



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 3840	Signed by Governor on May 13, 2022
Author:	Erickson	
Subject:	Audiology and Speech-Language Interstate Compact Act	
Requestor:	House of Representatives	
RFA Analyst(s):	Wren	
Impact Date:	July 25, 2022	

Fiscal Impact Summary

This bill allows for the entry of the South Carolina Board of Speech-Language Pathology and Audiology (board) into the Audiology and Speech-Language Pathology Interstate Compact (compact).

The overall expenditure impact on the Department of Labor, Licensing, and Regulation (LLR) is undetermined. However, the bill will increase Other Funds expenditures of the agency by at least \$51,200 in FY 2022-23 for 1.0 FTE and miscellaneous expenses and by at least \$50,200 each year thereafter for the new FTE. Further, the bill will increase Other Funds expenditures of the agency by an undetermined amount due to unknown costs related to entering into the compact, such as additional meetings of the board, travel expenses for state delegates, an annual compact assessment on member states, potential investigatory costs stemming from adverse action taken on licensees, and participation in the compact's data system. However, compact privilege fees paid by applicants for licensure could generate the necessary revenue to offset anticipated expenditure increases.

This bill will have no expenditure impact on the Department of Health and Human Services (DHHS) since the agency previously expanded the provision of telehealth therapy services.

This bill will have no expenditure impact on the Department of Insurance (DOI) or the Public Employee Benefit Authority (PEBA) or other state agencies, because the potential increase in access to medical coverage under this bill is not expected to significantly affect insurance premiums or the agencies' responsibilities.

This bill is not expected to have an expenditure impact on the State Law Enforcement Division (SLED), as we anticipate that any increase in the number of background checks can be managed within the normal course of agency business.

The Board of Speech-Language Pathology and Audiology falls under the Division of Professional and Occupational Licensing. Proviso 81.3 of the FY 2022-23 Appropriations Act requires LLR to remit 10 percent of the board's expenditures to the General Fund annually. Since the board's total expenditures are undetermined, the revenue impact on the General Fund is also

undetermined. However, General Fund revenue would increase by at least \$5,100 in FY 2022-23 and by \$5,000 each year thereafter for the new FTE and miscellaneous costs.

The revenue impact on Other Funds of LLR is undetermined. It is unknown how many new applicants will seek compact licensure, what compact privilege fee the board will set for compact licensure, or how many instances of adverse action will occur upon entry into the compact.

This bill may increase Other Funds revenue of SLED by approximately \$4,450 beginning in FY 2022-23 due to fees collected by SLED for criminal records checks.

While this bill could result in more accessibility for certain covered medical services, DOI does not anticipate an increase in premiums within the state. Therefore, the bill will have no revenue impact on insurance premium taxes.

Explanation of Fiscal Impact

Signed by Governor on May 13, 2022

State Expenditure

This bill allows for the entry of the South Carolina Board of Speech-Language Pathology and Audiology (board) into the Audiology and Speech-Language Pathology Interstate Compact (compact). The compact requires that member states recognize licenses for audiology or speech-language pathology issued by any other member state, as well as allow for the practice of telehealth between member states. The bill specifies the structure, functions, powers, and duties of the Audiology and Speech-Language Pathology Compact Commission (commission), the collective governing instrumentality of the compact states. The commission shall pay the reasonable expenses of its establishment, organization, and ongoing activities and may levy and collect an annual assessment from each member state or impose fees on other parties. The bill also establishes the qualifications for audiologists and speech-language pathologists under the compact, including state and national background checks with fingerprints by the Federal Bureau of Investigation (FBI), and provides for the compact states' rights and obligations, including those involving adverse action.

Department of Labor, Licensing and Regulation. This bill authorizes the board, under the administration of LLR, to afford legal recognition to audiologists and speech-language pathologists in a manner consistent with the terms of the compact. The board may investigate and take adverse action on an audiologist or speech-language pathologists licensed under the compact and must report any adverse action taken in accordance with the rules of the commission. Any witness fees, travel expenses, mileage, and other fees related to an investigation must be paid by the board, but these expenses may be recovered from the affected party as the result of litigation. Compact states are required to fully implement FBI fingerprint criminal background check procedures in the application process. The board must additionally participate in the commission's coordinated licensure database by maintaining and submitting a uniform data set on all licensees in the state. Furthermore, the board shall appoint two delegates

to act on behalf of the state during annual meetings of the commission and any additional meetings.

The bill allows the commission to levy and collect an annual assessment from each compact state or impose fees on other parties, but this assessment has yet to be determined. The bill also details that the commission shall pay for the reasonable expenses of its establishment, organization, and ongoing activities. It is not clear at this time if the travel expenses for the state's two delegates to commission meetings will be covered by the commission.

LLR indicates that additional board meetings may be necessary as a result of this bill. The cost breakdown of board meetings includes a \$50 per diem for each board member, a 62.5 cent per mile mileage reimbursement, and a \$2,156 court reporter fee. The board consists of five members. LLR cannot estimate the number of additional meetings that may be necessary as a result of this bill.

This bill creates additional administrative duties that cannot be managed by existing staff. Therefore, LLR anticipates that it will require 1.0 FTE to handle criminal background check processing, process applications, assist with board meetings, and assist with other duties as assigned. Salary and fringe benefits for an Administrative Assistant will total \$47,700, and other recurring operating expenses will total \$2,500. Non-recurring infrastructure costs associated with this position will total \$1,000. Therefore, this portion of the bill will increase Other Funds expenditures by \$51,200 in FY 2022-23. Expenses will decrease to \$50,200 each year thereafter.

The total expenditure impact of this bill on LLR is undetermined due to unknown expenditures related to travel expenses for commission delegates, the annual assessment levied by the commission, investigatory expenses, participation in the commission's data system, and additional board meetings. However, compact privilege fees paid by applicants could be established by the board and could generate the necessary revenue to offset anticipated expenditure increases.

Public Employee Benefit Authority. This bill could result in more accessibility for certain covered medical services. PEBA anticipates being able to manage any additional expenditures that may arise from this bill without having to increase state insurance premiums. Therefore, this bill will have no expenditure impact on PEBA or state agencies to cover any additional medical services.

Department of Insurance. This bill could result in more accessibility for certain covered medical services. DOI anticipates this will not result in an increase in premiums within the state nor will it result in a change in DOI's responsibilities. Therefore, this bill will have no expenditure impact on DOI.

Department of Health and Human Services. This bill allows the compact to establish a set of standards for audiology and speech-language pathology services to be provided across state lines between compact member states. The creation of the compact and standardization of audiology and speech-language pathology practices will increase the availability of care, including through

telehealth services, as service providers will be allowed to practice across state lines in compact member states. DHHS states that, as a result of the Public Health Emergency, they have already expanded the provision of telehealth therapy services. DHHS indicates that they have experienced a minimal impact as a result of this policy change, but they do not anticipate this legislation will have an impact on the agency. Therefore, this bill is not expected to have an expenditure impact on DHHS.

State Law Enforcement Division. We have not received a response from SLED regarding the expenditure impact of this bill. However, we anticipate that the bill will require SLED to perform activities that can be conducted in the normal course of agency business. Therefore, we do not expect that this bill will have an expenditure impact on the agency due to the provision requiring a criminal history records check and fingerprinting for applicants to the board.

State Revenue

This bill allows for the entry of the South Carolina Board of Speech-Language Pathology and Audiology (board) into the Audiology and Speech-Language Pathology Interstate Compact (compact). The compact requires that member states recognize licenses for audiology or speech-language pathology issued by any other member state as well as allow for the practice of telehealth between member states. The bill specifies the structure, functions, powers, and duties of the Audiology and Speech-Language Pathology Compact Commission (commission), the collective governing instrumentality of the compact states. The commission shall pay the reasonable expenses of its establishment, organization, and ongoing activities and may levy on and collect an annual assessment from each member state or impose fees on other parties. The bill also establishes the qualifications for audiologists and speech-language pathologists under the compact, including state and national background checks with fingerprints by the FBI, and provides for the compact states' rights and obligations, including those involving adverse action.

Department of Labor, Licensing and Regulation. This bill allows the board to charge a fee for granting a compact privilege and allows compact states to recover costs related to adverse action taken against licensees. Because the board does not know how many new applicants will seek compact licensure, what compact privilege fee the board will set for compact licensure, or how many instances of adverse action will occur upon entry into the compact, LLR is unable to estimate the expected revenue from these sources.

The board falls under the Division of Professional and Occupational Licensing. Pursuant to Proviso 81.3 of the FY 2022-23 Appropriations Act, LLR is required to remit annually to the General Fund an amount equal to 10 percent of expenditures. Since the total amount of increased expenses to the board is unknown, the total revenue impact of this bill on the General Fund is undetermined. However, General Fund revenue will increase by at least \$5,100 in FY 2022-23 and by at least \$5,000 each year thereafter for the new FTE and miscellaneous costs. Additional expenses for board meetings and other miscellaneous expenses are unknown.

Department of Insurance. This bill could result in more accessibility for certain covered medical services. DOI anticipates this will not result in an increase in premiums within the state,

and therefore, will not increase insurance premium taxes. Therefore, this bill will have no revenue impact for insurance premium taxes.

State Law Enforcement Division. We anticipate that the bill may increase the number of criminal records checks that SLED is required to perform. The total cost for a criminal records check is \$51.75, of which \$25 is retained by SLED. The vendor, Identogo, receives \$13.50, and the remainder of the fee, \$13.25, is remitted to the FBI. Pursuant to Section 23-3-115(A), revenue generated by criminal records checks performed by SLED up to an amount of \$4,461,000 must be deposited in the General Fund. Any revenue over that amount is retained by SLED.

LLR indicates that based on historical data there is an average of 178 initial licenses granted for speech-language pathologists each year. If state background checks are performed on an average of 178 individuals a year, revenue would increase by \$4,450 each fiscal year. Based upon information provided by SLED, RFA estimates that the agency collected approximately \$5,500,000 in FY 2020-21 for its \$25 portion of the background check fee. Assuming a similar pattern in future years and since this amount is over the \$4,461,000 amount that is allocated to the General Fund, we anticipate that Other Funds revenue of SLED will increase by \$4,450 beginning in FY 2022-23 as a result of the potential increase in background check fees. There would be no increase to General Fund revenue as a result of this portion of the bill.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director