emailing the Committee at [hcommlegov@schouse.gov](mailto:hcommlegov@schouse.gov), or signing up in person a few minutes prior to the meeting. S.C. Code of Laws Section 2-2-70 provides that all testimony given to the investigating committee must be under oath.

An ongoing opportunity for public input is available on the Committee's website, which allows individuals to provide comments to the House Legislative Oversight Committee anonymously.

- IV. Discussion of Committee administrative matters
- V. Adjournment

*Chair Wm. Weston J. Newton*

*First Vice-Chair:  
Laurie Slade Funderburk*

*Micajah P. (Micah) Caskey, IV  
Neal A. Collins  
Patricia Moore "Pat" Henegan  
William M. (Bill) Hixon  
Jeffrey E. (Jeff) Johnson  
Mandy Powers Norrell  
Tommy M. Stringer  
Bill Taylor  
Robert Q. Williams*

*Jennifer L. Dobson  
Research Director*

*Cathy A. Greer  
Administration Coordinator*

## **Legislative Oversight Committee**



**South Carolina House of Representatives**

**Post Office Box 11867  
Columbia, South Carolina 29211  
Telephone: (803) 212-6810 • Fax: (803) 212-6811**

**Room 228 Blatt Building**

*Gary E. Clary  
Chandra E. Dillard  
Lee Hewitt  
Joseph H. Jefferson, Jr.  
Marvin R. Pendarvis  
Robert L. Ridgeway, III  
Edward R. Tallon, Sr.  
John Taliaferro (Jay) West, IV  
Chris Wooten*

*Charles L. Appleby, IV  
Legal Counsel*

*Carmen J. McCutcheon Simon  
Research Analyst/Auditor*

*Kendra H. Wilkerson  
Fiscal/Research Analyst*

### **Legislative Oversight Committee Meeting**

**Wednesday, May 8, 2019**

**Blatt Building Room 110**

#### **Archived Video Available**

- I. Pursuant to House Legislative Oversight Committee Rule 6.8, South Carolina ETV was allowed access for streaming the meeting. You may access an archived video of this meeting by visiting the South Carolina General Assembly's website (<http://www.scstatehouse.gov>) and clicking on *Committee Postings and Reports*, then under *House Standing Committees* click on *Legislative Oversight*. Then, click on *Video Archives* for a listing of archived videos for the Committee.

#### **Attendance**

- I. Pursuant to Committee Rule 3.1, the public-input meeting of the House Legislative Oversight Committee was called to order by Chairman Wm. Weston J. Newton. All members of the Committee were present for all or a portion of the meeting, except Representative Mandy Powers Norrell and Representative Tommy Stringer.

#### **Minutes**

- I. Representative Edward R. Tallon, moved to approve the minutes from the meeting on January 28, 2019. A roll call vote was held, and the motion passed.

<b>Representative Tallon’s motion to approve the minutes from the meeting on January 14, 2019:</b>	<b>Yea</b>	<b>Nay</b>	<b>Not Voting: Present</b>	<b>Not Voting: Absent</b>
Micajah P. “Micah” Caskey, IV	✓			
Gary E. Clary	✓			
Neal A. Collins	✓			
Chandra E. Dillard	✓			
Patricia Moore “Pat” Henegan				✓
Lee Hewitt	✓			
William M. “Bill” Hixon	✓			
Laurie Slade Funderburk	✓			
Joseph H. Jefferson, Jr.	✓			
Jeffrey E. Johnson				✓
Marvin R. Pendarivs	✓			
Mandy Powers Norrell				✓
Robert L. Ridgeway, III	✓			
Tommy M. Stringer				✓
Edward R. “Eddie” Tallon, Sr.	✓			
Bill Taylor	✓			
John T. West	✓			
Robert Q. Williams	✓			
Christopher Sloan “Chris” Wooten	✓			
Wm. Weston J. Newton	✓			

### **Discussion of Agenda and Procedure**

- I. Chairman Newton stated that the purpose of this meeting was to discuss and then hear public testimony regarding the Economic Development, Transportation, Natural Resources and Regulatory Subcommittee’s study of the Department of Labor, Licensing and Regulation. Chairman Newton also provided an overview of the process of approving studies.

### **Presentation of the Study of the Department of Labor, Licensing and Regulation**

- I. Representative Ridgeway provided an overview of the Economic Development, Transportation, Natural Resources and Regulatory Subcommittee’s report on the study of the Department of Labor, Licensing and Regulation.

## Public Input

- I. Members of the public provided testimony about the Department of Labor, Licensing and Regulation (LLR). Constituent testimony and Committee minutes summarizing testimony are not the comments or expression of the House Legislative Oversight Committee, any of its Subcommittees, the House of Representatives, or any of these entities staff.

Before each person testifies, Chairman Weston Newton administered an oath to the person. Below are the names of each person who testified and the time in the archived video at which the testimony begins.

Ms. Sarah Wilbanks (07:10)

Ms. Wilbanks testifies that she is an Occupational Therapist and the current Legislative Chair for the South Carolina Occupational Therapy Association (SCOTA). Ms. Wilbanks discusses how the Occupational Therapy Board within LLR interacts with occupational therapy practitioners in the state.

Ms. Reah Smith (27:26)

Ms. Smith testifies that she resides in Oconee County and is the Legislative Chair for the South Carolina Association of Realtors (SCR). Ms. Smith testified about several issues SCR has encountered with the Real Estate Commission of LLR, including staffing issues for the Real Estate Commission, use of nicknames in the LLC licensee database, and signage requirements.

Mr. Ken Newhouse (32:05)

Mr. Newhouse testifies he resides in Richland County and is the Chair of Governmental Affairs for the South Carolina Association of CPAs. Mr. Newhouse testifies about issues with receiving timely FOIA notices for meetings and concerns about new LLR policies being adopted without notice or input from the public.

Mr. Robert Baldwin (35:56)

Mr. Baldwin testifies that he resides in Charleston County and is a CPA. Mr. Baldwin discusses his concerns about the Board of Accountancy's slow response time in licensing new CPAs, the Board's inconsistency in applying educational requirements, and the lack of knowledge or experience in accountancy of those working for the Board.

Mr. Christopher Jenkins (40:02)

Mr. Jenkins testifies that he resides in Lexington County and is the CEO of the South Carolina Association of CPAs (SCAPA). Mr. Jenkins testifies about issues with resource allocation within LLR causing delays in licensing new CPAs and an inability

to complete investigations. Mr. Jenkins also testifies about communication issues between LLR employees and the Board of Accountancy.

Dr. Patricia Hill (46:33)

Dr. Hill testifies that she resides in Greenville County and is the Legislative Chair of the South Carolina Association of Veterinarians. Dr. Hill testifies that veterinarians have had very similar experiences to previous speakers in dealing with LLR. Dr. Hill also states that the veterinarians in her association see there is a need and opportunity to improve communications and relationships with LLR.

**Discussion of Department of Labor, Licensing and Regulation**

- I. Ms. Emily Farr, Agency Director for the Department of Labor, Licensing and Regulation, under oath, addresses the committee and answers questions regarding the study and the public input.
- II. Members then ask constituents questions about their testimony.

**Discussion of Committee Administrative Matters**

- I. Chairman Newton provides an overview of administrative matters regarding the legislative process and announces intent to continue the discussion of the study of the Department of Labor, Licensing and Regulation at the next meeting.
- II. There being no further business; the meeting adjourns.

# AGENCY SNAPSHOT

## Department of Labor, Licensing and Regulation

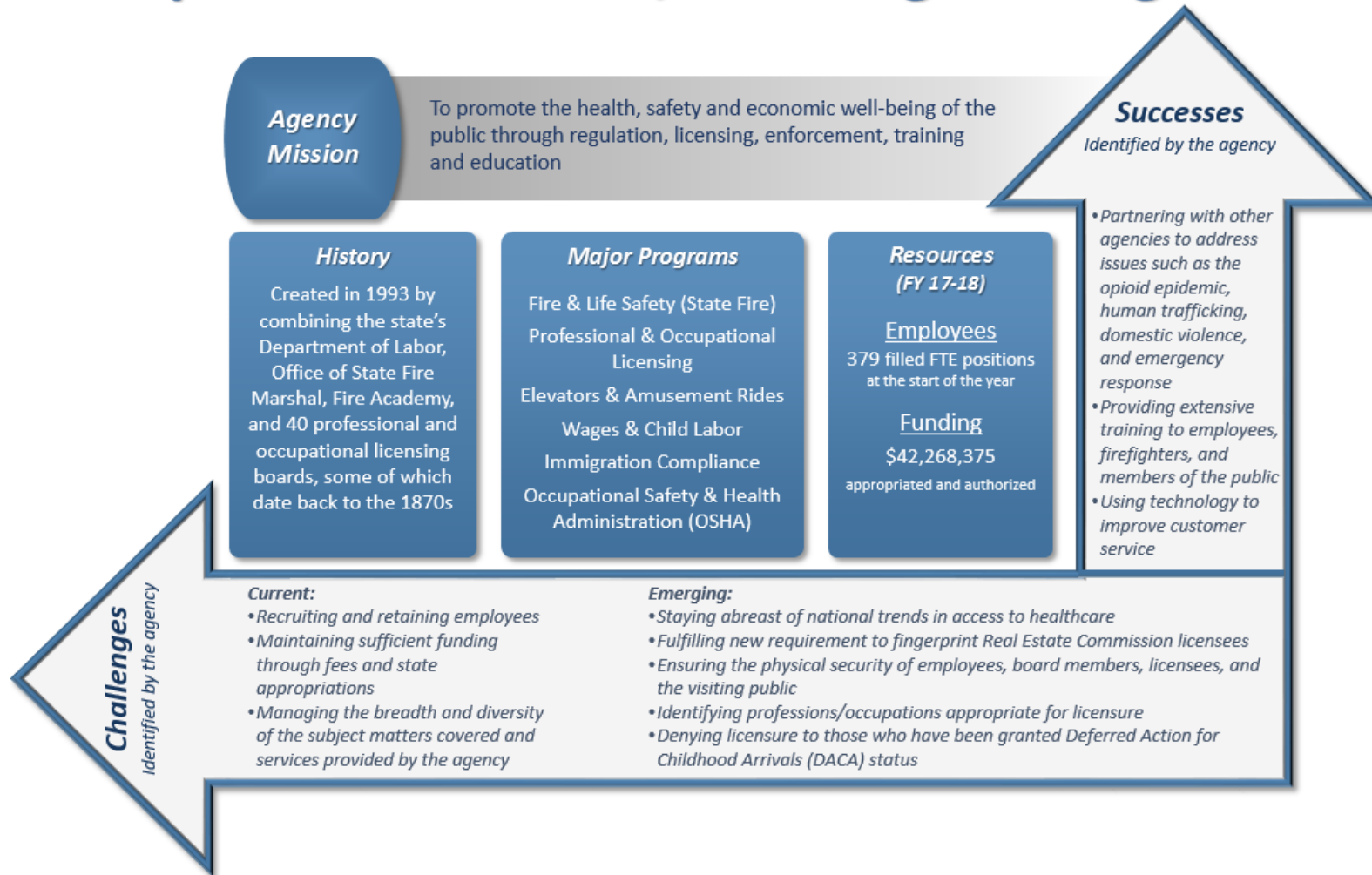


Figure 1. Snapshot of agency's history, mission, major programs, Fiscal Year 2017-18 resources, successes, and challenges.<sup>1</sup>

# EXECUTIVE SUMMARY

## Purpose of Oversight Study

As stated in S.C. Code Ann. § 2-2-20(B), “[t]he **purpose of these oversight studies** and investigations is to **determine if agency laws and programs** within the subject matter jurisdiction of a standing committee: (1) **are being implemented** and carried out **in accordance with the intent of the General Assembly**; and (2) **should be continued, curtailed, or eliminated.**” In making these determinations, the Subcommittee evaluates (1) the application, administration, execution, and effectiveness of the agency’s laws and programs, (2) the organization and operation of the agency, and (3) any conditions or circumstances that may indicate the necessity or desirability of enacting new or additional legislation pertaining to the agency.<sup>2</sup>

## Study Process

The House Legislative Oversight Committee’s (Committee) process for studying the Department of Labor, Licensing and Regulation (agency or LLR) includes actions by the full Committee; Economic Development, Transportation, and Natural Resources Subcommittee (Subcommittee); the agency; and the public. A summary of the key dates and actions is included below in Figure 2.

### Legislative Oversight Committee Actions

- December 19, 2017 - Prioritizes the agency for study
- January 12, 2018 - Provides the agency with notice about the oversight process
- January 23 - March 1, 2018 - Solicits input from the public about the agency in the form of an online survey
- March 1, 2018 - Holds **Meeting 1** to **obtain public input** about the agency

### Economic Development, Transportation, and Natural Resources Subcommittee Actions

- August 13, 2018 - Holds **Meeting 2** with the agency to discuss an overview of its **mission, history, resources, major programs, successes, challenges, and emerging issues**
- September 10, 2018 - Holds **Meeting 3** with the agency to tour the **Fire Academy** and discuss the following agency divisions: **Elevators and Amusement Rides and Immigration Compliance, Occupational Safety and Health Administration, and Wages and Child Labor**
- October 3, 2018 - Holds **Meeting 4** with the agency to discuss the following agency divisions: **Fire and Life Safety, and Professional and Occupational Licensing**
- November 1, 2018 - Holds **Meeting 5** with the agency to discuss the agency’s **support divisions** and Subcommittee **recommendations**

### Department of Labor, Licensing and Regulation Actions

- May 1, 2015 - Submits its **Annual Restructuring and Seven-Year Plan Report**
- February 12, 2016 - Submits its **2016 Annual Restructuring Report**
- September 2016 - Submits its **FY 2015-16 Accountability Report/Annual Restructuring Report**
- September 2017 - Submits its **FY 2016-17 Accountability Report/Annual Restructuring Report**
- April 20, 2018 - Submits its **Program Evaluation Report**
- August - November 2018 - Meets with and **responds to Subcommittee inquiries**
- September 2018 – Submits its **FY 2017-18 Accountability Report/Annual Restructuring Report**

### Public’s Actions

- January 23 - March 1, 2018 - Provides input about the agency via an **online public survey**
- March 1, 2018 - Provides **testimony** about the agency to the full Committee
- Ongoing - **Submits written comments on the Oversight Committee's webpage** on the General Assembly's website ([www.scstatehouse.gov](http://www.scstatehouse.gov))

Figure 2. Summary of key dates and actions of the study process.



## Recommendations

The Subcommittee has 36 recommendations arising from its study of the agency. Most involve statutory changes and are directed to the General Assembly. Two recommendations are directed to state agencies. In the table below, the recommendations are sorted by the related agency division or program.

Table 1. Summary of recommendations.

Recommendations to the General Assembly	
Division/Program	Recommendations
Occupational Safety and Health Administration (OSHA)	<ol style="list-style-type: none"> <li>1. Allow the required notice of hearings about employee health and safety regulations to be published in newspapers with electronic circulation by amending S.C. Code Ann. § 41-15-220(A).</li> <li>2. Provide a compliance mechanism for warrants and subpoenas related to OSHA investigations and authorize sanctions for non-compliance by amending S.C. Code Ann. § 41-15-260 and § 41-15-270.</li> <li>3. Clarify the process through which LLR issues citations and penalties for violations of employee health and safety regulations by amending S.C. Code Ann. § 41-15-280 and repealing § 41-15-300.</li> <li>4. Ensure LLR's ability to maximize federal funding for its labor programs by codifying Proviso 81.7 from the 2018-19 General Appropriations Act.</li> </ol>
Wages and Child Labor	<ol style="list-style-type: none"> <li>5. Increase penalties for violations of laws related to payment of wages by amending S.C. Code Ann. § 41-10-80.</li> <li>6. Clarify penalty options for first-time violations of child labor regulations by amending S.C. Code Ann. § 41-13-25.</li> <li>7. Authorize employers to make use of current technology related to providing employee wage statements by updating S.C. Code Ann. § 41-10-30 and § 41-10-40.</li> </ol>
Elevators and Amusement Rides	<ol style="list-style-type: none"> <li>8. Clarify which amusement rides are subject to LLR permitting by defining "open to the public" in S.C. Code Ann. § 41-18-40.</li> </ol>

## Recommendations to the General Assembly

Division/Program	Recommendations
State Fire	<ol style="list-style-type: none"> <li>9. Authorize the Office of State Fire Marshal to issue fines up to \$1,000 for repeated fire code violations (i.e., those that remain uncorrected after provision of notice and time to correct) creating life safety issues for the public.</li> <li>10. Revise statutes to reflect duties and powers of the Office of State Fire Marshal by amending S.C. Code Ann. § 23-9-20 and repealing § 23-9-40, § 23-9-60, § 23-9-110, and § 23-9-130.</li> <li>11. Clarify the authority of those acting on behalf of the Office of State Fire Marshal and allow the Office of State Fire Marshal to establish procedures to discipline certified fire marshals by amending S.C. Code Ann. § 23-9-30.</li> <li>12. Allow LLR's Division of Fire and Life Safety to receive donations of equipment by amending S.C. Code Ann. § 23-49-120.</li> <li>13. Simplify the grant award process for the Volunteer Strategic Assistance and Fire Equipment (V-SAFE) Program and designate a revenue stream to support administration of the program by amending S.C. Code Ann. § 23-9-25.</li> <li>14. Identify all classes of fire equipment permits and licenses that are regulated by the Office of State Fire Marshal, allow for promulgation of regulations regarding requirements, and correct terminology by amending S.C. Code Ann. § 23-9-45.</li> <li>15. Allow the Office of State Fire Marshal to enter fire or explosion sites without permission in cases of fatalities or serious injuries by amending S.C. Code Ann. § 23-9-50.</li> <li>16. Reflect appropriate fees for duplication and documentation of files and the correct title of the Office of State Fire Marshal by updating S.C. Code Ann. § 40-80-30.</li> <li>17. Eliminate an antiquated statutory reference to historical movement of the Office of State Fire Marshal and reflect current terminology by updating S.C. Code Ann. § 23-9-10.</li> <li>18. Ensure consistent use of terminology related to the State Fire Academy by amending S.C. Code Ann. § 23-10-10.</li> <li>19. Eliminate an unnecessary statute relating to wheelchair access ramps, S.C. Code Ann. § 23-9-35.</li> </ol>

## Recommendations to the General Assembly

Division/Program	Recommendations
Professional and Occupational Licensing	<ol style="list-style-type: none"> <li>20. Require the Legislative Audit Council to assess, every 10 years, the need for continued regulation of each of the professions and occupations licensed by the boards administered by LLR.</li> <li>21. Eliminate the requirement for the LLR director to recommend professions and occupations for de-regulation by amending S.C. Code Ann. § 40-1-50(A).</li> <li>22. Clarify that LLR, not the professional and occupational licensing boards, selects and hires agency employees by amending S.C. Code Ann. § 40-1-50(A).</li> <li>23. Task licensing boards with advising LLR on statutory revisions and other matters by amending S.C. Code Ann. § 40-1-70.</li> <li>24. Amend disciplinary procedures for the Board of Chiropractic Examiners in S.C. Code Ann. § 40-9-31 to conform to current agency practices.</li> <li>25. Require the LLR attorney representing the state, rather than officers of the professional and occupational licensing boards, to sign and provide notice of formal accusations filed by several boards by amending S.C. Code Ann. § 40-15-180, § 40-55-130, and § 40-75-90</li> <li>26. Allow the Manufactured Housing Board, rather than an administrative hearing officer, to hear a case against a licensee of the board by amending S.C. Code Ann. § 40-29-60.</li> <li>27. Clarify the procedures for service of notice for disciplinary hearings and the role of disciplinary counsel in licensing investigations by amending S.C. Code Ann. § 40-1-90.</li> <li>28. Clarify that a nondisciplinary letter of caution issued by a licensing board is a private order by amending S.C. Code Ann. § 40-1-120.</li> <li>29. Clarify the difference between voluntary surrender and permanent relinquishment of a license by amending S.C. Code Ann. § 40-1-150.</li> <li>30. Clarify the confidentiality standards to be used during different stages of licensing investigations by amending S.C. Code Ann. § 40-1-190.</li> <li>31. Update the list of professional and occupational licensing boards administered by LLR by amending S.C. Code Ann. § 40-1-40(B).</li> <li>32. Authorize the Perpetual Care Cemetery Board to make use of current technology (e.g., email) by amending S.C. Code Ann. § 40-8-160.</li> <li>33. Remove outdated types of optometry licenses from S.C. Code Ann. § 40-37-20 and § 40-37-420.</li> <li>34. Correct a typographical error, an incorrect statutory citation, and a reference to a definition that does not exist in statute by amending S.C. Code Ann. § 40-11-20, § 40-29-100, and § 40-59-270.</li> </ol>

Recommendations to State Agencies		
Division/ Program	Recommendation to...	Recommendations
OSHA	LLR's OSHA division	35. Partner with insurance companies to increase opportunities to educate employers about health and safety and encourage voluntary compliance.
Professional and Occupational Licensing	LLR and the Department of Health and Environmental Control	36. Jointly make a recommendation to the Committee as to which agency should administer the Commission of Hearing Aid Specialists.

There are **no specific recommendations with regards to continuance of agency programs or elimination of agency programs.**

### *Internal Changes Implemented by Agency Related to Study Process*

LLR Director Farr testifies during the study process that the agency has expedited the formalization of its records retention policy and taken further steps to protect private information due in part to Committee questioning about records retention.<sup>3</sup>



**South Carolina  
Department of Labor, Licensing and Regulation**



Henry D. McMaster  
Governor

Emily H. Farr  
Director

110 Centerview Drive  
Post Office Box 11329  
Columbia, SC 29211-1329  
(803) 896-4390

June 14, 2019

The Honorable Wm. Weston J. Newton  
South Carolina House of Representatives  
Legislative Oversight Committee  
Post Office Box 11867  
Columbia, South Carolina 29211

Dear Chairman Newton:

Thank you for the opportunity to provide additional information to the House of Representatives Legislative Oversight Committee. We continue to appreciate the opportunities afforded by the Committee for the Agency to hear concerns, to explain its programs and processes and the reasoning behind certain management decisions or actions, and to improve upon the services offered to the State through the programs the Agency administers.

Before responding to your May 23rd letter, we wanted to highlight and summarize some information provided to the subcommittee during its study of the Agency that might be helpful to the Committee. I hope this will assist to better understand: how the Agency's Professional and Occupational Licensing Division (POL) is structured and financially supported; how Agency staff supports the licensing boards and commissions (the "Boards"); and the difference in responsibilities between Agency staff and the Boards themselves.

LLR is essentially divided into three major program areas: 1) State Fire; 2) Labor; and 3) POL. While the Agency is the regulatory body in charge of implementing regulations and making determinations and administrative rulings for the State Fire and Labor programs, such is not the case with POL. Prior to the Agency's creation, each licensing board was its own separate agency. Through government restructuring in 1994, the legislature brought all of these individual agencies underneath the LLR umbrella. The Boards maintain their regulatory autonomy over the professions, but by statute, LLR is responsible for all administrative, fiscal, investigative, clerical, and license renewal operations for the Boards. The Agency provides human resource and finance support, administrative staff, technological support, legal services, conducts investigations and inspections, and provides training to the Boards. The Agency, through POL, processes initial and renewal licensure applications in line with statutory and Board-delegated authority. POL staff also identify applications that cannot be approved at staff level and prepare them for presentation to the Board, and monitor compliance with Board-ordered conditions for licensure. Although the Agency provides legal services to the Boards, including prosecutorial services and advice to the Boards themselves, the Boards make all final regulatory decisions regarding contested application and disciplinary cases. In addition, the Boards have the authority to interpret practice acts,

promulgate regulations, approve forms necessary to carry out board requirements, approve continuing education requirements, and establish criteria for issuing, renewing, and reactivating authorizations to practice of qualified applicants.

In the public comment portion of the meeting on May 8th, the Committee heard concerns related to staffing and comparison of that staffing to other Boards, particularly as it relates to the Accountancy Board and Real Estate Commission. One of the great advantages to having all licensing boards under the Agency's umbrella is that Agency management maintains an overall perspective of all the Boards – their workloads, complexity, number of licensees and customers, investigations, and other factors – for which it can manage and staff programs from a global standpoint. Staff is shared among some Boards to maximize efficiencies where possible and reduce costs. We thought it would be beneficial to the Committee to see the productivity and staffing of each board grouping within the Office of Board Services of POL, which is provided in the chart attached as Attachment 1. This chart provides a visual of the number of staff, number of licensees and number of customer calls or walk-ins that each board grouping supports. I hope this will better assist the Committee in understanding the Agency's staffing decisions.

Finally, I wanted to clarify concerns of individual licensing board cash balances that were visually portrayed to the Committee during the May meeting. Although the Agency has long maintained separate cash accounts for each licensing board in order to better assess whether a licensing board has the revenue to support its expenditures, the Agency overall has a healthy, positive balance of other funds to use toward expenditures of the programs it is charged with implementing and supporting. Therefore, although internally negative balances are recorded, it does not mean that the Agency is operating with a negative cash flow. Moreover, because of the two-year renewal cycle, some boards are negative in non-renewal years and have a positive carry forward in renewal years. Nevertheless, the Agency strives to keep the Boards with sufficient but not excessive revenue where possible, and we have provided more details on those efforts in answer to specific questions about them below.

I hope this information and explanation further assists the Committee in its evaluation and oversight of the Agency. The following information responds to the specific questions posed in your letter dated May 23, 2019:

### **Agency Staffing**

**1. Have any licensing boards requested additional staff? If yes, which ones, and how were the requests addressed by the agency?**

Over the last few years, several licensing boards have raised concerns regarding staffing. Typically, a Board or several members of a Board may ask to meet with POL management or myself so that we can have a dialogue about those concerns. I have met with Board members in

the past about staffing concerns. While we do not keep a log of which Board raised staffing concerns and for what reasons, I have only spoken directly with board members about staffing concerns with the members of the Real Estate Commission, Accountancy Board, and the Athletic Commission.

Most requests typically come internally from Agency staff, particularly Board Administrators who are charged with managing the staff that serve a particular Board or Boards. They will discuss with POL and Agency leadership a need for additional staff, which can be prompted by a variety of reasons including, but not limited to, an increased workload of the Board over an established period of time, a regulatory or statutory change that will require additional work for the Board, a temporary project of a limited duration, or a sudden loss of an employee or employees due to an unexpected reason (i.e., birth of a child, serious illness, sudden retirement). Depending on the need and reasons, an FTE may be formally requested through the budget process or a contract or staffing temporary employee may be hired, or a temporary employee from the Agency’s Office of Operational Management may be moved to assist the Board during a particularly high customer demand timeframe such as a renewal period.

When staffing concerns are raised, the requests are evaluated based upon: assessment of workloads of the board staff; comparison with the needs and capacities of other staff within the POL Division; and the reason. At the time of my appointment as Interim Director of the Agency in August 2016, the Agency had just created 3 FTE positions in the new fiscal year following the General Assembly’s passage of the budget request. Those FTEs were for the Accountancy Board, the Pharmacy Board, and the Nursing Board. In my tenure as Director, the Agency has since requested the following full time employee positions for the POL division in its budget requests to the General Assembly:

<p><b>FY 2017-2018</b></p>	<p>Board staff requests: 1 FTE for Real Estate Commission and 1 FTE for Board of Medical Examiners/ Board of Podiatry Examiners</p> <p>Additionally, the Agency received authorization to create 6 FTEs in its Office of Investigations and Enforcement and 3 FTEs in its Office of Advice and Office of Disciplinary Counsel to better handle caseloads and serve the boards in investigations and legal support.</p>
<p><b>February 2018</b></p>	<p>As part of the one-time state agency temporary to FTE conversion allowed for all agencies by proviso, LLR also created 1 FTE for the LP Gas Board/Pyrotechnic Board and 1 FTE for the Residential Builders Commission.</p>
<p><b>FY 2018-2019</b></p>	<p>No request for new board staff FTE positions, but the Agency received authorization to create 1 FTE for a new advice counsel</p>

	position to assist with healthcare-related boards due to high volume and complexity of cases presented for disposition
<b>FY 2019-2020</b>	Board staff requests: 4 FTEs for Real Estate Commission

The Agency does not keep a specific list of every discussion, informal, or formal request from Board staff regarding staffing. However, over the past three years the Board of Medical Examiners, Real Estate, Building Codes Council, Manufactured Housing, Accountancy, Pharmacy, Barber/Cosmetology/Massage Therapy, and Contractor’s Board have requested and been approved for additional permanent (FTE) or temporary (state temp or contract temp) staff.

**2. What is the agency’s staff breakdown by race, gender, ethnicity, and age? Please include information for each major division/department if possible.**

Please see Attachment 2.

**3. How many employees have left the agency since your appointment as Interim Director in 2016? Please provide the number of employee separations per month since that time.**

Please see Attachment 3.

**Licensee Services**

**4. How do the boards and/or agency staff address constituent concerns about licensure delays?**

The Agency has a number of processes in place to answer questions about licensure, including complaints that licensure has been delayed. First, members of the public can reach Board staff directly via email or phone. Each Board has a designated phone number that will link members of the public directly to the licensing board of their choice. Each Board has a dedicated email address for general questions as well. The phone number and email address is located on the Board’s web page on the Agency website.

If direct contact with the Board staff does not resolve an issue, the Agency Ombudsman, Lesia Kudelka, will assist. When resolving a licensure delay complaint, if Ms. Kudelka determines the delay is not an isolated event and is, instead, the result of a staffing or process problem, then she will inform the POL Deputy Director, Dean Grigg.

Mr. Grigg will then typically speak with the Board Administrator to determine the cause of the delay. If the problem is staffing for a temporary issue, then management will transfer staff from other licensing boards or the Office of Operational Management (the Agency’s pool of



temporary employees) to assist. The volume of licensure applications fluctuates during renewals and following graduations and examinations; therefore, Boards often need additional assistance during these timeframes but not on an ongoing basis. If additional staffing is required on a more permanent basis, then Mr. Grigg will present the issue for my consideration. If the delays are the result of individual staff members' inefficiencies, then those issues are addressed directly with staff and/or HR. Finally, if it is determined that a delay is the result of existing process inefficiencies, then the Agency evaluates methods to improve or better automate processes in collaboration with staff from the Department of Operations, Technology and Security (DOTS).

All licensure delays are not, however, caused by staffing or process problems. Staff cannot issue a license until an applicant sends all documentation required by law. When staff receives an incomplete application, they must issue a deficiency letter to apprise the applicant of what information is missing and wait until the information is received before they can continue to process the license. Additionally, applicants may be required to appear before the Board before their license is issued if they have criminal histories, judgments, or medical, mental health or substance abuse issues. Most Boards meet at least quarterly, with some meeting as often as monthly, but awaiting that hearing may result in a delay over which neither the Board nor the Agency have any control.

**5. For each board, what was the average time between receipt of a licensure application and issuance/denial of that license in FY18? Please feel free to differentiate between different types of licenses (e.g., initial and renewal) and provide explanations of outliers as appropriate.**

The Agency began tracking licensure-processing time approximately 5 years ago. According to that data, in FY18, the processing time to issue a license following receipt of a completed application was 7.75 days for online applications and 5.25 days for paper applications. This average is fairly consistent over the life of the data we have. A complete application includes all necessary information that is required for licensure, either from the applicant or third party sources, such as test scores, transcripts, and background checks.

However, the Agency has recognized that this data is not entirely accurate and does not afford us the opportunities to effectively and efficiently drill down on license processing time for a particular board or license type. The current tracking method accounts for processing time when an application is complete, but it does not track the time it takes before then for a licensee or a third party to provide all the information. Every license type is different in what it requires and often a delay in processing is the result of a licensee or third party not having provided everything that must accompany an application.

For example, once all the components of an application for a Board of Medical Examiners license is received, it will generally take less than 24 hours to actually process and issue the license.

However, in addition to information from the licensee, the Medical Board requires certain information be sent to the Agency on behalf of the licensee, including national credentialing service information, AMA physician profile, license verifications from other states, and a criminal background check. Also, if a hit appears on the background check, then the applicant may have to appear before the Medical Board. All of this can extend a typical one-day processing time to several months from the time the application was first received.

The current tracking system is not sophisticated enough to track all of the different scenarios from Board to Board and license type to license type to fully understand where there may be problems with a process. It also does not begin to start tracking time until a staff person picks up an application and scans it into the system. In other words, it misses what is likely the most critical time period – how long an application sits on an Agency’s employee’s desk or inbox before it is processed.

If we hear of a general concern for a particular Board, then we can manually create a report through our IT staff to better track the applications that come to a particular board and how long they have been pending. We began generating such a report with Accountancy, for example, after hearing concerns from the South Carolina CPA Association. However, these reports are lengthy and time consuming to generate for every Board and license type and would not be useful for other Boards that process more than a handful of new applications a month.

In recognition of this critical information gap and the lack of efficiency and practicality in manually producing the individual report described directly above, in the past year, LLR has developed and begun implementing a completely new application intake process that tracks nearly every aspect of the life of applications from date received until the date a license is issued. The Centralized Automated Mail Processing (“CAMP”) system more efficiently handles the receipt of applications so that we can track when an application comes to the Agency, and it automatically places the application in a queue for processing with the relevant Board. Before CAMP, Board staff would pick up their mail on a daily basis and then the staff would scan in and input the application information to the system. Now, the mail is opened and scanned by Agency staff in DOTS the day it is received, and then emailed to the relevant Board staff for processing. In the future, CAMP will also allow the Agency to flag the system at different stages of a license so that we can track its life cycle and better identify time delays.

The Agency has been implementing CAMP slowly, Board by Board, to ensure that we work out any problems with the system and staff are aware of changes. Since CAMP went live in January 2019, six Boards are now fully utilizing CAMP with four more being currently added. The new process is going smoothly and already revealing human error problems that we can address.

Finally, to address the second part of this question regarding denials – generally, if all statutory requirements have been met, then a denial of license occurs only at the Board level. Because this is a Board decision and not an Agency processing issue, the Agency does not currently track when a license is denied. There are also a multitude of different variables that could lead to an application denial or that may keep an application in pending status, which would be difficult to track. For example, a number of Boards allow applicants to retake licensure exams if they do not pass the first time. In fact, some allow multiple re-takes leaving an open application for years. The application will essentially remain open as long as statutorily allowed. However, CAMP will help us to better determine licensing turnaround times for the Agency to process an application from the time it is received to the time it is completed and issued.

**6. Do you have a goal for staff response time to licensee inquiries? Do you track the response time? If so, please provide any recent data you have, broken down by board if available.**

POL's policy is that all correspondence, whether by phone or email, be responded to within 24 hours. LLR does not directly track response time because of the complication involved in tracking the various ways that members of the public and licensees interact with the Agency (i.e. they may call, email, mail correspondence, or appear in-person). However, the Agency improved its customer satisfaction surveys and began to track those responses in the fall of 2018.

The customer satisfaction surveys are designed to provide management with data on overall customer satisfaction, satisfaction with phone or other communication services, satisfaction with staff services, and satisfaction with facilities and technological services. The questions on the survey that specifically address telephone and communication services ask the customers if they were able to contact LLR staff with minimal delays and if their phone call or email was responded to within 24 hrs. Prior to October 2018, the Agency did not track these specific metrics; however, since implementation of the new customer surveys, the Agency has received 1204 surveys with an overall customer satisfaction of 4.58 out of 5, and a communication/telephone services rating of 4.52 out of 5. More details of the information asked and the scores received by specific Board staff groupings is included in Attachment 4.

**7. Does the agency provide licensee mailing lists to professional associations or others for the purposes of disseminating information about continuing education opportunities? If not, why not?**

Yes, the Boards provide license rosters to anyone requesting them, including associations. The Boards generally release the following information: full name, business name, company, business address, city, zip code, business phone, issue and expiration date of the license, credential type, credential number, and status of the license. The Agency collects and stores a voluminous amount of personal information about its licensees, and the Agency takes very seriously its

responsibility to protect that information and to not release it without the licensee's consent unless clearly required by law. The Agency has great concern in releasing licensees' home addresses and information to associations for advertisements of any kind, including those for continuing education classes. Accordingly, the information released in the mailing lists is limited to business information rather than personal information.

To specifically address this issue raised at the Committee's May meeting, the South Carolina Family Privacy Protection Act requires agencies to develop privacy policies and procedures to ensure that the collection of personal information pertaining to the citizens of the State is limited to such personal information required to fulfill the agency's legitimate public purpose. S.C. Code Section 30-2-20. The purpose of each of LLR's Boards is to ensure that applicants for licensure meet the criteria required by law to practice a regulated profession in this state. In order to fulfill that obligation, the Boards are required to collect a significant amount of personal information from applicants and licensees, including, but not limited to their: names; social security numbers; dates of birth; race; gender; ethnicity; home addresses; personal email addresses; primary telephone numbers; electronic mailing addresses; driver's license or state identification numbers; medical, mental health or disability information; fingerprints in some cases; photographs and images; signatures; financial status; education level; grades; bank account numbers; credit reports and criminal backgrounds.

Much of the information collected by the Agency in order to issue a professional or occupational license constitutes "personal information," as defined in the Family Privacy Protection Act. In recent years, with the increase in technology, personal information can be used alone, or in combination with other collectible data, to steal a licensee's identity. The information can also be used to locate a licensee, which poses a potential safety risk. South Carolina Code Section 30-2-200(3) provides, "When state and local government entities possess social security numbers or other personal identifying information, the governments should minimize the instances this information is disseminated either internally within government or externally with the general public."

The agency does not disagree that the Family Privacy Protection Act anticipates that agencies may release *certain* information about applicants or licensees upon request and directs that agencies take "reasonable measures to ensure that no person or private entity obtains or distributes personal information obtained from a public record for commercial solicitation," S.C. Code Section 30-2-50(C). Indeed, the act excludes from the definition of commercial solicitation "notification of continuing education opportunities." S.C. Code Section 30-2-30(3)(b). However, the Agency believes that the entirety of Chapter 2, Title 30, entitled "Family and Personal Identifying Information Privacy Protection," should be read to only permit the release of information so long as it does not violate a person's privacy.

In addition to guidance provided to agencies by the Family Privacy Protection Act, the Freedom of Information Act exempts from disclosure information of a personal nature where the public disclosure thereof would constitute an unreasonable invasion of personal privacy. S.C. Code Section 30-2-40(a)(2). Also, the South Carolina Court of Appeals ruled in 2015 that home addresses, personal telephone numbers and email addresses are information in which applicants have a privacy interest. *George S. Glassmeyer v. City of Columbia*, 414 S.C. 213, 777 S.E. 2d 835 (Ct. App 2015). In applying the common law balancing test to determine if the public's need to know the information outweighed the individuals' privacy interest, the *Glassmeyer* Court reminded readers that the purpose of FOIA is to prevent the operation of government in secrecy and concluded, in that instance, that the public's right to know the home address of an applicant for the city manager's job did not outweigh the individual's privacy right in that information.

While the courts are vested with the final authority in applying the privacy balancing test, the Agency has considered the factors presented and determined the need for direct notification of continuing education opportunities does not outweigh an applicant or licensee's privacy interest in his or her home address, particularly where certain information can be released to requestors, such as licensee names and business addresses, where there is no risk of violating the licensee's privacy.

#### **8. What problems may arise when a licensee's name changes?**

If a licensee legally changes his or her name, then the Agency has a process by which the licensee can change the name on the license. The licensee completes a name change form and submits supporting documentation, and then the Board will change the name on the license. There are no issues when the Agency is presented with a legal name change.

At the Committee's May meeting, several concerns were raised regarding real estate licensees conducting business in a name other than the name in which the Real Estate Commission issued the real estate license. Essentially, this issue involves a licensee using a nickname where the law itself requires the licensee to use the legal name. Section 40-57-135 (C)(3) provides that a licensee may not conduct real estate business "under another name or at an address other than the one for which his license is issued." There are several other requirements under the Real Estate Practice Act regarding the full name of the licensee and/or brokerage firm. For example, in advertising, the licensee must clearly identify the full name of the real estate brokerage firm with which the real estate licensee is affiliated, and the brokerage firm must clearly identify its name.

In 2017, the General Assembly passed a law regarding team advertising in the Real Estate Practice Act. This law change required that team advertising contain the team name, the name of all team members, and the full name of the real estate brokerage under which the team works.

Once this law change occurred, the Agency began receiving complaints related to the law that fell in two categories. First, licensees filed complaints against other licensees for not following the new team advertising requirements regarding identifying the brokerage firm or for not being properly licensed in the name for which the Real Estate Commission issued the license. Second, members of the public filed complaints for unlicensed practice when they could not find the licensee's name in the Agency's Licensee Look-Up database because the name the licensee used for business purposes was different from the legal name by which he or she was licensed.

The reason for the various laws regarding names and advertising requiring the full name of the licensee and brokerage firm is to ensure that the public can easily verify the license status of the real estate agent and the brokerage firm that is responsible for the agent. The Real Estate Commission has stated that a nickname can be used in advertising, as long as the legal name is also referenced. The administrator for the Real Estate Commission communicated this to licensees in an October 2018 newsletter.

**9. Please address the concern raised at the meeting that board decisions are not shared with licensees affected by those decisions.**

Any Board order that affects a licensee is always communicated to the licensee by mail or certified mail. Important information, such as a change in the law, is posted on a Board's webpage, and depending on the Board, is communicated through e-blast, newsletter, Twitter, or Facebook. Minutes from the meeting are also available if a licensee would like to know what happened at the meeting itself. Often times, board administrators cull through the minutes and post information that would assist licensees on the website FAQs. For example, the Administrator for the Board of Accountancy went through the minutes of several years' worth of meetings and was able to clarify the continuing education, firm registration, and other licensing requirements on the Board's webpage. However, due to the concerns raised at the Committee meeting, the Agency will develop a more cohesive and consistent policy for information sharing after each board meeting with licensees.

**10. Do all boards comply with FOIA requirements for notifications of public meetings? How does the agency announce meetings? Please provide the date and time on which each of the last five public meetings of the Board of Accountancy, or any subdivisions, was announced.**

All Board members and Board staff are trained on compliance with the requirements for noticing a public meeting pursuant to FOIA. S.C. Code Section 30-4-80(A) sets forth the requirements for providing notice of meetings of public bodies. FOIA requires that the Boards give written public notice of *regular* meetings at the beginning of each calendar year. The notice must include the dates, times and places of the meetings. The Boards post all the upcoming year's regular meetings on their web page. For example, the Board of Accountancy has listed on its page

the dates and times for the Board’s upcoming meetings for the entire year. This can be found on the Board’s page at <https://www.llr.sc.gov/pol/accountancy/index.asp?file=cal.htm>. For your convenience, the calendar is provided below as it appears on the website:

**Board of Accountancy upcoming meetings**

<b>Date</b>	<b>Time</b>	<b>Location</b>	<b>Description</b>
3/7/2019	10:00 AM - 12:30 PM	Room 108	Committee Meeting
4/5/2019	1:00 PM - 4:00 PM	Room 105	Committee Meeting
4/16/2019	1:00 PM - 4:00 PM	Room 105	Committee Meeting
4/30/2019	10:00 AM - 5:00 PM	Room 108	Board Meeting
5/1/2019	9:00 AM - 5:00 PM	Room 108	Board Meeting
5/8/2019	8:00 AM - 5:00 PM	Room 202-02	Other
5/9/2019	8:00 AM - 5:00 PM	Room 202-02	Other
5/22/2019	10:00 AM - 1:00 PM	Room 108	Committee Meeting
6/18/2019	10:00 AM - 1:00 PM	Room 105	Committee Meeting
6/26/2019	10:00 AM - 5:00 PM	Room 108	Board Meeting
6/27/2019	9:00 AM - 5:00 PM	Room 108	Board Meeting
8/22/2019	10:00 AM - 5:00 PM	Room 108	Board Meeting
10/16/2019	10:00 AM - 5:00 PM	Room 108	Board Meeting
12/12/2019	10:00 AM - 5:00 PM	Room 108	Board Meeting

The agenda for a regular meeting must be posted on a bulletin board in a publicly accessible place at the office or meeting place of the public body and on the public website maintained by the body, if any, at least 24 hours prior to the meeting. The Agency has bulletin boards at both entrances to the building, and notices and agendas are posted there. Additionally, notice of Agency meetings are posted electronically on a monitor by the Agency’s reception desk.

Notice for *called*, *special* or *rescheduled* meetings must be posted as early as practicable, but not later than twenty-four hours before the meeting. The notice must include the agenda, date, time and place of the meeting and must be posted on a bulletin board or website, if any.

In compliance with section 30-4-80(E) of FOIA, the Boards also notify via email any persons or organizations, local news media, or other such news media that may have specifically requested notification of the times, dates, places and agenda of all public meetings.

Below is a list of the last five meetings the Accountancy Board held. Beneath each is the date and time the agenda was posted online, and the date and time that notice was given by way of email to media and interested parties. Notice would have been posted on the Agency bulletin board at that time as well.

- **May 22 at 10:00 A.M. Committee meeting: Regulation Task Force.**  
*Agenda posted online at 9:13 A.M., May 21<sup>st</sup>.*  
*Agenda emailed at 9:05 A.M., May 21<sup>st</sup>.*
- **April 30 at 10:00 A.M. Board meeting.**  
*Agenda posted online at 2:57 P.M., April 26<sup>th</sup>.*  
*Agenda emailed at 2:54 P.M., April 26<sup>th</sup>.*
- **April 16 at 1:00 P.M. Committee meeting: Education Committee.**  
*Agenda posted online at 12:15 P.M., April 15<sup>th</sup>.*  
*Agenda emailed at 12:42 P.M., April 15<sup>th</sup>.*
- **April 5, 2019 at 1:00 P.M. Committee meeting: Guidelines Committee.**  
*Agenda posted online at 9:08 A.M., April 4<sup>th</sup>.*  
*Agenda emailed at 12:15 P.M., April 4<sup>th</sup>.*
- **March 7, 2019 at 10:00 A.M. Committee meeting: Regulation Task Force.**  
*Agenda posted at 4:15 P.M., March 5<sup>th</sup>.*  
*Agenda emailed at 4:19 P.M., March 5<sup>th</sup>.*

**11. What plans, if any, do you have to improve relationships that licensing boards and staff have with licensees and their professional associations? What plans, if any, do you have to meet with all boards and discuss how to better serve their licensees?**

The Agency is committed to serving the public first and foremost in keeping South Carolina a safe place to work and live. This commitment to protecting the public can be at odds with the licensees and their professional associations who promote and advocate for the profession. LLR and a Board may disagree with an association regarding the fact that sometimes what may be best for the profession itself is not necessarily what is best for the public and the customers of that service.



Despite the differences, we recognize that it is important to keep licensees and their associations well informed of decisions made by the Boards or actions undertaken by the Agency. Two recent initiatives the Agency has undertaken seek to better open communication with the Boards themselves. First, the Agency now sends a quarterly Board newsletter to inform board members about important information regarding the Agency. Second, I have made it a priority to attend a meeting of every Board to meet board members face-to-face, provide my business card with my cell phone number so they know I am always available to hear any concerns or questions, and to provide them with an update regarding the Agency. From public comment during this Oversight process, and considering how better to provide that communication, the Agency will undertake the following additional initiatives:

- The Agency will create a button on the main page of its new website, being launched in July 2019, that asks for suggestions in how the Agency can serve the website visitor better. By clicking the link, any member of the public will be able to fill out a brief form to describe their suggestion, which will then be sent directly to the Agency Ombudsman for handling. Although the suggestion link will be anonymous, the form will also allow the individual to provide their contact information for a follow-up to the suggestion, concern or question he or she may have.
- In the fall of this year, the Agency is planning a two-day training and team building session for its Board Administrators – the first time this has been done in recent memory. The entire session is meant to make the Administrators more unified, consistent in work product and procedures, and ensure they understand Agency processes and have an open forum for questions and answers. The expectation is that this will not only provide the Agency’s Office of Board Services staff with more focused and helpful training, but that this will translate to better customer service to the licensees and the public.
- The Agency will commit to reaching out proactively to professional associations to be more available for discussion about the Agency and the POL Division in particular. To that end, Deputy Director Dean Grigg, Legislative Liaison Katie Phillips, and Board Administrator for Accountancy Susanna Sharpe met with representatives from SCACPA. I have also spoken to Sarah Wilbanks with the South Carolina Occupational Therapy Association, and plan to meet with Reah Smith from the South Carolina Realtors Association regarding their concerns expressed at the meeting.
- One of the best ways for licensees and the public to stay informed about Board decisions and business are the minutes from Board meetings posted on the Agency website. It is Agency policy that Board staff are to prepare meeting minutes so that they can be reviewed and approved by the Board at its next scheduled meeting. In light of discussion at the last Committee hearing, senior management reviewed the Agency website for minutes posted and found that some Boards were behind in getting minutes posted. Therefore, the Agency

is updating the policy to require minutes be prepared for Board approval at their next scheduled meeting *and* posted to the Agency website within three business days after they are approved. The Agency is committed to ensuring minutes are timely posted and available to licensees and the public.

### **Licensing Fees and Finances**

**12. For each of the 11 boards that have had negative cash balances for more than one consecutive year, to what do you attribute this persistent deficit (e.g., unusually low fees, unusually high expenses, low number of licensees, etc.)?**

The Agency conducted its first comprehensive fee analysis in 2013 and 2014 with changes first being implemented in 2014. This was the first time the Agency conducted a comprehensive fee review of revenue and expenses of all the Boards and adjusted fees as a result. Many of these Boards had likely run a negative balance for quite some time; therefore, it will take time to generate enough revenue from a license fee increase to end a fiscal year with a positive cash balance. Most Boards renew every other year, so it takes several renewal cycles to see the impact of a license fee increase (i.e. it would take 4-6 years for a Board to run through 2-3 revenue years).

Therefore, the primary reason most of these Boards have run a persistent deficit is because the fees had not been proactively adjusted in quite some time, and it will take time before we begin to see fee increases resulting in a positive cash balance. For example, the Cosmetology Board and the Board of Chiropractic Examiners have run a deficit for a number of years. However, after the comprehensive fee analysis in 2013 and 2014, certain fees were increased, and both boards began to slowly come out of the deficit over the last couple of renewal cycles. The latest financial reports show that after this year's renewal, both boards will have a positive cash balance for the first time in many years. The Board of Barber Examiners has a similar cash flow history and should have a positive balance soon as well.

For some of the Boards, the persistent negative balance is because of the low number of licensees or the uniqueness of the profession requiring regulation. Soil Classifier Advisory Council has the fewest licensees of any Board. The Boards of Podiatry Examiners, Examiners in Opticianry, and Registration for Foresters similarly have low numbers of licensees that make it difficult to generate a positive balance.

The Perpetual Care Cemetery Board licenses the perpetual care cemeteries – not the individuals – and there is a finite number of such cemeteries in South Carolina (i.e. no new applications). The number of renewals is also decreasing. Therefore, it will be difficult to ever have a positive balance of this board. The Athletic Commission does not operate like the other licensing boards under LLR's umbrella because it is charged with licensing the referees, judges, promoters, timekeepers and fighters of an event. The Commission also receives revenue from

commission fees and gate fees of a particular event. There is therefore a unique element of having to promote events, which is outside the Agency's mission, required for this profession to have a positive cash balance as it requires events in South Carolina to generate revenue for the Commission. Also, each event requires a number of Agency inspectors to staff an event (which often requires out-of-town travel) and at times the cost of providing that statutorily required oversight outweighs the revenue generated to the Commission through fees and licensing.

The reasons for other perpetual deficits is being reviewed in the current license fee analysis the Agency is conducting. For some Boards, it may be that license fees were not adjusted in 2014 enough, or at all, and that now must be adjusted or readjusted. The Agency strongly believes that all boards should be operating in a fiscally responsible and sustainable manner and will strive to do so with this current analysis.

**13. What is the agency's plan to address the persistent budget deficits of several boards?**

The Agency is in the process of addressing the deficit boards as well as those that have more revenue than necessary. The Agency published a Notice of Drafting on March 22, 2019, in the State Register about its intention to amend fees for certain boards and commissions in Chapter 10 of the South Carolina Code of Regulations. The fiscal operations division of the Agency is in the midst of conducting a comprehensive and global financial and fee analysis of all Boards. This analysis is analyzing the previous five years of revenue and expenditures to better project future cash flows for each Board. Ultimately, this analysis will help the Agency determine a long-term roadmap that would allow each Board to identify cash deficit periods in advance and take corrective actions to alleviate the deficit. The culmination of this analysis will be the regulatory fee changes proposed for the next legislative session.

**14. In your March 15, 2019, response to Rep. Hixon's Question 10, you indicated that although the agency accounts for board revenue with separate cost centers in SCEIS, "[a]ll revenue collected in the POL division of the Agency is deposited in its account with the State Treasurer." S.C. Code of Laws § 40-1- 50(D) states that "[f]ees must be deposited in accounts established for each respective board." Please explain the agency's position on whether it is in compliance with this statutory requirement ?**

Yes, the Agency is in compliance with the statute. The law does not require that the fees be deposited in separate accounts of the State Treasurer. It only provides that the fees must be deposited in accounts established for each board, which the Agency accomplishes through SCEIS.

**Fingerprint Background Checks**

**15. The Committee understands that the Department of Insurance collects fingerprints once from licensed insurance agents and that the fingerprints are thereafter kept on file by**

**SLED and periodically rechecked. Does the agency believe it will be able to follow a similar procedure with the fingerprint background checks of licensees under the Real Estate Commission? If not, why not?**

No, the Agency does not believe it will be able follow a similar procedure with the fingerprint background check for licensees under the Real Estate Commission. Section 40-57-115 provides “the commission shall require initial applicants and applicants for licensure renewal to submit to a state fingerprint-based criminal records check...and a national criminal records check, supported by fingerprints, by the FBI.” (emphasis added). Because the law provides that an applicant for renewal must also have to submit to the fingerprinting, it is our understanding that fingerprints will be required at renewal and initial licensing. Additionally, because the law requires a state and a national criminal records check, a re-check by SLED would not provide information on changes to an individual’s criminal history in another state. In working closely with SLED, it is our understanding that SLED could report information to an agency if an individual has a fingerprint on file, is arrested in a jurisdiction in South Carolina and that local jurisdiction reports the arrest to SLED. However, it would not provide information from an arrest in another state and would not include updates to disposition, sex offender status, etc.

**16. Will Real Estate Commission licensees whose fingerprints are already on file with SLED, such as those who are also licensed insurance agents, need to submit additional fingerprints?**

Yes, the Real Estate Commission has no statutory provision that exempts real estate licensees who otherwise have provided their fingerprints as part of another state license, to not undergo fingerprinting as part of licensure with the Commission. This is different than the Department of Insurance, which has the exemption. (Section 38-43-100(G)(1)(a).)

**Other Licensing Issues**

**17. Which practice acts authorize the issuance of advisory opinions? Do any boards issue advisory opinions without explicit statutory authorization? If not, why not?**

Only some of the Agency’s healthcare boards have explicit authority to issue advisory opinions. The Board of Medical Examiners and the Board of Nursing both have statutory authority to publish advisory opinions and positions statements. Although not explicitly authorized by statute, the Boards of Dentistry and Pharmacy have issued joint advisory opinions with the Boards of Medical Examiners and Nursing, to advise on clinical practices involving all of their respective regulated professions. These healthcare boards have jointly issued advisory opinions to advise on practice procedures regarding the standard of care.

A recent South Carolina Supreme Court opinion, *Joseph v. S.C. Dep't of Labor, Licensing, & Regulation*, 417 S.C. 436, 790 S.E.2d 763 (2016), dictates that Boards be cautious in issuing any policies, guidelines or advisory opinions by which they intend to hold licensees accountable. In *Joseph*, the Physical Therapy Board issued a position statement interpreting a statute. Years earlier, in 2006, the Board issued a similar position statement on the same statute, and the South Carolina Supreme Court ruled the position statement was simply a policy that did not have the force of law. Accordingly, at that time, many boards issued policy and guidance statements. However, in *Joseph*, the Supreme Court reversed its earlier 2006 decision, and found the position statement at issue had the force of law and therefore, was considered a "binding norm." The Court ruled that the Board violated the Administrative Procedures Act (APA) by issuing the position statement. *Joseph* establishes that binding norms may only be established via regulation in compliance with the APA. The Court cautioned that when a board is presented with a close question, the board should promulgate a regulation in compliance with the APA. The reason for the APA's regulation requirement is that the regulatory process provides for notice of drafting and input from the public through the public comment process, and ultimately allows the legislature to review, modify, or approve the regulation. By contrast, a board could potentially adopt a policy or issue an advisory opinion that impacts licensees without meaningful input by those licensees.

After the *Joseph* ruling, boards without statutory authority to issue advisory opinions have been discouraged from issuing them. Even boards with the statutory authority need to be cautious because a policy or guidance opinion cannot hold licensees accountable to a certain standard without violating the tenets espoused in *Joseph*. In the past, and consistent with case law at the time, the boards issued such opinions. Currently, the boards are advised to promulgate a regulation where a board intends for a licensee to comply with a certain standard. For example, when the law changed to require certain mechanical contractor license subclassifications to display a contractor license number on all commercial vehicles, the agency received numerous calls and emails from licensees asking what they needed to do in order to comply with the statutory change. Because the Contractor's Licensing Board intended to hold licensees to a certain standard, the decision was made to promulgate a regulation outlining the requirements. While many boards issue FAQs and policies to provide guidance to licensees regarding their administrative processes and prior public interpretations of their governing practice act and regulations, all boards are advised that only statutes and regulations have the force and effect of law.

**18. Does the agency anticipate any problems would be caused by a statutory requirement that licensees include their license number on communications with the public (e.g., business cards and advertisements) in order to facilitate verification of licensure?**

License numbers are currently available on LLR's website via the Licensee Lookup feature for each board. The agency licenses all different types of professionals and therefore, the answer may not be the same for every licensee type. Physicians, for example, may find the requirement burdensome, because they do not use a license or license number in their daily practice. However,

other professionals, such as cosmetologists, that are already required to display their license in their place of work, or mechanical contractors who are required to display their license number on their vehicles, may be more amenable to using a license number to advertise. Some licensees may complain that this requirement is overly burdensome because it may require them to incur additional costs with re-design and re-print of company logos, badges, vinyl wraps or magnets for fleet vehicles, business cards, billboards, website design, etc.

**19. If available, please break down the licensees of the Board of Nursing and the Real Estate Commission by county of residence.**

See Attachment 5.

Sincerely yours,

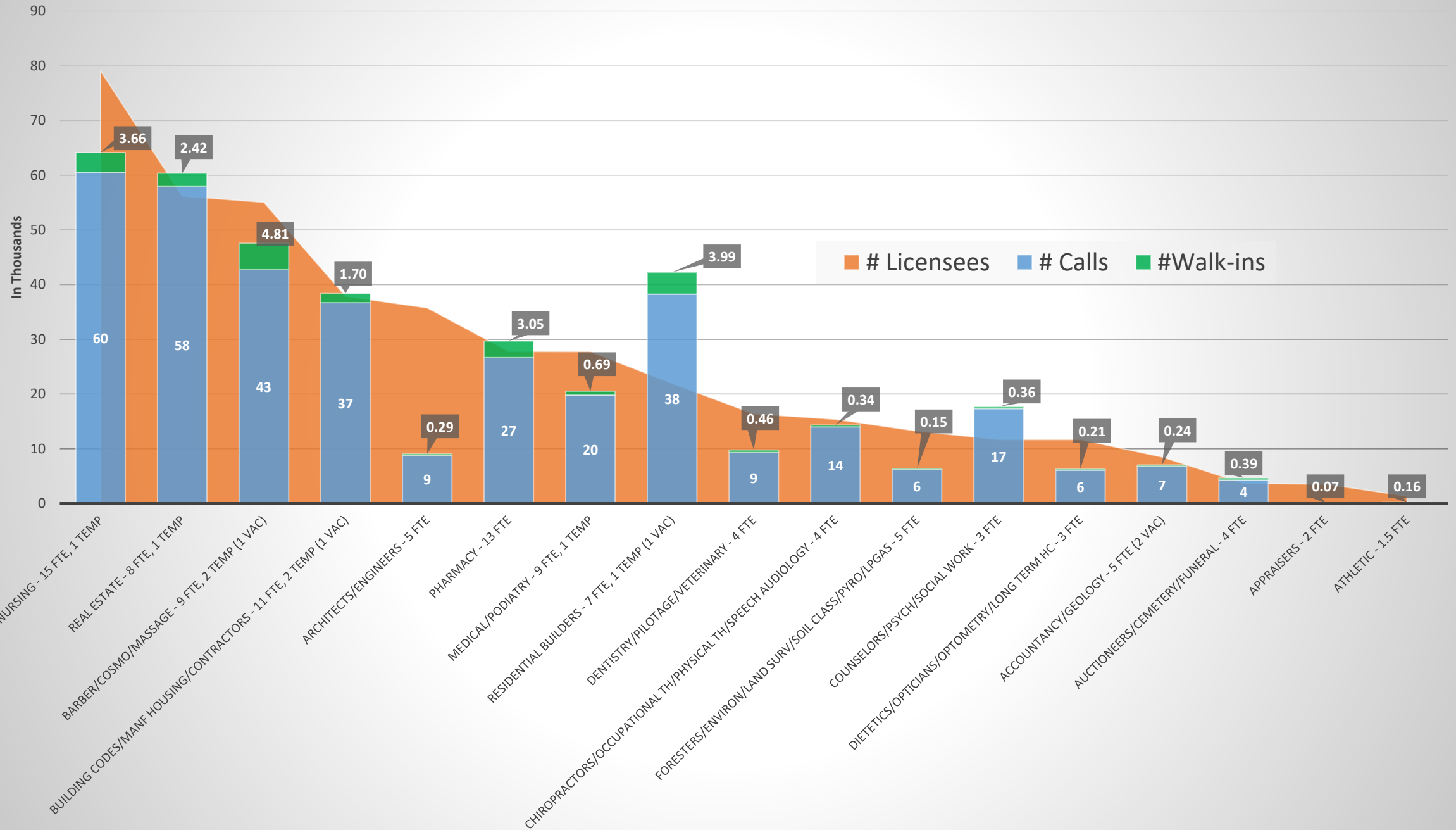


Emily H. Farr  
Director

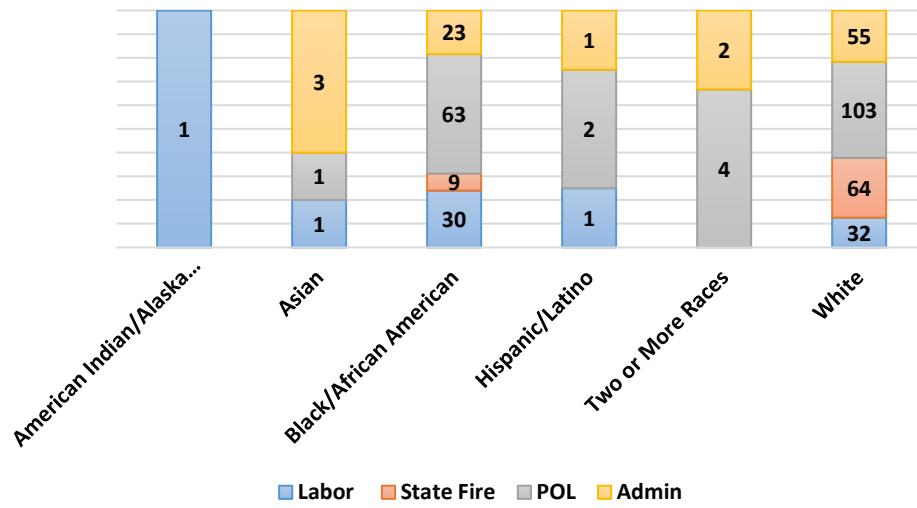
Enclosures

# FY 2018 Calls/Walk-ins vs. Licensees by Board Grouping

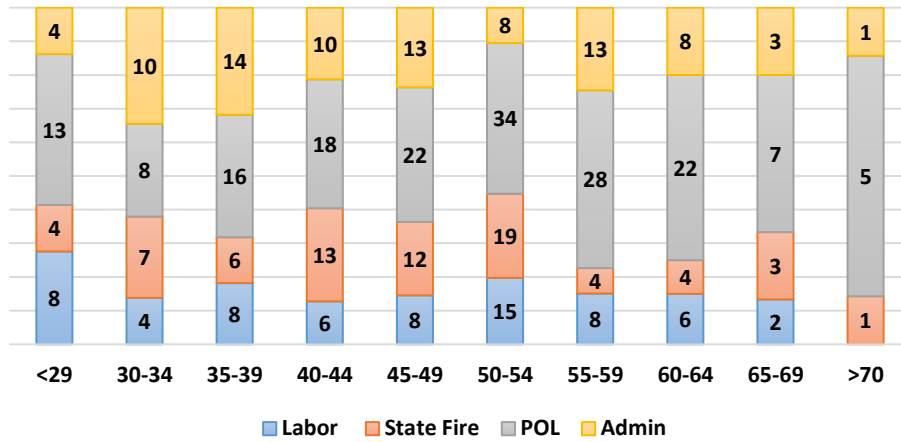
ATTACHMENT 1



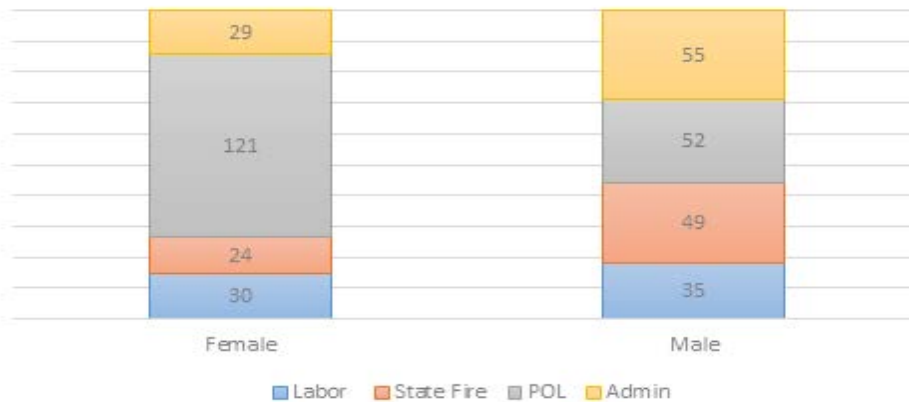
### RACE/ETHNICITY



### AGE

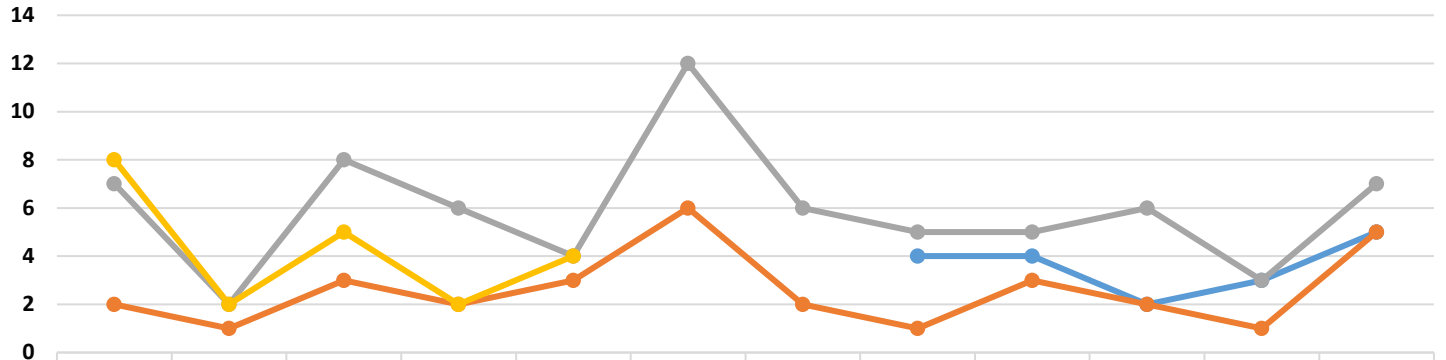


### Gender





**Number of Employee Separations Per Month since August 2016**



	January	February	March	April	May	June	July	August	September	October	November	December
2016								4	4	2	3	5
2017	2	1	3	2	3	6	2	1	3	2	1	5
2018	7	2	8	6	4	12	6	5	5	6	3	7
2019	8	2	5	2	4							

**ATTACHMENT 3**

## OBS Customer Service Survey and Phone Report, October 2018 - May 2019

Grand Totals	4.63	4.57	4.65	4.24	1595	230122
Board Group	Overall Satisfaction	Telephone Scores	Staff Scores	Website Scores	# Survey Responses Received	# Phone Calls Received
Accounting, Geology	4.63	4.50	4.56	4.00	25	4582
Appraisers	4.90	4.86	4.95	4.63	34	unavailable
Architects, Engineers, Land Surveyors	4.54	4.56	4.60	4.14	71	6051
Barber, Cosmetology, Massage	4.51	4.44	4.58	4.19	203	45910
Building Codes, Contractors	4.63	4.42	4.65	4.27	107	24512
Cemetery, Funeral, Auctioneer	4.50	4.83	4.65	3.92	21	2370
Chiropractors, Occupational Therapy, Physical Therapy, Speech Audiology	4.58	4.59	4.63	4.21	124	10236
Dentistry, Pilotage, Veterinary	4.74	4.75	4.74	4.36	76	8299
Environmental, Forester, Landscape Architect, Soil Classifier, LP Gas	4.66	4.48	4.61	4.02	35	3791
Medical, Podiatry	4.62	4.62	4.68	4.27	160	15820
Nursing	4.59	4.50	4.60	4.21	315	20735
Optometry, Optician, Dietetics, Long Term Care	4.67	4.58	4.60	4.17	76	3940
Pharmacy	4.75	4.76	4.76	4.52	86	13396
Real Estate	4.72	4.69	4.73	4.26	135	35791
Residential Builders	4.64	4.53	4.63	4.27	123	22596
Social Work, Psychology, Counselors	5.00	4.50	5.00	4.50	4	12093
Grand Total	4.63	4.57	4.65	4.24	1595	230122

### Customer Service Survey Methodology

Responses to customer service surveys are collected through a unique URL for each LLR customer service employee. Responses for each question can be rated N/A for not applicable, or from 1-5, with 1 being "Unsatisfied" and 5 being "Extremely Satisfied." This individual data was then aggregated by board grouping, as staff are often shared between several boards. In this report, customer service survey questions are grouped by color. For the staff scores and website scores, we have weighted the questions.

#### Below are the customer service survey questions:

Rate your overall satisfaction with the service you received.

You were able to make telephone contact with the appropriate staff during business hours and with minimal delays.

Staff was courteous and polite while assisting you. (50% of staff score)

Staff was knowledgeable and able to directly answer your questions. (25% of staff score)

Staff was able to effectively resolve your issues in a timely manner. (12.5% of staff score)

Your telephone messages and/or emails were responded to by staff within 24 hours. (12.5% of staff score)

The information and forms located on the website were helpful and easily obtained. (50% of website score)

The website was easy to access and navigate. (50% of website score)

*\* As of the creation of this report, there is no available phone data for the Athletics Commission or the Real Estate Appraisers Board. Also, there is no available customer service survey data for the Athletics Commission.*

**BOARD OF NURSING LICENSEES BY COUNTY OF RESIDENCE**

Abbeville	477	Horry	4712
Aiken	2091	Jasper	222
Allendale	54	Kershaw	1101
Anderson	3356	Lancaster	1091
Bamberg	179	Laurens	810
Barnwell	256	Lee	149
Beaufort	2186	Lexington	5151
Berkeley	2875	Marion	505
Calhoun	273	Marlboro	314
Charleston	7514	McCormick	67
Cherokee	616	Newberry	515
Chester	297	Oconee	987
Chesterfield	580	Orangeburg	1074
Clarendon	422	Pickens	1672
Colleton	516	Richland	5923
Darlington	922	Saluda	266
Dillon	401	Spartanburg	4327
Dorchester	2531	Sumter	1278
Edgefield	298	Union	302
Fairfield	222	Williamsburg	314
Florence	3008	York	3470
Georgetown	965		
Greenville	7503	<b>TOTAL</b>	<b>73,116</b>
Greenwood	1170		
Hampton	154		

Out of Country		36
Out of State		5694
Did not provide agency with county of residence		605
<b>TOTAL</b>		<b>6335</b>

**REAL ESTATE COMMISSION LICENSEES BY COUNTY OF RESIDENCE**

Abbeville	61	Horry	5019
Aiken	802	Jasper	152
Allendale	19	Kershaw	329
Anderson	1077	Lancaster	404
Bamberg	17	Laurens	137
Barnwell	51	Lee	40
Beaufort	2988	Lexington	2343
Berkeley	1348	Marion	93
Calhoun	46	Marlboro	34
Charleston	6461	McCormick	48
Cherokee	141	Newberry	117
Chester	55	Oconee	547
Chesterfield	68	Orangeburg	223
Clarendon	115	Pickens	614
Colleton	238	Richland	3653
Darlington	140	Saluda	53
Dillon	52	Spartanburg	1656
Dorchester	1107	Sumter	413
Edgefield	95	Union	352
Fairfield	98	Williamsburg	58
Florence	558	York	1689
Georgetown	791		
Greenville	4983	<b>TOTAL</b>	<b>39,642</b>
Greenwood	300		
Hampton	57		

Out of Country	21
Out of State	16,123
Did not provide agency with county of residence	310
<b>TOTAL</b>	<b>16,454</b>

*Chair Wm. Weston J. Newton*

*First Vice-Chair:  
Laurie Slade Funderburk*

## **Legislative Oversight Committee**

*Micajah P. (Micah) Caskey, IV  
Neal A. Collins  
Patricia Moore (Pat) Henegan  
William M. (Bill) Hixon  
Jeffrey E. (Jeff) Johnson  
Marvin R. Pendarvis  
Tommy M. Stringer  
Bill Taylor  
Robert Q. Williams*



**South Carolina House of Representatives**

*Gary E. Clary  
Chandra E. Dillard  
Lee Hewitt  
Joseph H. Jefferson, Jr.  
Mandy Powers Norrell  
Robert L. Ridgeway, III  
Edward R. Tallon, Sr.  
John Taliaferro (Jay) West, IV  
Chris Wooten*

*Jennifer L. Dobson  
Research Director*

*Cathy A. Greer  
Administration Coordinator*

**Post Office Box 11867  
Columbia, South Carolina 29211  
Telephone: (803) 212-6810 • Fax: (803) 212-6811  
Room 228 Blatt Building**

*Charles L. Appleby, IV  
Legal Counsel*

*Carmen J. McCutcheon Simon  
Research Analyst/Auditor*

*Kendra H. Wilkerson  
Fiscal/Research Analyst*

May 23, 2019

Via Email

Ms. Emily Farr, Director  
South Carolina Department of Labor, Licensing and Regulation  
110 Centerview Drive  
Columbia, South Carolina 29210

Dear Director Farr:

The Legislative Oversight Committee appreciates your continued cooperation with the oversight process. At the Committee meeting on May 8, 2019, licensees and the professional associations that represent them raised concerns related to their experiences with the Department of Labor, Licensing and Regulation (LLR) and the licensing boards it administers. I would ask you to work with these stakeholders to identify any solutions that may address the issues they have, including but not limited to the following:

- Communication between licensees/professional associations and board members/staff;
- Notification of licensees about board meetings and decisions;
- Ability of boards to provide guidance to licensees about professional behavior; and
- Fluctuations in staffing that delay the licensure and investigation processes or lead to an inability to sufficiently review qualifications such as continuing professional education.

We look forward to hearing about your discussions with these stakeholders at the next full Committee meeting on Tuesday, June 25, 2019. In addition, by Friday, June 14, 2019, please provide answers to the following questions that Committee members were unable to ask at the meeting due to time constraints.

### Agency Staffing

1. Have any licensing boards requested additional staff? If yes, which ones, and how were the requests addressed by the agency?
2. What is the agency's staff breakdown by race, gender, ethnicity, and age? Please include information for each major division/department if possible.
3. How many employees have left the agency since your appointment as Interim Director in 2016? Please provide the number of employee separations per month since that time.

### Licensee Services

4. How do the boards and/or agency staff address constituent concerns about licensure delays?
5. For each board, what was the average time between receipt of a licensure application and issuance/denial of that license in FY18? Please feel free to differentiate between different types of licenses (e.g., initial and renewal) and provide explanations of outliers as appropriate.
6. Do you have a goal for staff response time to licensee inquiries? Do you track the response time? If so, please provide any recent data you have, broken down by board if available.
7. Does the agency provide licensee mailing lists to professional associations or others for the purposes of disseminating information about continuing education opportunities? If not, why not?
8. What problems may arise when a licensee's name changes?
9. Please address the concern raised at the meeting that board decisions are not shared with the licensees affected by those decisions.
10. Do all boards comply with FOIA requirements for notifications of public meetings? How does the agency announce meetings? Please provide the date and time on which each of the last five public meetings of the Board of Accountancy, or any subdivisions, was announced.
11. What plans, if any, do you have to improve relationships that licensing boards and staff have with licensees and their professional associations? What plans, if any, do you have to meet with all boards and discuss how to better serve their licensees?

### Licensing Fees and Finances

12. For each of the 11 boards that have had negative cash balances for more than one consecutive year, to what do you attribute this persistent deficit (e.g., unusually low fees, unusually high expenses, low number of licensees, etc.)?
13. What is the agency's plan to address the persistent budget deficits of several boards?
14. In your [March 15, 2019, response](#) to Rep. Hixon's Question 10, you indicated that although the agency accounts for board revenue with separate cost centers in SCEIS, "[a]ll revenue collected in the POL division of the Agency is deposited in its account with the State Treasurer." S.C. Code of Laws § 40-1-50(D) states that "[f]ees must be deposited in accounts established for each respective board." Please explain the agency's position on whether it is in compliance with this statutory requirement.

Director Farr

Page 3

Fingerprint Background Checks

15. The Committee understands that the Department of Insurance collects fingerprints once from licensed insurance agents and that the fingerprints are thereafter kept on file by SLED and periodically rechecked. Does the agency believe it will be able to follow a similar procedure with the fingerprint background checks of licensees under the Real Estate Commission? If not, why not?
16. Will Real Estate Commission licensees whose fingerprints are already on file with SLED, such as those who are also licensed insurance agents, need to submit additional fingerprints?

Other Licensing Issues

17. Which practice acts authorize the issuance of advisory opinions? Do any boards issue advisory opinions without explicit statutory authorization? If not, why not?
18. Does the agency anticipate any problems would be caused by a statutory requirement that licensees include their license number on communications with the public (e.g., business cards and advertisements) in order to facilitate verification of licensure?
19. If available, please break down the licensees of the Board of Nursing and the Real Estate Commission by county of residence.

If these inquiries would yield responses that are not an accurate reflection of the agency or if additional time is needed to respond, please contact Committee staff. Thank you and your team for your service to the people of South Carolina and for your continued cooperation with the legislative oversight process. We look forward to continuing our discussion of the Department of Labor, Licensing and Regulation at the next meeting.

Sincerely,



Wm. Weston J. Newton

cc: House Legislative Oversight Committee Members



**South Carolina  
Department of Labor, Licensing and Regulation**



110 Centerview Drive  
Post Office Box 11329  
Columbia, SC 29211-1329  
(803) 896-4390

Henry D. McMaster  
Governor

Emily H. Farr  
Director

March 15, 2019

The Honorable William M. Hixon  
South Carolina House of Representatives  
Legislative Oversight Committee  
Economic Development, Transportation, and Natural Resources Subcommittee  
Post Office Box 11867  
Columbia, South Carolina 29211

Dear Chairman Hixon:

Thank you for the opportunity to provide additional information to the Economic Development, Transportation, and Natural Resources Subcommittee regarding the Department of Labor, Licensing and Regulation. The following information responds to the questions posed in your letter dated February 1, 2019:

**Professional and Occupational Licensing (POL) Forms and Requirements**

**1. Are POL forms developed by LLR staff? If yes, do the appropriate boards review and approve the final versions of forms?**

The Professional and Occupational Licensing (POL) Division is divided into two separate offices: the Office of Investigations and Enforcement (OIE), comprised of investigators and inspectors, and the Office of Board Services (OBS), comprised of the boards and licensing staff. OIE forms are generally limited to inspection forms and citations. In some instances, staff and legal counsel draft these forms for the boards' review and, in other instances, boards appoint a task force, including members of the industry, to draft them. As both inspection forms and citations are forms of legal significance, the boards ultimately approve their content.

The boards approve all OBS forms with the exception of forms designed to collect general information; staff, with the assistance of legal counsel and the Agency's Privacy Officer, draft those forms. Otherwise, OBS forms are designed to collect information essential to the consideration of an individual for licensure or license renewal; therefore, the boards, as subject matter experts, must approve those forms. As noted above, staff and legal counsel may prepare a draft form for the boards' review, or the boards may appoint a task force, including members of the industry, to do so, particularly where the forms at issue are more complex or pertain to a newly-regulated aspect of the profession. Two recent examples of the latter are the licensing forms for Dental Sedation and Appraisal Management Companies, both necessitated by statutory change.

In addition to OIE and OBS forms described above, the Agency itself creates certain forms necessary to licensure in any profession. Examples of those forms are the Affidavit of Eligibility, which requires the verification of a lawful presence of any person applying for a license, and the Military Spouse Expedited Licensure Form, which is an internal process to expedite licensure. Ministerial or routine



administrative changes or updates may also be made internally to already board-approved forms without taking each edit to the board.

**2. What were the reasons for the recent changes to section V of the Residential Property Condition Disclosure Statement issued by the Real Estate Commission?**

The changes to Section V of the Residential Property Condition Disclosure Statement resulted from two events: first, a statutory change that required a seller to disclose whether a property for sale was subject to governance of a homeowners association (see 2018 Act No. 245); and second, a request from historical planners who stated that cities and municipalities were having issues regarding non-disclosure of historical districts and homes that ultimately limited a buyer's ability to make modifications to the property after purchase.

Commission staff placed both items on the agenda for the Real Estate Commission to consider and discuss at the October 17, 2018, meeting. The Commission formed a task force that met on October 24, 2018, and ultimately recommended the Disclosure Statement be amended to include the required disclosure mandated by the statutory change and the historical designation disclosure. The Commission approved the recommended amendments to the form on November 4, 2018, with an effective date of January 1, 2019.

**3. When is the last time the bond forms for contractors were reviewed and updated?**

The bond forms for General and Mechanical Contractors were created following the passage of 2018 Act No. 217, which provided applicants the option of submitting a financial statement or obtaining a surety bond when applying for licensure or when renewing an existing license.

**4. Which licensees are required to have a bond? What are the required bond amounts? When were those amounts last revised?**

Licenses requiring a bond are set forth below. All bond amounts are established by the General Assembly in statute with two exceptions: 1) the General Assembly delegated the authority to the Residential Builders Commission to establish the bond amount for residential specialty contractors; and 2) the General Assembly established a ceiling for surety bonds purchased by Appraisal Management Companies, thus allowing the Real Estate Appraisers Board the discretion to set a lesser amount.

- Appraisal Management Companies are required to obtain a surety bond or submit a financial statement. The bond amount of \$25,000 was established by the Real Estate Appraisers Board in 2018, following passage of 2018 Act No. 197, establishing that bonds may not exceed \$50,000.
- The Residential Builders Commission requires bonds for multiple categories of licensees. A residential builder is required to have a \$15,000 bond; that amount was set by statute in 1990. A certificate of authorization for a business requires a \$15,000 bond; that amount was set in statute in 2000. Residential specialty contractor registrants (Electrical, Plumbing, and HVAC) are required to have a \$10,000 bond on file if the total cost of the project exceeds \$5,000; that

amount was set in statute in 2005. Residential specialty contractor registrants in all other categories are required to have a bond on file if the total cost of the project exceeds \$5,000.

- General and Mechanical Contractors may opt to obtain a surety bond in lieu of submitting a financial statement when applying for licensure or renewing a license. The amount of the bond was established by statute in 2018 and is two times the required net worth for the applicant’s license group. Notably, the bid and job limitations and net worth amounts, upon which the bonds are based, were increased by the General Assembly in 2016 Act No. 200:

<u>General Contractors</u>			<u>Mechanical Contractors</u>		
Group #	\$ Limit Per Job	Surety Bond Requirement	Group #	\$ Limit Per Job	Surety Bond Requirement
Group #1	\$50,000	\$20,000	Group #1	\$17,500	\$7,000
Group #2	\$200,000	\$80,000	Group #2	\$50,000	\$20,000
Group #3	\$500,000	\$200,000	Group #3	\$100,000	\$40,000
Group #4	\$1,500,000	\$350,000	Group #4	\$200,000	\$80,000
Group #5	Unlimited	\$500,000	Group #5	Unlimited	\$400,000

- Cosmetology schools are required to have a bond in the amount of \$10,000; that amount was set by statute in 1998.
- The Environmental Certification Board requires Well Drillers to have a bond in the amount of \$25,000; that amount was set by statute in 2002.

**5. How do you communicate important information such as new regulations, revised forms, and best practices to licensees?**

The Agency uses various communication medium to share important information with licensees. If legally required, information is sent by way of certified mail to licensees. Other pertinent information, such as notification of renewal, is sent by U.S. Mail. Both methods, however, are costly and slow. Over the past ten years, the Agency has encouraged licensees to provide electronic mailing addresses to their licensing boards so that the boards can communicate important information quickly and at no cost. If new laws are passed with immediate effective dates, the boards send e-blasts to their licensees to ensure they are aware of changes impacting their professions. The boards also have individual board web pages where they post profession-specific information for their licensees while the Agency uses its home page to communicate weather-related information, closings or updates on matters of global concern such as the opioid crisis.

The Agency and several of the boards have Facebook pages to communicate with social media users, and the Agency uses its Twitter account to share photos and information to give the public an eye into the inner workings of the boards and the Agency.

Information pertaining to the promulgation of regulations is published in the *State Register* in accordance with the Administrative Procedures Act, S.C. Code Section 1-23-10 *et seq.* Additionally, boards post meeting agendas on the Agency website and on the Agency bulletin board, and circulate the same to media and requesting parties in accordance with the requirements of the Freedom of Information Act.

### **POL Finances**

**6. Do licensing boards retain fines received as a result of disciplinary penalties? If yes, are the funds kept in separate accounts for each board? What are the restrictions, if any, on the use of those funds?**

South Carolina Code Section 40-1-180(B) requires that all fines and costs be remitted to the State Treasurer and deposited into a special fund established for the department to defray the administrative costs associated with the investigations and hearings.

**7. How much did each board spend on per diem and travel expenses for board members in the last two years?**

Please see Attachment 1.

**8. How are licensing fees determined?**

South Carolina Code Section 40-1-50(D) outlines how the Agency determines license fees. Essentially the Agency evaluates current and projected revenue and expenses of each Board and makes recommendations to the Boards on license fee increases or decreases that may be necessary to ensure the Board has sufficient, but not excessive, money to cover all expenses of the Board.

**9. Information provided on January 7, 2019 shows that out of 37 boards for which information was provided, 15 had a negative cash balance at the end of at least one of the last two fiscal years. How are these deficits accommodated? What steps are taken when a board consistently fails to generate enough revenue to cover its expenditures?**

While funding of all Agency programs, including POL, is supported with Agency funds within the limits set by the General Assembly in the Authorization Act for each fiscal year, the Agency maintains an accounting of the cash balances of all Boards to accurately determine which Boards currently have negative balances and which Boards currently have positive balances. The Agency evaluates Board finances every few years as outlined in No. 8 above, striving toward positive balances. The challenges of doing so are explained in further detail in the Agency's Performance Evaluation Report (page 8) and in the Agency's recorded testimony before the Subcommittee.

**10. Can funds be shifted from one board to another?**

All revenue collected in the POL division of the Agency is deposited in its account with the State Treasurer as level three funds designated as 3135 Other funds. However, internally this revenue is accounted by separate cost centers associated with each board through SCEIS.

**11. What restrictions are there on boards' ability to use their cash balances to advance board objectives and better serve the public and their licensees?**

The Boards are tasked with the duties of licensing professionals, evaluating and approving continuing education, adopting a code of ethics, and investigating and disciplining licensees upon receipt of complaints. These constitute the statutory objectives of the Boards as established in Chapter 1 of Title 40. Specific practice acts may include additional objectives, but these are the core functions, or objectives, of all Boards.

The Director of the Agency is tasked with the duty of assessing, collecting and adjusting fees to cover the expenses of the Boards, including both the direct and indirect costs to the State for the operations of each respective board. Therefore, fees the Agency collects are used to cover costs associated with the Boards' core functions (their objectives) of licensure and renewal, continuing education, ethics, and investigations and discipline. Boards can make recommendations to the Director on ways to allocate fees, or surpluses of fees, if any, to accomplish these objectives, and the Director will take those into consideration.

**POL Boards**

**12. As of January 12, 2019, there were approximately 36 vacancies on POL boards and 134 members whose terms had expired. What steps, if any, are being taken by agency representatives to facilitate those appointments?**

By statute, seats for 39 of the boards are filled by: (1) appointment by the Governor; (2) appointment by the Governor, with advice and consent of the Senate; or (3) appointment by the Governor following elections to determine nominees for his consideration. Two boards have other methods of appointing board members in their practice acts: (1) all but one of the seats held by members of the profession on the Real Estate Commission are elected by a majority of the house members and senators representing the house and senate districts within each congressional district, and the remaining seat is elected by the sitting Commission members; and (2) the Agency Director appoints the members of the Soil Classifiers Advisory Council.

For gubernatorial appointments, the Agency facilitates communication between Board members and the Governor's office. The Director's office maintains an updated list of all board members, the laws applicable to their appointment, and the expiration date of each of their seats to organize the list of board members in expired seats for the Governor's office and vacancies that require appointment. For vacant seats appointed by the Governor, the Director passes along the name and resume of all eligible candidates contacting the Agency expressing an interest in vacant seats. For expired seats appointed by the Governor, the Director has tasked Board administrators with contacting sitting board members to determine if they

desire re-appointment at their seat's expiration. Their responses are transmitted to the Governor's Office for their consideration.

The only action in gubernatorial appointments that is within the exclusive control of the Agency is conducting elections. Board administrators are required to conduct elections in accordance with the terms of their practice acts, and many of the practice acts establish the dates by which elections should be conducted.

**13. Are there any boards that could be consolidated? If so, which ones, and what efficiencies would you expect to realize through any consolidations?**

The legislature created the department as an umbrella agency to help share administrative costs. Therefore, many of the efficiencies that would come with board consolidation already exist. If a board has a similar practice to another board, or requires specialized knowledge by staff that is similar to another board, the Agency already shares an administrator and staff among those boards. Moreover, if the boards share staff, they are also sharing office space, computers, and other administrative expenses. For example, Barber, Cosmetology, and Massage Therapy share an administrator, support staff, and an advice attorney. Similarly, Occupational Therapy, Speech-Language Pathology and Audiology, and Physical Therapy share an administrator, support staff, and an advice attorney. Building Codes, Manufactured Housing, Contractors, and Boiler Safety share an administrator who is a licensed Building Official, and who has the requisite knowledge of the building codes that is needed to oversee those four programs. Finally, all of the behavioral health boards - Counselors, Social Workers and Psychologists - share an administrator, support staff, and an advice attorney. Moreover, in addition to the fiscal benefits realized by sharing staff, the licensees benefit from the fact that the staff is cross-trained across the program areas.

One efficiency that could be created by consolidation would be fewer board members for a particular board; therefore, perhaps less per diem would be paid to board members. Consolidation may also have the effect of consolidating and perhaps reducing regulations as they would be promulgated by a board covering a number of similar professions rather than just one board concerned with its own specific profession.

**14. How many times did each board meet in the last two years?**

Please see Attachment 2.

**15. How do boards get input from the regulated community and members of the public when considering changes to licensure requirements? How long is the public comment period for changes to licensure regulations, and how is it publicized?**

If licensure requirements are established in statute, then the boards and commissions are not delegated the authority to make change. The one exception is if the practice act for the board or commission contains language allowing it to recommend changes in legislation. In those instances, the boards and commissions discuss potential changes during public board meetings which are noticed in accordance with the requirements of the Freedom of Information Act (FOIA). Public comment is permitted at all board and commission meetings. Thereafter, any legislative changes recommended would be pursued by

associations, members of the industry or members of the General Assembly; the boards and commissions are not vested with the authority to lobby.

The boards and commissions are, however, granted the duty to promulgate regulations, and oftentimes, licensure criteria are established in regulation. In those instances, the Agency follows the procedures set forth in the Administrative Procedures Act (APA), S.C. Code Section 1-23-10 *et al.* Comment periods of thirty days are established in S.C. Code Section 1-23-110(A). All actions taken regarding promulgation, amendment or repeal of a regulation are published in the *State Register*, which is available on the website for the South Carolina Legislature, free of charge.

**16. How can individuals communicate concerns and suggestions about licensure requirements to boards?**

An individual can always call or email the board administrator and ask to be placed on the agenda for an upcoming meeting to discuss a particular matter or concern. At any time, an individual can also attend a board meeting and speak during public session.

If licensure requirements are stated in statute, individuals can contact their senator or house member to voice concerns, or if they are members of a professional association, they can express their concerns to the association which can then determine if the matter needs addressing through legislative change.

**POL Staffing**

**17. Do you believe that all boards have an adequate number of administrative and support staff?**

The Agency does not believe the Real Estate Commission currently has an adequate number of staff to handle the new law that will go into effect in 2020, which is why the Agency has requested 4 FTEs specifically for the Real Estate Commission in its FY19-20 budget request. Otherwise, the Agency believes it has adequate staff support for the boards, but requests new FTEs in its budget requests from time to time when this assessment changes.

**18. What logistical and staffing concerns do you anticipate regarding the Real Estate Commission's upcoming fingerprinting and background check responsibilities? What steps are you taking to minimize these issues?**

The staffing and logistical concerns center on the sheer volume of current licensees (approximately 50,000) that need to be fingerprinted, processed, and may require a hearing before the Real Estate Commission (REC), and upon every third renewal thereafter, in addition to doing the same for all the new applicants (the Agency currently issues approximately 400-500 new licenses each month). If a licensee has criminal activity appear on the background check and it cannot be resolved at staff level, then there is also a concern of how quickly the licensee will be able to appear before the REC for a determination of whether he or she can renew his or her license. POL management, REC staff, and the REC are all working together to try and anticipate issues that will result from the new requirement and handle it as expeditiously and efficiently as possible. These issues range from meeting FBI/SLED requirements in handling the data (i.e. training requirements for those that review it and maintaining security and locked space and computer

terminals receiving information), notifying licensees of the requirement and logistics of how to obtain the background check, evaluating hits on criminal background checks and providing all information to the REC that it requests, and scheduling hearings that may be needed before the REC.

In order to manage the administrative tasks involved in handling the background checks, the Agency drafted a request for proposal, seeking bids from third party vendors to handle receiving, reviewing, reporting and storing of the fingerprint background checks on behalf of all boards required to do so. Ideally, the third party vendor will be able to review the reports, compile the results, and report back to the Agency whether a licensee or applicant has a criminal history. This will significantly reduce the amount of staff time required to process and review the reports. It will also minimize the amount of personal identifying information about the licensee or applicant that the Agency would receive and store. Additionally, the third party vendor will be able to assist in dispute and disposition resolution so that the REC will have up-to-date information when considering a licensee's or applicant's criminal history in determining licensure qualifications.

Space is also a logistical concern as the FBI requires that nonessential personnel not have access to the criminal history received by the Agency from fingerprint background checks. The Agency has a secure room with terminals for trained staff to securely review information that it currently gets for other licensing boards, but it would require significantly more space to handle the volume associated with real estate background checks. Again, the third party vendor is necessary to provide that space and additional staffing that will accommodate the Agency's needs to implement the new law.

As the request for proposal process continues, the Agency continues to assess processes internally, finding ways to automate processes and otherwise prepare for the influx of information in 2020. Staffing concerns are being addressed with a request for FTEs in the Agency's budget request as described above.

**19. Which five boards require the most staff support, and what type of staff support do they require?**

- **Nursing (16 Total Staff Including 4 licensed nurses)**
  - 1 Administrator (Nurse)
  - 3 Support staff and education evaluator (3 are nurses, 1 of the nurses is a temporary employee)
  - 4 Compliance staff
  - 8 Licensing staff
  
- **Pharmacy (13 Total Staff Including 7 licensed pharmacists)**
  - 1 Administrator (Pharmacist)
  - 6 Pharmacists (4 inspectors, 1 investigator, 1 non-resident program coordinator)
  - 6 Licensing staff
  
- **Building Codes, Manufactured Housing, Contractors, and Boiler Safety (13 Total Staff Including 1 licensed building code official)**
  - 1 Administrator (Building Code Official)
  - 3 Staff members who work with licensing for Building Codes and Manufactured Housing

- 1 Staff member works with the Boiler Program
- 1 Temporary staff investigator for the Boiler Program
- 1 Licensing supervisor for Contractors
- 5 Staff members who work with licensing for Contractors
- 1 Full time temporary employee works as the receptionist for the Contractors Board
  
- **Board of Medical Examiners and Podiatry (9 Total Staff)**
  - 1 Administrator
  - 8 Licensing and compliance staff (1 member is temporary)
  
- **Cosmetology, Barber, and Massage Therapy Boards (9 Total Staff)**
  - 1 Administrator
  - 1 Administrator Coordinator
  - 1 Licensing Supervisor
  - 6 Licensing staff members

**POL Investigations**

**20. How many disciplinary cases are currently pending review by each board?**

Currently, there are 1,034 cases awaiting final disposition by the boards. The breakdown of cases pending review by board is listed below:

Board	Total Cases Pending Board Hearing	Board	Total Cases Pending Board Hearing
Accountancy	12	Geologist	1
Appraiser	4	Long Term Care	19
Architect	3	Manufactured	4
Auctioneer	3	Massage	4
Barber	19	Medical Examiners	117
Building Codes	1	Nursing	332
Burglar-Fire	2	Occupational Therapy	3
Cemetery	8	Optometry	1
Chiropractic	13	Pharmacy	66
Contractors	44	Phys. Therapy	6
Cosmetology	58	Podiatry	1
Counselors	4	Real Estate	44
Dentistry	29	Residential	164
Engineers	19	Social Work	3



Environmental	1	Speech Audiology	6
Pyrotechnic	2	Veterinary	14
Funeral	27		

**21. How many cases/investigations are currently in progress? What is the average age of those cases? What is the age of the oldest case? What steps, if any, are you taking to close cases and decrease the amount of time needed to close investigations?**

Currently, OIE has 1,593 active investigations. In the last fiscal year, the average age of all cases that investigators turned in for final determination of whether the allegations rose to the level of misconduct warranting a formal board complaint was 126 business days. Currently, the age of the oldest case is 372 business days; it involves other state and federal agencies and a voluminous amount of documents. The Agency is aware that the investigation is taking a significant amount of time due to its complex nature, and is providing the investigator with a disciplinary attorney to help advise on the matter.

In order to ensure the timeliness of investigations, OIE has automated processes to receive notification when cases age to different stages of the investigation process. The investigator has case status meetings with chief investigators, and can also seek guidance from disciplinary attorneys as needed. Further, the Agency observes the average time investigations for a particular board typically take and supervisors are automatically notified once the investigation of a particular case exceeds that average time. Supervisors, senior management within POL, and ultimately, the Director receive reports on these aged cases to ensure they are being handled efficiently. The Agency understands that a complex investigation may take additional time, but believes its duty is to remain aware of the outlier investigations and to provide the resources to the investigator to conclude the investigation as swiftly as possible.

**22. What due process protections do licensees receive during investigations into complaints?**

Due process during the investigative phase begins with the Agency separating the investigators from the professional and occupational licensing boards, which act in a quasi-judicial capacity during a disciplinary hearing. The separation ensures that an individual is not subject to the same person or persons for both the investigation and final adjudication of a case. The Agency also provides the licensee with a notice of complaint containing the allegations and provides time for the licensee, now referred to as a respondent, to submit a responsive statement. The respondent may also hire an attorney or provide any documents or records in support of his position. Once the investigative phase has concluded, if enough evidence exists for the Agency to bring a case against the respondent, the attorney for the Agency will issue a formal complaint that provides the respondent notice of the charges. If a discovery request is made, the disciplinary attorney will also provide the respondent with a copy of any documents or evidence the disciplinary attorney intends to present to the board in its case. The respondent is then given the opportunity to be heard by the board during the hearing, and has the right to judicial review of the board's decision.

**23. How do you communicate investigation procedures to those being investigated?**

The investigator sends a letter to the respondent advising him/her that he/she is under investigation and asking for a response to the allegations. The letter also outlines the investigative process and provides a phone number where the investigator can be reached in case the respondent has additional questions. During the course of the investigation, the respondent also has opportunities to communicate with the investigator by e-mail or phone and there are often in-person interviews or meetings scheduled. Additional case or procedural information can be shared with the respondent during those communications. Information is also available on the Agency's website.

**24. How do you determine how many investigators are assigned to each board? Do you believe that there are an adequate number of investigators for all boards?**

The Deputy Director of POL reviews the number of complaints each board receives every year, and considers the volume of investigations along with the complexity of the cases. Currently, the Agency believes it has enough investigators but reviews the number each year.

**25. How do you ensure that investigators are up to date with applicable laws and regulations, particularly those investigators that work with several boards?**

The Agency provides its investigators with a copy of the practice act and regulations for the assigned board or boards. In addition to the general investigative training the Agency provides to investigators (such as investigative and interview techniques and report writing), board-specific training is also provided. For example, the Agency offered the building and business investigators classes on real estate licensing laws, cosmetology and barber sanitation, and contractor licensing laws. The Agency provided health and medical investigators drug diversion and prescription monitoring classes. When the General Assembly passes substantive changes to a practice act, Agency attorneys offer training on the new legal requirements.

Further, some investigators are licensed professionals and, therefore, have the requisite knowledge of the laws and regulations pertaining to the profession or occupation for which they are licensed. As part of the license renewal requirements, the license holder must complete continuing education. Among its investigators and inspectors, the Agency has licensed building officials, contractors, funeral directors, pharmacists, cosmetologists, and a CPA. The Agency has recently hired a licensed real estate agent, and is in the process of hiring a nurse investigator.

**26. Are any investigators certified law enforcement officers?**

No.

**Elevators and Amusement Rides**

**27. On September 24, 2018, you informed the Subcommittee that 33% of LLR staff audits of elevator inspections by private special inspectors in fiscal year 2017-18 revealed missed code violations. What steps, if any, are being taken to reduce the rate of missed violations?**

As outlined in the Agency's September 24, 2018, letter response to the Subcommittee, the range of issues an elevator may have falls into various categories - from non-serious to serious. No audit by the Agency staff in fiscal year 2017-2018 resulted in finding a serious missed code violation (i.e. one that had the potential to cause injury to the public). In addition, audits by the state inspector occur after the annual inspection by the special inspector; therefore, in some cases, the condition of an elevator could have changed since the special inspector's annual elevator inspection. Examples of these kinds of findings are water found in the elevator pit, the top of the car light being inoperable, or no guard found on the pit light. When these types of findings are made, the Agency seeks to educate and inform the special inspectors. Agency state inspectors contact the special inspectors individually regarding any missed violation. If a serious violation were missed, disciplinary action would be the next step, including suspension or possible revocation of the license.

**28. Since 2011, how many special inspector licenses have been suspended or revoked due to repeatedly missing violations?**

The Agency licenses 21 special inspectors who conduct elevator inspections and 11 who conduct amusement ride inspections. Since 2011 the Agency has not revoked or suspended any license of a special inspector for repeatedly missing violations.

**29. Why did the agency begin allowing private special inspectors to conduct inspections of elevators and amusement rides in 2011? What have been the benefits of doing so?**

Prior to 2011, the law allowed the Agency to license special inspectors and for special inspectors to conduct elevator and amusement ride inspections. However, after an amusement ride accident in 2011, the Agency made a policy determination to require special inspectors to conduct the annual elevators and amusement ride inspections, and have Agency inspectors perform audits of the work. For amusement rides, Agency inspectors are on site with permits and always immediately audit the kids' rides that go up in the air and most "spectacular" rides to make sure the amusement rides are as safe as possible for the public. The benefit of this policy change has been two-fold: by having Agency inspectors audit special inspectors work and directly notifying them of missed violations, the special inspector improves as an inspector; and second, by performing an audit of the work, most amusement rides and some elevators have a second inspection. For example, during the last calendar year, the Agency issued 643 permits for amusement rides and performed 580 audits, meaning, 90% percent of amusement rides received at least two inspections.

**30. How do agency representatives ensure that elevator or amusement ride code violations, once identified, are corrected?**

After a special inspector conducts an elevator's annual inspection, Section 41-16-100 of the South Carolina Code (2011) requires the Agency to issue an operating certificate after "all deficiencies found upon the inspection have been corrected." Therefore, before the Agency will issue an operating certificate, elevator owners are required to submit a completed abatement form certifying that all code violations identified during the inspection have been corrected. The Agency runs a report every month identifying the elevators with outstanding deficiencies and sends an email to owners giving them ten days to submit

their forms to the Agency. If no response is given, ultimately, the Agency issues a cease and desist order to the elevator owner requiring the elevator to be removed from service.

Unlike elevator certificates that expire annually from the date of the last inspection, all amusement ride permits expire on December 31<sup>st</sup> of the year issued, and rides must receive another initial inspection in the subsequent new year in order to be issued operating permits. Amusement ride deficiencies must be corrected and verified by an Agency inspector prior to the owner receiving a permit.

**31. How many times, on average, did each traveling amusement ride subject to LLR inspection move within South Carolina in 2018? Please provide an estimate if the exact number is not known.**

In 2018, each traveling amusement ride moved an average of 3.4 times.

**32. Is the manner in which an amusement ride is assembled a key factor in inspections of traveling amusement rides?**

Yes, each owner of an amusement ride is responsible for the proper assembly of an amusement ride per the manufacturer's requirements. The special inspector ensures that the amusement rides were properly assembled to meet those requirements.

**33. Are traveling amusement rides subject to any kind of inspection by LLR staff or special inspectors after the initial annual inspection?**

Yes, in addition to the initial inspection performed by the special inspector, Agency inspectors perform audits on certain rides.

Sincerely yours,



Emily H. Farr  
Director

Enclosures

# **ATTACHMENT NO. 1**

Sum of YTD Actual Expense Row Labels	Column Labels 2017		2017 Total	2018		2018 Total
	Per Diem	TRAVEL		Per Diem	TRAVEL	
Accountancy	2,800.00	11,880.68	14,680.68	2,275.00	20,532.75	22,807.75
Architectural Examin	1,050.00	8,829.02	9,879.02	770.00	2,844.52	3,614.52
Athletic Commission	770.00	3,817.95	4,587.95	350.00	1,247.67	1,597.67
Auctioneers	560.00	1,137.25	1,697.25	805.00	2,322.66	3,127.66
Barbers	1,470.00	5,301.47	6,771.47	1,785.00	6,398.75	8,183.75
Building Codes	1,890.00	8,881.15	10,771.15	1,120.00	3,917.92	5,037.92
Cemetery	665.00	1,815.70	2,480.70	700.00	1,321.75	2,021.75
Chiropractic	2,170.00	11,312.35	13,482.35	1,960.00	10,264.55	12,224.55
Contractors Licensin	1,995.00	6,883.17	8,878.17	1,610.00	6,250.94	7,860.94
Cosmetology	4,235.00	7,846.98	12,081.98	2,800.00	6,798.38	9,598.38
Dentistry	2,520.00	11,236.14	13,756.14	2,660.00	12,429.97	15,089.97
Dietetic		530.60	530.60		-	-
Engineers & Land Sur	2,940.00	12,804.61	15,744.61	2,870.00	15,231.53	18,101.53
Environmental Certif	700.00	5,686.80	6,386.80	595.00	4,714.45	5,309.45
Foresters	350.00	1,776.71	2,126.71	525.00	2,218.49	2,743.49
Funeral	5,635.00	19,082.98	24,717.98	3,990.00	12,916.46	16,906.46
Geologists	140.00	97.64	237.64	210.00	496.92	706.92
LANDSCAPE ARCHITECTS	1,015.00	7,522.58	8,537.58	1,015.00	7,496.22	8,511.22
Long Term Health Car	1,190.00	5,828.53	7,018.53	1,435.00	5,605.88	7,040.88
Manufactured Housing	1,085.00	2,079.78	3,164.78	770.00	2,015.50	2,785.50
Massage & Bodywork P	665.00	762.42	1,427.42	1,505.00	2,226.20	3,731.20
Medical Examiners	3,885.00	15,096.35	18,981.35	4,865.00	20,697.79	25,562.79
Nursing	5,257.00	22,563.99	27,820.99	6,405.00	23,375.87	29,780.87
Occupational Therapy	490.00	554.94	1,044.94	805.00	2,804.85	3,609.85
Opticianry	840.00	2,092.43	2,932.43	595.00	1,576.54	2,171.54
Optometry	840.00	5,069.21	5,909.21	560.00	2,606.27	3,166.27
Pharmacy	4,620.00	26,730.65	31,350.65	4,900.00	27,066.32	31,966.32
Physical Therapy	1,155.00	2,966.65	4,121.65	1,645.00	3,959.59	5,604.59
Podiatry	280.00	812.20	1,092.20	280.00	794.88	1,074.88
Prof. Counselors	1,855.00	10,155.59	12,010.59	1,715.00	8,328.76	10,043.76
Psychology	245.00	2,438.19	2,683.19	840.00	3,393.52	4,233.52
RE Appraisers	1,225.00	4,291.29	5,516.29	1,540.00	5,217.40	6,757.40
RE Commission	5,390.00	25,278.82	30,668.82	5,530.00	21,252.21	26,782.21
Residential Builders	2,800.00	12,441.33	15,241.33	3,675.00	16,949.11	20,624.11
Social Work Examiner	560.00	1,349.88	1,909.88	525.00	1,197.23	1,722.23
SOIL CLASSIFIERS				70.00	131.61	201.61
Speech Language	735.00	2,187.76	2,922.76	1,225.00	3,470.03	4,695.03
Veterinary	1,750.00	4,983.85	6,733.85	1,750.00	5,485.44	7,235.44
<b>Grand Total</b>	<b>65,772.00</b>	<b>274,127.64</b>	<b>339,899.64</b>	<b>66,675.00</b>	<b>275,558.93</b>	<b>342,233.93</b>

## **ATTACHMENT NO. 2**

<b>Meetings</b>	<b>Board</b>	<b>Committee</b>	<b>Board</b>	<b>Committee</b>
<b>Boards</b>	<b>FY17</b>	<b>FY17</b>	<b>FY18</b>	<b>FY18</b>
Accountancy	5	4	6	1
Architects	6		4	
Athletics	11		8	
Auctioneers	4		4	
Barber	7		6	2
Building Codes	5		4	3
Cemetery	4		5	
Chiropractic	4	2	4	1
Contractors	6	2	4	2
Cosmetology	6*	2	6	5
Counselors	3		4	
Dentist	4	1	4	11
Dietetic	2		2	
Engineers	6*	1	7	2
Environmental	3		4	
Foresters	4		3	
Funeral	11*	1	8*	2
Geologists	4		4	
Landscape Arch	4		5	
LP Gas	1		3	3
LTHC	3	2	5	
Manufacturing	4		5	
Massage	3		6	7
Medical	4*	9	6*	9
Nursing	8*	24	8*	17
OT	3		4	
Opticianry	3		2	
Optometry	3		5	
Pharmacy	6*	21	7*	19
PT	4		5	3
Podiatry	2		2	
Pyro	2		3	2
Psychology	3	3	5	
R. E. Appraiser	5		5	2
Real Estate	11*	5	12*	4
Residential	12		12	
Social Worker	2		4	
Soil Classifier	1		2	
Speech	4		6	
Vet	4	1	4	1
Pilotage	11		10	
<b>Totals</b>	<b>198</b>	<b>78</b>	<b>213</b>	<b>96</b>

\*Multiple day board meetings



# Rural Infrastructure Authority

## Agency Mission

To assist in financing qualified infrastructure projects that will protect public health, comply with environmental quality standards, and support economic opportunities.

## Successes

Identified by the agency

### History

The Rural Infrastructure Authority was created in 2010 and began operating in 2012, approving its first grants in 2013. The administration of two loan programs was transferred to RIA from the Budget and Control Board in 2015.

### Organizational Units

Grants • Loans

### Major Deliverables (FY 17-18)

- Awarded \$14M in grants
- Closed \$120M in loans
- Assisted 291 local governments with information

### Resources (FY 17-18)

#### Employees

9 filled FTE positions at the end of the year

#### Funding

\$166,141,450

*Includes appropriations and State Revolving Fund expenditures, which are not appropriated*

- Using available funds to award \$109.6M in grants and close nearly \$350M in loans since the agency's creation
- Helping to resolve health and environmental concerns, create jobs, and lower utility rates
- Training communities to identify financial resources for infrastructure improvements

## Challenges

Identified by the agency

### Current:

- Developing expertise in small communities
- Attaining sustainability with inadequate resources to invest in infrastructure
- Overcoming resistance to regional approaches

### Emerging:

- Planning for future agency leadership
- Identifying funding gaps and coordinating assistance
- Assessing statewide needs

Figure Note: RIA focuses on water infrastructure projects, including water and waste water systems and storm water drainage facilities.

Sources: Agency PER (April 2019), Accountability Report (September 2018), and [website](#).



## Committee Mission

Determine if agency laws and programs are being implemented and carried out in accordance with the intent of the General Assembly and whether they should be continued, curtailed or eliminated. Inform the public about state agencies.

Website: <http://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee.php>

Phone Number: 803-212-6810

Email Address: [HCommLegOv@schouse.gov](mailto:HCommLegOv@schouse.gov)

Location: Blatt Building, Room 228