



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 554 (as passed by the Senate)
Senate Bill 555 (Substitute S-1 as passed by the Senate)
Sponsor: Senator Tonya Schuitmaker
Committee: Regulatory Reform

Date Completed: 12-22-15

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, 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 Apparently, however, the Department has outdated technology and is not well equipped to handle the task.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 have suggested allowing the Department to enter into an agreement with a private firm that could electronically track the continuing education of license holders and registrants.

CONTENT

Senate Bills 554 and 555 (S-1) would 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 would provide a record of the continuing education completed by the individuals licensed or registered under the Codes.

Specifically, the bills would allow the Department to enter into an agreement with an entity that was not an agency of a state or the Federal government to provide an electronic continuing education tracking system that would provide an electronic record of the continuing education courses, classes, or programs completed by all of the individuals who were licensed or registered under Article 15 of the Public Health Code or the Occupational Code, excluding those licensed under Article 7 or Article 25 of the Occupational Code. (Article 7 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 would require that all continuing education tracking provided by the system 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 would 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 would have to provide access to continuing education information about an individual who was licensed or registered under the Codes to the individual, to the appropriate board for the individual's profession, and to the Department.

The Department would have to promulgate any rules it considered appropriate to implement and administer the system.

Each bill would take effect 90 days after the date it was enacted.

Proposed MCL 333.16206 (S.B. 554)
MCL 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 would address these problems by allowing the Department to contract for an efficient system that would replace the excessive paperwork and processes the Department currently relies on. The proposed electronic system would 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 would 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 would 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 would 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 would allow LARA to enter into a contract to provide an electronic continuing education tracking system, but would not require it to do so. If LARA chose to provide such a system, it would incur unknown costs in doing so. Those costs would likely be covered by license fees paid by members of professions regulated by LARA, but other fund sources could 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.