

**SPEECH-LANGUAGE PATHOLOGY AND AUDIOLOGY
AND HEARING AID DISPENSERS BOARD**

INITIAL STATEMENT OF REASONS

Subject Matter of Proposed Regulations: Speech-Language Pathology and Audiology Fees

Sections Affected: Amend section 1399.157 of Article 8 of Division 13.4 of Title 16, California Code of Regulations and sections 1399.170.13 and 1399.170.14 of Article 12 of Division 13.4 of Title 16, California Code of Regulations.

Problem Statement

The Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board (Board) is a state agency vested with the authority to regulate the practices of speech-language pathology, audiology, and hearing aid dispensing (Business and Professions Code (BPC) section 2530.1). The Board's mandate and its mission is to protect the public (BPC section 2531.02).

The Board's funding source is classified as special funds, and as such the Board's revenues and expenditures are generated from regulating the professions of speech-language pathology, audiology, and hearing aid dispensing. Pursuant to BPC sections 2531.95, 2534.2, and 2538.1, the Board has the statutory authority to collect fees to carry out its consumer protection mandate, support the functions of the Board as they relate to regulating speech-language pathologists (SLP), audiologists (AuD), dispensing audiologists (DAU), speech-language pathology assistants (SLPA), speech-language pathology aides, audiology aides, required professional experience temporary licenses (RPE), and temporary licensees, and maintain an adequate balance in its contingency fund. The fees of the Board are required to be sufficient to support the functions of the Board.

The fees, as they are currently set, do not adequately support the functions of the Board as they relate to regulating the professions. The Board has a fiscal structural imbalance in its budget.

In 2012, the Board prepared information about the budget for its Sunset Review Report to the Legislature. At that time, the Board's projected reserve was 0.2 months in Fiscal Year (FY) 2013/2014; however, a general loan fund had been taken against the Fund in FY 2011/2012, and it was advised that general funds are to be paid back, with interest, before any fee increases should take place. (See 2012 Sunset Review Report). After the general loan fund had been paid back, the Board's reserve increased and was predicted to have a 10.7 month of reserve in FY 2016-17. However, a growing licensee population,

an increase of expenses in enforcement, and an increase in staff led to a prediction that FY 2016-2017 expenditures would be higher than projected revenue. Therefore, in 2015, the Department of Consumer Affairs' (DCA) Budget Office recommended a fee increase. (See 2016 Sunset Review Report).

Since the Board initially approved this regulatory proposal, Board staff has been working closely with the DCA Budget Office to monitor the Board's funds. During the past five years the Board's licensing population has increased by over 30 percent. Consequently, the Board's workload has increased along with the need for additional staff. The Board can no longer handle the continual increase in workload with its current staffing resources and adequately protect the public.

In March of 2019, the DCA completed another analysis of the Board's fund condition and concluded that, with the current fee schedule, the fund would be insolvent by FY 2022-2023. Most notably, the Board needs to move into a different office space to accommodate its growing staff.

The fees for the hearing aid dispenser license types are set by statute and can only be lowered by the Board (BPC section 2538.57). The Board does not have the authority to raise the fee structure for those license types at this time and must increase the fees that the existing statutory authority allows the Board to increase.

This regulatory proposal will make changes to existing regulations with respect to the fees for speech-language pathologists, audiologists, dispensing audiologists, speech-language pathology assistants, and other Board fees. This proposal is necessary to ensure sufficient resources are available to meet the Board's consumer protection mandate and maintain Board operations. With this fee increase, the Board would be able to investigate consumer complaints, continue its enforcement endeavors, license new professionals in a timely manner, evolve as a regulatory body as the professions advance, and educate the professions and consumers about safe practice standards.

Specific Purpose and Rationale

16 California Code of Regulations (CCR) section 1399.157 establishes the fees for speech-language pathologists, audiologists, dispensing audiologists, continuing professional development providers, and other Board fees. Additionally, 16 CCR sections 1399.170.13 and 1399.170.14 establish the application and renewal processes for speech-language pathology assistants.

Amend Section 1399.157 of Article 8 of Division 13.4 of Title 16 of the CCR

The Board is increasing the fees for the application for initial licensure, application for renewal, and other fees as outlined below. This increase will allow the Board to meet its public protection mandate, eliminate the structural imbalance, and begin restoring the Board's reserve fund. The Board determined the fee increases are warranted as it would increase the Board's revenue by an additional \$660,000 a year, which would cover

existing expenditures for complaint investigations, enforcement endeavors, licensing, regulating, and educating, while accounting for growth, and restoring the Board's reserve fund in a timely manner.

This regulatory proposal will increase the fees as follows:

- Increases the application fee for speech-language pathology (SLP) and audiology (AuD) applicants from \$60.00 to \$150.00, a 150% increase.
- Increases the biennial renewal fee for SLP and AuD licensees from \$110.00 to \$150.00, a 36.4% increase.
- Increases the biennial renewal fee for SLPA registrants from \$75.00 to \$100.00, a 33.3% increase.
- Increases the one-time application fee for Aides from \$10.00 to \$30.00, a 200% increase.
- Increases the fee for license status and history certification letters from \$10.00 to \$25.00, a 150% increase.

In addition to the fee increases identified above, the following changes are proposed:

16 CCR 1399.157(a):

This section now includes the biennial renewal fee that was referenced in subsection (c) of the regulation to keep all the fees for the two license types referenced in the same subsection and to mirror the authorizing statute.

16 CCR 1399.157(b):

This section now includes the annual renewal fee for dispensing audiologists that was referenced in subsection (d) of the regulation to keep all the fees for this license type in the same subsection and to mirror the authorizing statute.

16 CCR 1399.157(c):

The proposal adds to the fee schedule the speech-language pathology assistant (SLPA) initial registration, which is currently in 16 CCR section 1399.170.13. However, for consistency it is added into this section since it establishes a fee that applies to the profession. This subsection also adds the SLPA biennial renewal fee, which is currently in 16 CCR section 1399.170.14. The Board has not made any changes to the renewal fee, but for consistency and clarity has added it to this section so that all fees are easily identified in the regulation.

It also removes language that was added into another subsection. Finally, it removes an outdated reference to the January 1, 2002 effective date of previously enacted renewal fees.

16 CCR 1399.157(d):

This subsection adds a delinquent fee which is required to renew an expired license, which is set in statute in BPC section 2534.2(b). Language that was also moved to a different subsection was removed.

16 CCR 1399.157(f):

The word “the” was removed to be consistent with new language for readability. “Shall be” also replaces “is” for the same reasons. “200” is changed to “200.00” to be consistent with how the other dollar amounts are referenced. The “non-refundable fee” has been removed for consistency with the other fees.

16 CCR 1399.157(g):

This subsection replaces “issuance of a” to “each” so that is very clear that each time a license status and history certification letter is issued, the fee shall apply.

16 CCR 1399.157(h):

This subsection adds a new fee to obtain a replacement wall certificate, which is established in BPC section 2534.3(g). Although it is in statute, this change will provide consistency and clarity so that all fees are easily identified in the regulation.

Amend Section 1399.170.13 of Article 12 of Division 13.4 of Title 16 of the CCR

16 CCR Subsection 1399.170.13(b) is removed from this section to consolidate all the fees into one section. This will provide clarity to the regulated public.

Amend Section 1399.170.14 of Article 12 of Division 13.4 of Title 16 of the CCR

16 CCR Subsection 1399.170.14(a) is removed from this section to consolidate all the fees into one section. This will provide clarity to the regulated public.

Underlying Data

- 2012 Sunset Review Report: Pages 17-18 and 22-25
- Expenditure Projection Report FY 2011/2012 dated November 30, 2011 and FY 2015/2016 fiscal month 6
- Department of Consumer Affairs Analysis of Fund Condition prepared February 10, 2015 and December 16, 2015

- June 18, 2015 Memo to Board regarding Speech-Language Pathology and Audiology Fee Increase
- Board Meeting Minutes for June 19, 2015 Board Meeting
- March 1, 2016 Schedule of Workload and Revenue Statistics: Pages 1-5
- 2016 Sunset Review Report: Pages 21-22 and 29-30
- Board Meeting Minutes for February 8-9, 2018 Board Meeting
- Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board Analysis of Fund Condition (completed by DCA on 6/21/2018)
- July 10, 2019 Memo to the Board regarding Discussion and Possible Action regarding Speech-Language Pathology and Audiology Fees
- Board Meeting Minutes for July 18-19, 2019 Board Meeting

Economic Impact Assessment

This regulatory proposal will have the following effects:

It will not create or eliminate jobs within the State of California because licensing fees are typically paid by the individual licensee.

It will not create new business or eliminate existing businesses within the State of California because licensing fees are typically paid by the individual licensee and therefore, the fee increase will only impact individual licensees and not businesses.

It will not affect the expansion of businesses currently doing business within the State of California because licensing fees are typically paid by the individual licensee and therefore, the fee increase will only impact individual licensees and not businesses.

This regulatory proposal benefits the health and welfare of California residents by ensuring the Board has sufficient resources to maintain current operations to meet its consumer protection mandate by allowing the Board to continue licensing, regulatory, and enforcement activities.

This regulatory proposal does not affect worker safety because the regulation doesn't relate to worker safety.

This regulatory proposal does not affect the state's environment because the regulation doesn't relate to the environment.

There will be a cost impact on a representative private person or business associated with the increased application and renewal fees and other miscellaneous fees for speech-language pathologists, audiologists, and speech-language pathology assistants.

The application, renewal, and registration fees assessed to applicants, licensees, and registrants or businesses that pay application and renewal fees on behalf of their employees will increase as follows:

Fee Type	Current Fee	Proposed Fee	Increase Amount
Speech-Language Pathologist application fee	\$60	\$150	\$90
Speech-Language Pathologist biennial renewal fee	\$110	\$150	\$40
Audiologist application fee	\$60	\$150	\$90
Audiologist biennial renewal fee	\$110	\$150	\$40
Speech-Language Pathology Assistant application fee	\$50	\$50	\$0
Speech-Language Pathology Assistant biennial renewal fee	\$75	\$100	\$25
Aide registration fee (one time only)	\$10	\$30	\$20
License Status and Certification Letter	\$10	\$25	\$15

The following chart displays the cost impact to individuals by fee type. Based on the existing licensee and registrant populations, which remain relatively stable over time, the Board anticipates the proposed fees will increase annual industry costs by approximately \$495,305 per year:

Fee Type	Annual Population	Increase Amount	Annual Cost Increase
Speech-Language Pathologist application fee	613	\$90	\$55,170
Speech-Language Pathologist biennial renewal fee	7,578	\$40	\$303,120
Audiologist application fee	48	\$90	\$4,320
Audiologist biennial renewal fee	196	\$40	\$7,840
Speech-Language Pathology Assistant biennial renewal fee	4,419	\$25	\$110,475
Aide registration fee (one time only)	44	\$20	\$880
License Status and Certification Letter	900	\$15	\$13,500
Total:			\$495,305

Business Impact

The Board determined that the proposed regulatory action will affect several of the Board's licensees by increasing application and renewal fees for various license categories regulated by the Board. However, because those are individual licenses and not business licenses, the Board has made an initial determination that the proposed regulatory action would have no significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

Specific Technologies or Equipment

This regulatory proposal does not mandate the use of specific technologies or equipment.

Consideration of Alternatives

In accordance with Government Code section 11346.5(a)(13), the Board must determine that no reasonable alternative considered by the agency or that has otherwise been identified and brought to the attention of the agency would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Board considered a regulatory proposal to increase all the speech and audiology fees to the statutory maximums, but made a policy decision that the application and renewal fees for speech-language pathology assistants should be lower than speech-language pathologists since speech-language pathology assistants are generally in a lower salary range than speech-language pathologists.

The Board could also choose to keep application and licensing fees at current levels. However, this would create a significant deficit for the Board and would prevent it from fulfilling its consumer protection mandate, as the Board would no longer be able to perform many of the services mandated by the law. Therefore, this is not a viable option.

Fiscal Impact Assessment

This proposal increases the application and renewal fees and the charge for a license status and history certification letter for various licenses regulated by the Board, and imposes new fees for delinquency fee for renewing an expired license or registration and a duplicate wall certificate fee.

Any additional workload and costs are anticipated to be minor and absorbable within existing resources.

