

Department of Legislative Services
 Maryland General Assembly
 2006 Session

FISCAL AND POLICY NOTE

Senate Bill 600 (Senator Conway, *et al.*)
 Education, Health, and Environmental Affairs Health and Government Operations

Education - Audiologists and Speech-Language Pathologists - Licensing Fee Reimbursement

This bill requires local boards of education to reimburse audiologists and speech-language pathologists for their licensing fees if they: (1) provide audiology and speech-language services on a third-party billing basis in schools; and (2) are licensed by the State Board of Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists. An audiologist or speech-language pathologist must reimburse the local board for the full amount received if all of the requirements for renewal of a license are not completed or services are not provided to schools on a third-party billing basis. The State Board of Education must adopt regulations to implement and administer the program.

The bill takes effect July 1, 2006.

Fiscal Summary

State Effect: General fund expenditures would increase by an estimated \$10,500 in FY 2007 to administer the new program. Future year expenditure estimates reflect annualization, regular salary increases, and inflation. Revenues would not be affected.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	10,500	11,100	11,800	12,600	13,400
Net Effect	(\$10,500)	(\$11,100)	(\$11,800)	(\$12,600)	(\$13,400)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Local school expenditures would increase by an estimated \$20,100 in FY 2007 and by an estimated \$223,500 in FY 2008 to pay for initial licenses and license renewals for speech-language pathologists and audiologists. Future year expenditures would continue at approximately \$20,100 in odd-numbered fiscal years and \$223,500 in

even-numbered fiscal years due to the biennial license renewal cycle. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Minimal.

Analysis

Current Law: The license application fee for an audiologist or speech-language pathologist is \$150, and the biennial renewal fee is \$252. Licenses are renewed in even-numbered years.

Background: Chapter 194 of 2003 established the Task Force to Study the Availability of Audiology and Speech-language Services. The task force released its findings and recommendations on December 31, 2003. One of the task force recommendations is to include audiologists and speech-language pathologists in legislation addressing recruitment and retention efforts in schools.

The Maryland State Teachers Association (MSTA) advises that many audiologists and speech-language pathologists working in schools have national rather than State certification. MSTTA further advises that a recent regulatory adjustment to Medicaid requires service providers to hold State licensure to qualify for federal Medicaid reimbursement. As a result, more audiologists and speech-language pathologists are now pursuing State licenses at a cost of \$150 for the initial license and \$252 for each license renewal.

State Expenditures: General fund expenditures could increase by an estimated \$10,540 in fiscal 2007, which accounts for the bill's October 1, 2006 effective date. This estimate reflects the cost of hiring one quarter-time administrative specialist to administer the program and includes the quarter-time salary, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	.25
Salaries and Fringe Benefits	\$7,969
Operating Expenses	<u>2,571</u>
Total FY 2007 State Expenditures	\$10,540

Future year expenditures reflect: (1) a full-year quarter-time salary with 4.6% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

Local Expenditures: Local school system expenditures would increase by an estimated \$20,100 in fiscal 2007 and by an estimated \$223,464 in fiscal 2008 to reimburse audiologists and speech-language pathologists for license fees. The following information and assumptions were used in calculating the estimate.

- At least two public school systems, Frederick and Howard counties, already reimburse audiologists and speech-language pathologists for licensing fees; therefore, there is no increase in costs for these school systems. Combined, the two systems make up 10.4% of the State's public school students, and it is assumed that they employ a similar percentage of the audiologists and speech-language pathologists who work in Maryland public schools.
- In fiscal 2004, approximately 150 audiologists and speech-language pathologists paid the \$150 license application fee. Subtracting an estimated 16 who work in Frederick and Howard counties and assuming the number is relatively stable, reimbursements for 134 initial license fees would cost approximately \$20,100 annually.
- In fiscal 2004, approximately 900 audiologists and speech-language pathologists renewed their licenses at a cost of \$252 each. There is a biennial renewal cycle for the licenses, with fees paid in even-numbered fiscal years. Subtracting an estimated 93 who work in Frederick and Howard counties and assuming the number of audiologists and speech-language pathologists remains relatively stable, reimbursements for 807 license renewals would total \$203,364 in fiscal 2008 and in subsequent even-numbered fiscal years.

Although the information was not readily available, there may be additional school systems that currently reimburse audiologists and speech-language pathologists for licensing fees. The additional costs stemming from this bill would be offset by any fees that are already being reimbursed by local school systems.

Additional Information

Prior Introductions: HB 1238 of 2005 would have required the State to pay certification fees for speech-language pathologists and audiologists. The House Committee on Ways and Means took no action on the bill.

Cross File: None.

Information Source(s): Maryland State Department of Education; Department of Health and Mental Hygiene; Department of Labor, Licensing, and Regulation; Maryland State Teachers Association; Department of Legislative Services

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