

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 273 (The President, *et al.*) (By Request - Administration)
Education, Health, and Environmental Affairs Health and Government Operations and
Economic Matters

Veterans Full Employment Act of 2013

This Administration bill facilitates professional licensing for active military personnel, veterans, and their spouses through the expedited issuance of specified licenses, registrations, and certificates.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: In general, the affected agencies and boards can implement the bill with existing budgeted resources. General and/or special fund revenues increase minimally beginning in FY 2014 for the Department of Labor, Licensing, and Regulation (DLLR), the Department of Health and Mental Hygiene (DHMH), and the Maryland State Department of Education (MSDE) from additional licenses, certificates, and registrations issued to individuals under the bill.

Local Effect: Minimal.

Small Business Effect: The Administration has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Bill Summary: A “service member” means an individual who is an active duty member of the U.S. Armed Forces, a reserve component of the Armed Forces, or the national guard of any state. A “veteran” is defined as a former service member who was discharged from active duty under circumstances other than dishonorable within one year

before the date on which an application for licensure, registration, or certification is submitted; it does not include an individual who has completed active duty and has been discharged for more than one year before the application for licensure is submitted. A “military spouse” means the spouse of a service member or veteran and includes a surviving spouse of a veteran service member who died within one year before a license or certificate application is submitted.

Occupational and professional licensing units within DLLR must issue expedited temporary licenses, registrations, or certificates to military service members, veterans, and military spouses if specified education, training, and experience conditions are met. Similarly, the State Superintendent of Schools must expedite educator certification for a service member, veteran, or military spouse and may issue a temporary educator certificate under specified conditions. Each application for a temporary license must include payment of any application fee required by the licensing unit. Each licensing unit must publish on its website details of the expedited processes established under the bill, and each may adopt implementing regulations.

Health occupations boards within DHMH must expedite the licensure, certification, or registration of a service member, veteran, or military spouse. The boards must also assign an advisor to assist the individual with the application process and provide specified information to assist in the licensing, certification, or registration process. Each board may adopt regulations to implement the bill.

The bill also requires the State Emergency Medical Services (EMS) Board, DLLR, and DHMH to credit specified military training and education completed by a service member toward licensure or certification requirements.

The Maryland Higher Education Commission (MHEC), in consultation with the public institutions of higher education in the State, must develop and adopt guidelines on awarding academic credit for a student’s military training, coursework, and education. The governing body of each public institution of higher education in the State must develop and implement policies in accordance with the guidelines developed by MHEC.

The affected agencies must submit a preliminary report to the Governor and General Assembly on implementation of the bill by January 1, 2014, and must submit a final report by January 1, 2015. The reports must include specified information related to the individuals licensed, registered, or certified under the bill and recommendations for improvement.

Occupational and Professional Licensing Units

Each occupational and professional licensing unit within DLLR is authorized to issue a temporary license to service members, veterans, and military spouses. Each unit *must* issue an expedited temporary license to a service member, veteran, or military spouse who meets specified requirements unless the issuance of the license would pose a risk to public health, welfare, or safety.

A temporary license is valid until the earlier of six months after the date of issuance or the date on which a decision on a permanent license is made. A temporary license authorizes an individual to perform services regulated by the unit while the individual completes additional requirements for licensure in the State. An application for a temporary license must include, in addition to payment of any application fee required:

- proof of the applicant's status as a service member, veteran, or military spouse;
- proof that the applicant holds a valid license in good standing issued in another state;
- proof that the applicant or applicant's spouse is assigned to a duty station in the State or has established legal residence in the State;
- proof of application for a criminal background check, if required for licensure; and
- proof that the applicant has submitted the full application for licensure.

Before issuing a temporary license, each unit must determine that the requirements for licensure in the other state are substantially equivalent to, or exceed the requirements for, licensure in Maryland.

In calculating an individual's years of practice in an occupation or profession, each unit must give credit to the individual for all relevant experience as a service member. Each unit must credit any training and education provided by the military and completed by a service member toward any education or training requirements for licensure if the training or education is determined by the unit to be (1) substantially equivalent to the training or education required by the unit and (2) not otherwise contrary to any other licensing requirement.

Each unit may issue a temporary license for a limited period of time as determined by the unit to a service member, veteran, or military spouse who holds a valid license in good standing issued in another state if the requirements for licensure in that state are not substantially equivalent to State requirements under specified conditions, including that the issuance does not pose a risk to public health, welfare, or safety.

Each unit must publish on its website the process for obtaining a temporary license or, if applicable, the process for obtaining a permanent license. Each unit may adopt regulations to implement the bill.

The bill's provisions relating to occupational and professional licensing units within DLLR do not apply to individuals licensed under Title 11, Subtitles 5 or 6, of the Financial Institutions Article. Separate provisions of the bill affect those individuals, as discussed later in this fiscal and policy note.

Health Occupations Boards

Each health occupations board must develop a procedure by which an individual who applies for a license, certificate, or registration can notify the board that the individual is a service member, veteran, or a military spouse. The bill specifies that the requirement can be satisfied by including a check-off box on an application. For each applicant who is a service member, veteran, or military spouse, a health occupations board must assign an advisor to assist the individual with the application process.

In calculating an individual's years of practice in a health occupation, each health occupations board must give credit to the individual for all relevant experience as a service member. Each board must credit any training and education provided by the military and completed by a service member toward any education or training requirements for licensure, certification, or registration if the training or education is determined by the board to be (1) substantially equivalent to the training or education required by the board and (2) not otherwise contrary to any other licensing requirement.

If a service member, veteran, or military spouse meets the requirements for licensure, certification, or registration, each health occupations board must expedite the licensure, certification, or registration process and issue the credential within 15 days after receiving a completed application.

If a health occupations board determines that a service member, veteran, or military spouse does not meet the education, training, or experience requirements for licensure, certification, or registration, a representative of the board must assist the individual in identifying programs that offer relevant education or training or ways of obtaining needed experience.

Each health occupations board must publish information on its website related to the expedited licensing process and any related assistance and services provided by the board to service members, veterans, and military spouses.

In addition, each health occupations board may allow a licensee or certificate holder who is a member the U.S. Armed Forces deployed outside the United States or its territories to (1) renew the license or certificate after the expiration of the renewal period without payment of a penalty or reinstatement fee if the late renewal is a direct result of the deployment and (2) complete any continuing education or continuing professional competency requirements or criminal history records check required for licensure within a reasonable time after renewing the license or certificate.

State Board of Education

The State Superintendent of Schools must expedite educator certification for a service member, veteran, or military spouse. To qualify for an expedited certification, a service member, veteran, or military spouse must (1) submit an application for certification; (2) hold a valid educator license or certificate in good standing issued in another state; (3) meet the applicable qualifications for certification in the State; and (4) pay the applicable certification fee. A temporary certificate authorizes an individual to perform services to be employed as an educator for a limited period of time, as determined by the State Superintendent, while the individual completes additional requirements for certification in the State.

The State Superintendent, at the request of a local school system, may issue a temporary educator certificate under the bill to an individual who does not meet the qualifications for educator certification in the State provided that the individual holds a valid educator license or certificate in good standing from another state. The State Board of Education must publish on its website the process of obtaining expedited educator certification, and it may adopt regulations to implement the bill.

State Emergency Medical Services Board

The EMS Board must credit any training and education provided by the military and completed by a service member toward any training and education requirements for licensure or certification if the training or education is determined by the board to be (1) substantially equivalent to the training or education required by the board and (2) not otherwise contrary to any other licensing requirement.

Division of Financial Regulation

To expedite the renewal or change of status of a mortgage loan originator license for a service member, veteran, or military spouse, the DLLR Commissioner of Financial Regulation must waive, as applicable, the State criminal history records check and may waive or suspend any other licensing requirements to the extent that the waiver or suspension does not result in the failure to meet specified federal minimum licensing standards. Identical provisions apply to expedite the issuance of a license to a service

member, veteran, or military spouse who holds a valid mortgage loan originator license in another state. The commissioner must publish on the commissioner's website, or have published on a specified third-party website, the expedited processes for the issuance, renewal, or change of status of a license issued under the bill. The commissioner may adopt regulations to implement the bill.

Current Law/Background:

Occupational and Professional Licensing Boards

There are 24 occupational and professional licensing boards, offices, commissions, units, and other licensing structures administered through the Division of Occupational and Professional Licensing in DLLR, representing most of the State's nonhealth licensing units. Collectively, the units regulate more than 226,000 individuals. **Exhibit 1** lists the licensing boards and the number of individuals who held licenses in fiscal 2012. In general, these boards administer tests, issue licenses, investigate complaints, and have disciplinary authority over licensees to protect both the consuming public and the integrity of the profession.

Health Occupations Boards

Under the Office of the Secretary of Health and Mental Hygiene, 19 health occupations boards regulate and discipline more than 423,000 individual health care professionals. The boards seek to protect the public by ensuring that practicing health professionals are properly credentialed and licensed to provide high-quality services to the citizens of Maryland. Each board also receives, investigates, and resolves complaints about regulated professionals and assists in establishing parameters for the practice of each regulated health profession. **Exhibit 2** shows the total number of active licensees and certificate holders regulated by each board in fiscal 2012.

Exhibit 1
Licensing Activity of Occupational and Professional
Licensing Boards and Commissions in DLLR
Fiscal 2012

Architects	6,496
Athletics	557
Barbers	6,357
Cemeteries	1,211
Certified Interior Designers	330
Cosmetologists	48,475
Elevator Safety	598
Foresters	203
Heating, Ventilation, Air-Conditioning, and Refrigeration Contractors	19,630
Home Improvement	27,026
Individual Tax Preparers	3,545
Landscape Architects	1,028
Locksmiths	45
Master Electricians	5,157
Pilots	72
Plumbing	13,261
Professional Engineers	22,955
Professional Land Surveyors	1,043
Public Accountancy	20,192
Real Estate	38,161
Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors	3,599
Secondhand Precious Metal Object Dealers and Pawnbrokers	641
Sports Agents	28
Stationary Engineers	5,854
Total	226,464

Source: Department of Labor, Licensing, and Regulation

Exhibit 2
Total Number of Active Licensees and Certificate Holders
Regulated by the Health Occupations Boards in DHMH
Fiscal 2012

Acupuncture	939
Audiologists, Hearing Aid Dispensers, and Speech-Language Pathologists	4,235
Chiropractic and Massage Therapy Examiners	5,129
Dental Examiners	15,371
Dietetic Practice	1,588
Environmental Health Specialists ¹	680
Morticians and Funeral Directors	1,368
Nursing	291,091
Nursing Home Administrators	539
Occupational Therapy	3,069
Optometry	904
Pharmacy	20,014
Physical Therapy Examiners	13,234
Physicians (including allied health practitioners)	41,495
Podiatric Medical Examiners	466
Professional Counselors and Therapists	5,146
Psychologists	4,906
Residential Child Care Professionals	148
Social Workers	13,054
Total	423,376

¹Formerly the State Board of Environmental Sanitarians, transferred from the Maryland Department of the Environment to the Department of Health and Mental Hygiene effective July 1, 2012. Number of active licensees and certificate holders is estimated.

Source: Governor's Budget Books, FY 2014; Department of Legislative Services

Division of Financial Regulation

The Office of the Commissioner of Financial Regulation located within DLLR's Division of Financial Regulation is responsible for licensing and regulating mortgage lenders, brokers, servicers and originators, sales finance companies, consumer loan companies, money transmitters, check cashers, installment loan lenders, credit reporting agencies, consumer debt collection agencies, and debt management service providers. Mortgage lenders and loan originators are subject to minimum licensing standards imposed by the federal Secure and Fair Enforcement Mortgage Licensing Act.

Maryland State Department of Education

MSDE oversees the certification of public school teachers, principals, and other school personnel and approves the educational program at public and nonpublic schools.

State Board of Education

The State Board of Education has general authority over public elementary and secondary education in Maryland. The State board may order public and nonpublic schools to correct deficiencies when they fail to meet standards established by the board. Other responsibilities of the board include:

- adopting bylaws, rules, and regulations for the administration of public schools;
- establishing basic policies and guidelines for instructional programs;
- developing, in conjunction with the Professional Standards and Teacher Education Board, rules and regulations for the certification of teachers and other professionals; and
- establishing performance standards for students, schools, and school systems.

Maryland Higher Education Commission

MHEC is the State's coordinating body for the University System of Maryland, Morgan State University, St. Mary's College of Maryland, 16 community colleges, the State's independent colleges and universities, and private career schools. MHEC's mission is to ensure that Maryland residents have access to a high quality, adequately funded, effectively managed, and capably led system of postsecondary education.

Emergency Medical Services

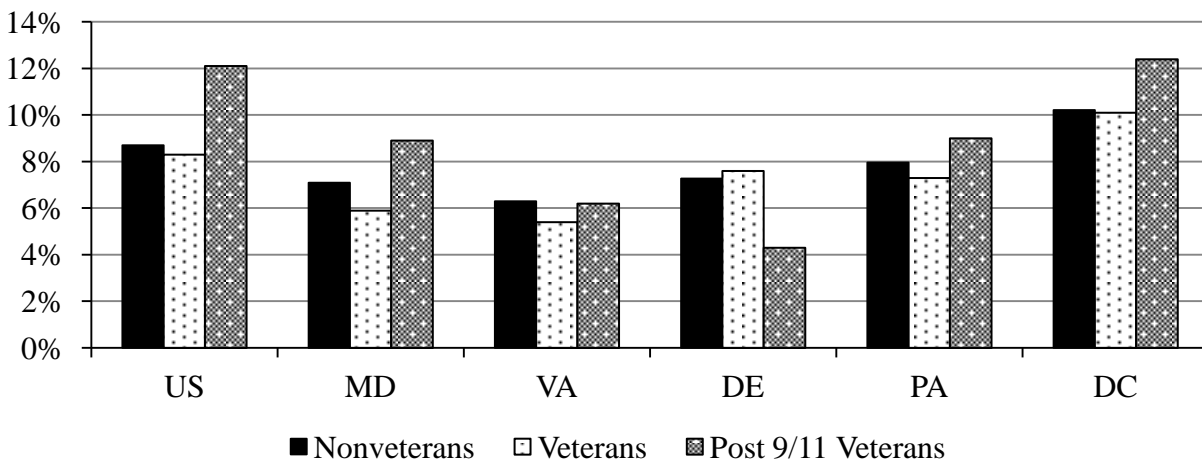
Maryland's system of emergency medical services is governed by the 11-member EMS Board, appointed by the Governor. The board directs the Maryland Institute for Emergency Medical Services Systems, an independent State agency, and reviews and approves its operating and capital budgets. The EMS Board is assisted by institute staff and the statewide Emergency Medical Services Advisory Council. The council, representing statewide emergency medical services interests, serves as the board's principal advisory body and ensures that regional issues are represented effectively at the State level.

Maryland Veterans

According to the U.S. Bureau of Labor Statistics, the national unemployment rate for veterans in 2012 was 7%, lower than the 7.9% rate for nonveterans. However, the unemployment rate for veterans who served on active duty in the U.S. Armed Forces at any time since September 2001 – a group referred to as Post 9/11 veterans – was 9.9% in 2012. Post 9/11 veterans are younger and have less education than other veterans. The unemployment rate among young male Post 9/11 veterans was 29.1% in 2011, compared with an unemployment rate of 17.6% for nonveterans of the same age (18 to 24).

In Maryland there were 238,000 veterans in the labor force in 2011, about 8% of the total labor force. Of these veterans, 14,000 were unemployed, an unemployment rate of 5.9% compared with a 7.1% unemployment rate for nonveterans. The unemployment rate for Post 9/11 veterans, however, was 8.9%. **Exhibit 3** shows the unemployment rate by veteran status in 2011 for Maryland, the United States, and surrounding states.

Exhibit 3
State Unemployment Rates by Veteran Status
Calendar 2011



Sources: U.S. Bureau of Labor Statistics; U.S. Congress Joint Economic Committee

State Fiscal Effect: In general, the affected agencies and boards can implement the bill with existing budgeted resources. General and/or special fund revenues increase minimally beginning in fiscal 2014 for DLLR, DHMH, and MSDE from additional licenses, certificates, and registrations issued to individuals under the bill. MHEC general fund expenditures may increase minimally to develop guidelines for awarding academic credit for a student's military training, course work, and education.

The Division of Occupational and Professional Licensing in DLLR expects that several boards will receive applications for licensure under the bill; however, the division anticipates no more than 200 additional applications for licensure annually. Based on this assumption, general and/or special fund revenues for DLLR increase minimally beginning in fiscal 2014. Assuming no more than 200 additional annual applications under the bill, there is no operational impact on the division.

Division staff, who have experience conducting research on other state's licensing requirements, will prioritize and expedite the processing of applications received. The division hopes to process expedited applications received under the bill in order to issue standard, rather than temporary, licenses. If there are cases where a temporary license is needed, the division intends to use a paper application process to avoid information technology programming costs. If the volume of applications exceeds expectations, general fund expenditures for DLLR could exceed \$50,000 to create new electronic license categories.

Additional Information

Prior Introductions: None.

Cross File: HB 225 (The Speaker, *et al.*) (By Request - Administration) - Health and Government Operations and Economic Matters.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Health and Mental Hygiene; Maryland State Department of Education; Maryland Institute for Emergency Medical Services Systems; Governor's Office; Maryland Higher Education Commission; Department of Veterans Affairs; U.S. Bureau of Labor Statistics; U.S. Congress Joint Economic Committee; Department of Legislative Services

Fiscal Note History: First Reader - February 6, 2013
ncs/mcr Revised - Senate Third Reader - March 25, 2013

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Veterans Full Employment Act of 2012

BILL NUMBER: SB 273/ HB 225

PREPARED BY: Governor's Legislative Office

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS