



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bills 554 and 555 (as enacted)
Sponsor: Senator Tonya Schuitmaker
Senate Committee: Regulatory Reform
House Committee: Regulatory Reform

PUBLIC ACTS 29 & 30 of 2016

Date Completed: 4-18-16

RATIONALE

The Department of Licensing and Regulatory Affairs is responsible for issuing to qualified individuals licenses or registrations to practice regulated occupations. These licenses and registrations generally expire after a specific date unless they are renewed. The licensee or registrant must fulfill requirements specified by the Department or a board to receive a renewed license or registration, and many occupations have a continuing education obligation for renewal.

The Department is, therefore, required to track each licensee's or registrant's continuing education as it pertains to license or registration renewal. Apparently, however, the Department has outdated technology and is not well equipped to handle the task. It is said to be resource intensive, often requiring considerable paperwork and time from both Department employees and the individuals applying for renewal. To address these concerns, some suggested allowing the Department to enter into an agreement with a private firm or, for some professions, a trade organization that can electronically track the continuing education of license holders and registrants.

CONTENT

Senate Bill 554 and Senate Bill 555 amend Article 15 (Occupations) of the Public Health Code and the Occupational Code, respectively, to allow the Department of Licensing and Regulatory Affairs to enter into an agreement with an entity to provide an electronic tracking system that will provide a record of the continuing education completed by the individuals licensed or registered under the Codes.

Specifically, Senate Bill 554 allows the Department to enter into an agreement with an entity that is not an agency of a state or the Federal government to provide an electronic continuing education tracking system that will provide an electronic record of the continuing education courses, classes, or programs completed by all of the individuals who are licensed or registered under Article 15 of the Public Health Code.

Senate Bill 555 allows the Department to enter into an agreement with any of the following to provide an electronic continuing education tracking system that will provide an electronic record of the continuing education courses, classes or programs completed by individuals who are licensed or registered under the Occupational Code:

- For individuals who are licensed under Article 7, a statewide accountancy trade organization.
- For individuals who are licensed under Article 25, a statewide real estate trade organization.
- For the individuals who are licensed or registered under all of the other articles of the Code, an entity that is not an agency of a state or the Federal government.

(Article 7 of the Code regulates the licensure of certified public accountants. Article 25 regulates the licensure of real estate brokers, associate real estate brokers, and real estate salespeople.)

The bills require all continuing education tracking provided by the system to accurately reflect the continuing education requirements under the Codes and the rules promulgated under them. A confirmation of completion of continuing education requirements generated by the system will be considered verification of completion of those requirements for renewal of a license or registration and for purposes of any audit of licensees or registrants conducted by the Department. Also, the system must provide access to continuing education information about an individual who is licensed or registered under the Codes to the individual, to the appropriate board for the individual's profession, and to the Department.

The Department must promulgate any rules it considers appropriate to implement and administer the bill's provisions.

The bills will take effect on June 6, 2016.

MCL 333.16206 (S.B. 554)
339.210 (S.B. 555)

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The current method of managing and tracking continuing education is inefficient. The process requires a significant amount of paperwork and time from both Department employees and the individuals applying for renewal of a license or registration. This is especially true when an individual is selected for an audit, as many documents must be sent back and forth between the Department and the other people involved.

The bills address these problems by allowing the Department to contract for an efficient system that will replace the excessive paperwork and processes the Department currently relies on. The electronic system will be helpful particularly during the auditing process, as audits generally require considerable effort from the Department and the individuals applying for renewal. The electronic tracking system will track the completion of continuing education courses and programs, and provide information needed by the Department, the individual, and the appropriate board for the individual's profession. The system will fulfill the objectives of creating more efficiency within the Department, saving the Department resources, and allowing the Department to provide better service.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bills will have an indeterminate fiscal impact on the Department of Licensing and Regulatory Affairs (LARA) and no fiscal impact on local units of government. The bills allow LARA to enter into a contract to provide an electronic continuing education tracking system, but do not require it to do so. If LARA chooses to provide such a system, it will incur unknown costs in doing so. Those costs will likely be covered by license fees paid by members of professions regulated by LARA, but other fund sources may be used as well, subject to appropriation.

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.