			1 **.
Regulatory An	alysi	Š	This space for use by IRRC
Form			4 700 12 70 9045
(1) Agency			, 7
Department of State, Bureau of Prof Occupational Affairs, State Board of			
(2) I.D. Number (Governor's Office	Use)		-
16A-6316			IRRC Number: 3464
(3) Short Title			
Biennial Renewal Fee Increase			
(4) PA Code Cite	` ' - '		Telephone Numbers
49 Pa. Code § 41.12	Primai 	ry Contact:	Judith Pachter Schulder, State Board of Psychology 717-783-7200
	Second	lary Contact:	Joyce McKeever,
			Deputy Chief Counsel 717-783-7200
(6) Type of Rulemaking (check one)		(7) Is a 120-1 Attached?	Day Emergency Certification
_ Proposed Rulemaking		V No	
X Final Order Adopting RegulationFinal Order, Proposed Rulemakin		_X No Yes: B	y the Attorney General
Omitted		Yes: B	y the Governor
(8) Briefly explain the regulation in a The regulation increases the biennia current fee, established in 1990, no lon	l renewal fee	for psycholog	ists. The new fee is needed because the
(9) State the statutory authority for to The amendments are authorized und (act) (63 P.S. § 1203.3(a)).	•	•	evant state or federal court decisions. Professional Psychologists Practice Act

Regulatory Analysis Form
(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.
Yes. The Board is required by section 3.3(a) of the Act (63 P.S. § 1203.3(a)) to reconcile its expenses and revenue biennially and to increase fees as needed to meet or exceed projected expenditures.
(11) Explain the compelling public interest that justifies the regulation. What is the problem it
addresses?
The Board is required by section 3.3(a) of the Act (63 P.S. § 1203.3(a)) to set fees to raise sufficient revenue to meet expenditures. It is anticipated that without raising fees the Board will realize a deficit of \$998,554.58 by fiscal year 2006-2007.
(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.
Nonregulation would adversely impact the fiscal integrity of the Board.
(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)
Recipients of psychology services in the Commonwealth will benefit by having adequate funding for the Board to regulate the profession to insure that the appropriate standards of professional competence and integrity are maintained.

		or				

(14) Describe who will be adversely affected by the regulation.	(Quantify the adverse effects as
completely as possible and approximate the number of people	who will be adversely affected.)

The licensee population bear the cost of the increased fee.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

All psychologists seeking to renew their licenses will be required to comply with this regulation. The Board estimates about 5,600 renewals.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

Notice of proposed rulemaking was published at 35 Pa.B. 1582 (March 5, 2005). Publication was followed by a 30-day public comments period during which the Board received one public comment from the Pennsylvania Psychological Association in support of the proposal. Following the close of the public comment period, the Board received comments from the House Professional Licensure Committee (HPLC). On May 4, 2005, the Independent Regulatory Review Commission (IRRC) advised that it had no comments, questions or recommendations to the regulation. The Board did not receive any comments from the Senate Consumer Protection and Professional Licensure Committee (SCP/PLC). The final rulemaking is in response to the questions asked by the HPLC.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures that may be required.

The Board estimates that about 5,600 psychologists will renew their licenses. Total additional cost for the entire regulated community for a biennial period is approximately \$1,688,700.00. No legal, accounting or consulting procedures will be implicated in complying with the regulatory amendments.

Regulatory Analysis Form
(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.
Local governments will not be affected by the regulation.
(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures that may be required.
The Board will not incur an increase in administrative costs by implementing the regulation. Indeed, the regulatory amendments will permit the Board to recoup the costs of its operations.

Regulatory Analysis Form

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY N/A	FY +1 N/A	FY +2 N/A	FY +3 N/A	FY +4 N/A	FY +5 N/A
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community						
Local Government						
State Government						
Total Savings						
COSTS:	844,350.00	844,350.00	844,350.00	844,350.00	844,350.00	844,350.00
Regulated Community						
Local Government						
State Government	· · · · · · · · · · · · · · · · · · ·					
Total Costs						
REVENUE LOSSES:						
Regulated Community						
Local Government						
State Government						
Total Revenue Losses						

(20a) Explain how the cost estimates listed above were derived.

See attached fee report forms.

The cost estimates are based upon the licensee population of 5,600 with the renewal expense spread over the two year biennial renewal period.

Biennial renewal

5,600 renewals x <u>increase</u> of \$180.00 over current fee = \$1,008,000.00

Total cost to all licensees: $5,600 \times $180.00 = $1,008,000.00$

The figures in (20) above represent the total increase to psychologists, expressed as an annual expense.

 $5,629 \times 300.00 = 1,688,700.00$ divided by 2 = 844,350.00

(20b) Provide the		ulatory Analysi		<u></u>	
	past three year exp	enditure history for	programs affected b	y the regulation.	
Program	FY -3	FY -2	FY -1	Current FY	
•	FY 01-02	FY 02-03	FY 03-04	FY 04-05	
	Actual	Actual	Projected	Budgeted	
Psychology	474,294.78	541,378.66	571,037.42	631,000.00	
Board					
	<u> </u>				
(21) Using the cos	t-benefit informatio	on provided above, e	xplain how the bene	fits of the regulatio	
—	erse effects and cost	-	•	J	
batheren the auti	crac crices and cost	.J•			
	_	section 3.3(a) of the ac	t (63 P.S. § 1203.3(a)),	so that Board revenu	
meet Board expens	ses.				
-					
(22) Describe the	nonregulatory alte	rnatives considered	and the costs associa	ted with those	
	•		and the costs associa	ted with those	
•	nonregulatory altervide the reasons for		and the costs associa	ted with those	
	•		and the costs associa	ted with those	
alternatives. Prov	vide the reasons for			ted with those	
alternatives. Prov	vide the reasons for	their dismissal.		ted with those	
alternatives. Prov	vide the reasons for	their dismissal.		ted with those	
alternatives. Prov	vide the reasons for	their dismissal.		ted with those	
alternatives. Prov	vide the reasons for	their dismissal.		ted with those	
alternatives. Prov	vide the reasons for	their dismissal.		ted with those	
Alternatives. Prov	vide the reasons for	their dismissal. considered. See Que	stion 21.		
No nonregulat (23) Describe alternatives. Prov	vide the reasons for cory alternatives were rnative regulatory s	their dismissal. considered. See Que			
No nonregulat (23) Describe alte	vide the reasons for	their dismissal. considered. See Que	stion 21.		
No nonregulat (23) Describe alteschemes. Provide	rnative reasons for the reasons for	their dismissal. considered. See Que schemes considered a	stion 21. and the costs associa		
No nonregulat (23) Describe altered schemes. Provide	rnative reasons for the reasons for	their dismissal. considered. See Que	stion 21. and the costs associa		
No nonregulat (23) Describe altered schemes. Provide	rnative reasons for the reasons for	their dismissal. considered. See Que schemes considered a	stion 21. and the costs associa		
No nonregulat (23) Describe altered schemes. Provide	rnative reasons for the reasons for	their dismissal. considered. See Que schemes considered a	stion 21. and the costs associa		
No nonregulat (23) Describe altered schemes. Provide	rnative reasons for the reasons for	their dismissal. considered. See Que schemes considered a	stion 21. and the costs associa		

Regulatory Analysis Form
(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.
There are no federal licensure standards.
(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?
This regulation will not put Pennsylvania licensees at a competitive disadvantage with other states, as the proposed fees are consistent with surrounding states. For example, the biennial renewal fee for psychologists in New Jersey is \$300; in New York, psychologists pay a biennial renewal fee of \$155; in Ohio, psychologists pay a \$350 biennial renewal fee; West Virginia charges a \$250 biennial renewal fee; Delaware's biennial renewal fee is \$118; finally, in Maryland, psychologists pay a \$350 biennial renewal fee.
(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.
No.
(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.
The Board reviews regulatory proposals at regularly scheduled public meetings. However, in light of the statutory mandate, the Board has not scheduled public hearings or informational meetings regarding this regulation.

Regulatory Analysis Form
(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.
No changes to reporting, record keeping, or other paperwork is required by this regulation.
(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.
The Board has perceived no special needs of any subset of its applicants or licensees for whom special accommodations should be made.
(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?
The regulation will be effective upon publication as final rulemaking in the <i>Pennsylvania Bulletin</i> .
(31) Provide the schedule for continual review of the regulation.
The Board reviews its revenues and costs of its programs on a fiscal year and biennial basis.

to submit a verified statement when qualified experience has been acquired.

[INTERPRETATION]

§ 11.73. [Interpretation of chapter] (Reserved).

[This chapter may not be construed to be in violation of or inconsistent with the act.]

[Pa.B. Doc. No. 95-419. Filed for public inspection March 4, 2005, 9:00 a.m.]

STATE BOARD OF PSYCHOLOGY

[49 PA. CODE CH. 41] Biennial Renewal Fee Increase

The State Board of Psychology (Board) proposes to amend § 41.12 (relating to fees) to read as set forth in Annex A. The proposed rulemaking would increase the biennial license renewal fee for psychologists from \$120 to \$300.

Effective Date

The proposed amendment will be effective upon finalform publication in the *Pennsylvania Bulletin*. The new fees will take effect for the biennial period commencing December 1, 2005.

Statutory Authority

The proposed rulemaking is authorized under section 3.3(a) of the Professional Psychologists Practice Act (act) (63 P. S. § 1203,3(a)). It requires the Board to increase fees by regulation to meet or exceed projected expenditures if the revenues raised by fees, fines and civil penalties are not sufficient to meet Board expenditures.

Background and Need for Proposed Rulemaking

The Board is required by law to support its operations from the revenue it generates from fees, fines and civil penalties. In accordance with section 3.3(a) of the act, if the revenue raised by fees, fines and civil penalties is not sufficient to meet expenditures over a 2-year period, the Board must increase fees by regulation so that its projected revenues will match or exceed expenditures.

The Board raises virtually all of its operating revenue (exclusive of application and services fees) through biennial renewal fees. The biennial license renewal fee is the most substantial revenue generating fee of all the fees charged by the Board. The Board's current biennial license renewal fee for psychologists was established by regulation at 20 Pa. B. 2034 (April 14, 1990).

At its September 21, 2004, Board meeting, the Bureau of Finance and Operations (BFO) presented a summary of the Board's revenue and expenses for Fiscal Years (FY) 2001-2002 and 2003-2004 and projected revenue and expenses for FY 2003-2004 through FY 2010-2011. The summary, presented in table format as follows, demonstrated that the Board must raise fees to meet or exceed projected expenditures to comply with section 3.3(a) of the act. The BFO projected a deficit of \$420,554.58 in FY 2004-2005, a deficit of \$370,554.58 in FY 2005-2006 and a deficit of \$998,554.58 in FY 2006-2007. The BFO recommended that the Board raise fees to meet projected expenditures, in compliance with section 3.3(a) of the act.

2001-2002 beginning balance FY 2001-2002 revenue Frior year returned funds FY 2001-2002 expenses Remaining balance FY 2002-2003 beginning balance FY 2002-2003 revenue FY 2002-2003 revenue FY 2002-2003 expenses FY 2002-2004 projected revenue FY 2003-2004 projected expenses FY 2003-2004 projected expenses FY 2003-2004 projected expenses FY 2004-2005 projected expenses FY 2004-2006 projected expenses FY 2005-2006 beginning balance FY 2005-2006 projected expenses FY 2005-2006 projected expenses Remaining balance FY 2006-2007 projected expenses Remaining balance FY 2006-2007 projected expenses Remaining balance FY 2007-2008 projected expenses Remaining balance FY 2007-2008 projected expenses Remaining balance FY 2007-2008 projected expenses Remaining balance FY 2008-2009 projected expenses Remaining balance FY 2008-2009 projected expenses Remaining balance FY 2009-2010 projected expenses Remaining balance FY 2000-2011 beginning balance FY 2000-2011 beginning balance FY 2010-1011 projected expenses Remaining balance		•
2002-2003 beginning balance FY 2002-2003 revenue Prior year returned funds FY 2002-2003 expenses Remaining balance 2003-2004 beginning balance FY 2003-2004 projected revenue FY 2003-2004 projected expenses FY 2003-2004 projected expenses FY 2003-2004 projected revenue FY 2004-2005 projected revenue Adjusted for prior year expenses FY 2004-2005 projected expenses FY 2004-2005 projected expenses FY 2004-2005 projected expenses FY 2004-2006 projected expenses FY 2004-2006 projected expenses FY 2005-2006 beginning balance FY 2005-2006 projected expenses FY 2005-2006 projected expenses FY 2006-2007 projected expenses FY 2007-2008 beginning balance FY 2007-2008 projected revenue FY 2007-2008 projected revenue FY 2007-2008 projected expenses FY 2008-2009 projected expenses FY 2008-2009 projected revenue FY 2008-2009 projected expenses FY 2008-2009 projected revenue FY 2008-2009 projected expenses FY 2008-2009 projected revenue FY 2008-2010 projected expenses Remaining balance FY 2009-2010 projected revenue FY 2010-1011 projected revenue FY 2000-2000 Remaining balance FY 2000-2000 Remaining balance FY 2000-2000 Remaining balance FY 2000-2000 Remaining balance FY 2	FY 2001-2002 revenue Prior year returned funds FY 2001-2002 expenses	701,605.69 15,208.46 384,000.00
Remaining balance 236,873.89 2003-2004 beginning balance \$236,873.89 FY 2003-2004 projected revenue 716,282.39 FY 2003-2004 projected expenses 544,000.00 Remaining balance \$409,156.28 2004-2005 beginning balance \$409,156.28 FY 2004-2005 projected revenue 42,000.00 Adjusted for prior year expenses 240,710.86 FY 2004-2005 projected expenses 631,000.00 Remaining balance (\$420,554.58) FY 2005-2006 projected revenue 700,000.00 FY 2005-2006 projected expenses 650,000.00 Remaining balance (\$370,554.58) EY 2006-2007 projected revenue (\$370,554.58) FY 2006-2007 projected revenue (\$998,554.58) FY 2007-2008 beginning balance (\$998,554.58) FY 2007-2008 projected revenue 700,000.00 FY 2008-2009 projected expenses 690,000.00 Remaining balance (\$998,554.58) FY 2008-2010 projected revenue 711,000.00 FY 2009-2010 projected expenses 740,000.00 FY 2009-2010 projected revenue 740,000.00 FY 2010-1011 projected revenue (\$1,649,554	2002-2003 beginning balance FY 2002-2003 revenue Prior year returned funds	\$614,877.17- 40,496.72 0.00
Remaining balance 409,156.28 2004-2005 beginning balance \$409,156.28 FY 2004-2005 projected revenue 42,000.00 Adjusted for prior year expenses 240,710.86 FY 2004-2005 projected expenses 631,000.00 Remaining balance (\$420,554.58) 2005-2006 beginning balance (\$420,554.58) FY 2005-2006 projected revenue 700,000.00 FY 2005-2006 projected expenses 650,000.00 Remaining balance (\$370,554.58) 2006-2007 beginning balance (\$370,554.58) FY 2006-2007 projected revenue 42,000.00 FY 2006-2007 projected expenses 670,000.00 Remaining balance (\$998,554.58) 2007-2008 beginning balance (\$998,554.58) FY 2007-2008 projected expenses 690,000.00 Remaining balance (\$998,554.58) FY 2008-2009 projected expenses (\$998,554.58) FY 2008-2009 projected expenses (\$1,657,554.58) FY 2009-2010 projected revenue 740,000.00 FY 2009-2010 projected expenses (\$1,657,554.58) 2010-2011 beginning balance (\$1,649,554.58) FY 2010-1011 projected revenue	Remaining balance 2003-2004 beginning balance FY 2003-2004 projected revenue	236,873.89 \$236,873.89 716,282.39
FY 2004-2005 projected revenue Adjusted for prior year expenses FY 2004-2005 projected expenses Remaining balance (\$420,554.58) 2005-2006 beginning balance FY 2005-2006 projected revenue FY 2005-2006 projected expenses Remaining balance (\$420,554.58) 700,000.00 FY 2005-2006 projected expenses Remaining balance (\$70,000.00 FY 2006-2007 beginning balance FY 2006-2007 projected revenue FY 2006-2007 projected expenses Remaining balance FY 2007-2008 beginning balance FY 2007-2008 projected expenses FY 2007-2008 projected expenses FY 2007-2008 projected expenses FY 2008-2009 beginning balance FY 2008-2009 projected expenses FY 2008-2009 projected expenses FY 2008-2009 projected expenses FY 2009-2010 beginning balance FY 2009-2010 projected expenses Remaining balance FY 2009-2010 projected expenses Remaining balance FY 2010-1011 projected revenue FY 2010-1011 projected expenses	Remaining balance	409,156.28
FY 2005-2006 projected revenue FY 2005-2006 projected expenses Remaining balance 2006-2007 beginning balance FY 2006-2007 projected revenue FY 2006-2007 projected expenses FY 2006-2007 projected expenses Remaining balance FY 2007-2008 beginning balance FY 2007-2008 projected revenue FY 2007-2008 projected expenses FY 2007-2008 projected expenses FY 2007-2008 projected expenses FY 2007-2008 projected expenses FY 2008-2009 beginning balance FY 2008-2009 projected revenue FY 2008-2009 projected expenses FY 2008-2009 projected expenses FY 2008-2010 beginning balance FY 2009-2010 beginning balance FY 2009-2010 projected expenses Remaining balance FY 2009-2010 projected expenses Remaining balance FY 2010-2011 beginning balance FY 2010-1011 projected revenue FY 2010-1011 projected expenses	FY 2004-2005 projected revenue Adjusted for prior year expenses FY 2004-2005 projected expenses	42,000.00 240,710.86 631,000.00
FY 2006-2007 projected revenue FY 2006-2007 projected expenses Remaining balance 2007-2008 beginning balance FY 2007-2008 projected revenue FY 2007-2008 projected expenses FY 2007-2008 projected expenses Remaining balance FY 2008-2009 beginning balance FY 2008-2009 projected revenue FY 2008-2009 projected revenue FY 2008-2009 projected expenses Remaining balance FY 2008-2010 beginning balance FY 2009-2010 beginning balance FY 2009-2010 projected revenue FY 2009-2010 projected expenses Remaining balance FY 2010-2011 beginning balance FY 2010-1011 projected revenue FY 2010-1011 projected revenue FY 2010-1011 projected expenses	FY 2005-2006 projected revenue FY 2005-2006 projected expenses Remaining balance	700,000.00 659,000.00 (370,554.58)
FY 2007-2008 projected revenue FY 2007-2008 projected expenses Remaining balance 2008-2009 beginning balance FY 2008-2009 projected revenue FY 2008-2009 projected expenses Remaining balance FY 2008-2010 projected expenses FY 2009-2010 beginning balance FY 2009-2010 projected revenue FY 2009-2010 projected revenue FY 2009-2010 projected expenses Remaining balance FY 2010-2011 beginning balance FY 2010-1011 projected revenue FY 2010-1011 projected revenue FY 2010-1011 projected expenses	FY 2006-2007 projected revenue FY 2006-2007 projected expenses Remaining balance	42,090.00 670,000.00
FY 2008-2009 projected revenue FY 2008-2009 projected expenses Remaining balance 2009-2010 beginning balance FY 2009-2010 projected revenue FY 2009-2010 projected expenses Remaining balance FY 2010-2011 beginning balance FY 2010-1011 projected revenue FY 2010-1011 projected revenue FY 2010-1011 projected expenses	FY 2007-2008 projected revenue FY 2007-2008 projected expenses	700,000.00 690,000.00
FY 2009-2010 projected revenue 740,000.00 FY 2009-2010 projected expenses 732,000.00 Remaining balance (1,649,554.58) 2010-2011 beginning balance (\$1,649,554.58) FY 2010-1011 projected revenue 42,000.00 FY 2010-1011 projected expenses 754,000.00	FY 2008-2009 projected revenue FY 2008-2009 projected expenses	42,000.00 711,000.00
FY 2010-1011 projected revenue 42,000.00 FY 2010-1011 projected expenses 754,000.00	FY 2009-2010 projected revenue FY 2009-2010 projected expenses	740,000.00 732,000.00
	FY 2010-1011 projected revenue FY 2010-1011 projected expenses	42,000.00 754,000.00

The BFO estimates that at the close of FY 2004-2005, the Board's expenses will exceed its revenues by \$420,554.58. The BFO anticipates that the deficit will increase proportionally, except for FY 2005-2006, in each succeeding fiscal year. Without an increase, the projected deficit in FY 2010-2011 would be\$2,361.554.58.

The increases in the Board's biennial expenses occurred primarily in hearing examiner and legal office costs. Hearing examiner expenditures increased from approximately \$10,914.55 in FY FY 2002-2003 to approximately \$28,472.31 in FY 2003-2004. The BFO estimates that this expenditure will increase to \$32,000.00 in FY 2004-2005. The legal office expenditures increased from approximately \$208,344.29 in FY 2002-2003 to approximately \$228,056.31 in FY 2003-2004. BFO anticipates that this expenditure will increase to \$240,000.00 in FY 2004-2005.

Hearing examiner costs almost tripled in 2003-2004 as a result of the increasing number of cases delegated to the hearing examiners in 2002-2003. During 2002-2003, the Board delegated 20 cases to hearing examiners. In 2003-2004, the Board delegated 10 cases to hearing examiners. Many of the cases delegated in 2002-2003

were actually heard in 2003-2004. In addition to continuing education cases which were delegated in 2002-2003, in 2003-2004, the Board also began delegating criminal conviction and reciprocal discipline cases to hearing ex-

In 2003, the Board imposed significantly more disciplinary sanctions than in any prior year. In 2003, the Board imposed 32 total sanctions, as opposed to 17 in 2002, 10 in 2001, 16 in 2000 and 20 in each 1998 and 1999. Additionally, the Board imposed more serious sanctions than in any prior year, imposing 12 serious sanctions in 2003, 7 in 2002, 5 in 2001, 8 in 2000 and 3 each in 1998 and 1999. Finally, the Board closed more cases in 2003 than in any prior year, closing 133 cases as compared with 87 cases in 2002, 62 in 2001, 88 in 2000, 86 in 1999 and 114 in 1998. As of September 20, 2004, there were 104 cases currently opened as opposed to 131 cases open as of September 20, 2003.

At the same time, the Board's licensee population has declined by about 400 licensees over the past 5 years. The net effect was that while the Board's costs of enforcement activities were increasing, the Board experienced a decrease in its largest revenue-generating source. Moreover, as, a result of a small licensee population, the Board is unable to take advantage of the economies of scale available to licensees of Boards with larger populations.

The Board carefully reviewed several options in fee increases to ensure the lowest fee increase possible while keeping the Board out of a long run deficit. In addition to increasing fees the Board is looking at ways to streamline procedures to cut costs, but the fee increases are still necessary to maintain a positive balance in the Board account in the long run: Finally, in developing the proposal, the Board reviewed fees of other states. It found that the proposed fees are comparable to the renewal fees charged in surrounding states and should cause no competitive disadvantage to the Commonwealth.

Description of Proposed Rulemaking

Based upon the expense and revenue estimates provided to the Board, the Board proposes to amend its fee schedule in § 41.12 (relating to fees) to increase the fee for biennial renewal of licenses for psychologists from \$120 to \$300.

Fiscal Impact

The proposed rulemaking will increase the biennial renewal fee for psychologists. The proposed rulemaking should have no other fiscal impact on the private sector, the general public or political subdivisions.

Paperwork Requirements

The proposed rulemaking will require the Board to alter some of its forms to reflect the new biennial renewal fees; however, the proposed regulations should not create additional paperwork for the private sector.

Sunset Date 🐇 🔡

The act requires that the Board monitor its revenue and expenses on a fiscal year and biennial basis. Therefore, no sunset date has been assigned.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on February 23, 2005, the Board submitted a copy of this proposed rulemaking and a copy of a Regulatory Analysis Form to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the Senate Committee and to the House Professional Licensure Committee and the House Professional Licensure Committee. A copy of this material is available to the public upon request.

Under section 5(g) of the Regulatory Review Act, IRRC may convey any comments, recommendations or objections to the proposed rulemaking within 30 days of the close of the public comment period. The comments, recommendations or objections shall specify the regulatory review criteria which have not been met. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the rulemaking, by the Board, the General Assembly and the Governor of comments, recommendations or objections raised.

Public Comment

Interested persons are invited to submit written comments, suggestions or objections regarding this proposed rulemaking to Christina Stuckey, Administrator, State Board of Psychology, P.O. Box 2649, Harrisburg, PA 17105-2649, within 30 days following publication of this proposed rulemaking in the *Pennsylvania Bulletin*.

ALEX M. SIEGEL, J.D., Ph.D., Chairperson

Fiscal Note: 16A-6316. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS

PART I. DEPARTMENT OF STATE Subpart A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS

CHAPTER 33. STATE BOARD OF PSYCHOLOGY LICENSES

§ 41.12. Fees.

The schedule of fees charged by the Board is as follows:

after submission.

FACE SHEET FOR FILING DOCUMENTS WITH THE LEGISLATIVE REFERENCE BUREAU

(Pursuant to Commonwealth Documents Law)

... 12 ... 9:45

DO NOT WRITE IN THIS SPACE

. . . .

Copy below is hereby approved as to form and legality. Attorney General Copy below is hereby certified to be a true and correct copy of a document issued, prescribed or promulgated by: Copy below is approved as to form and legality. Executive of State Board of Psychology (AGENCY) DEVELES (DEPUTY ATTORNEY GENERAL) DOCUMENT/FISCAL NOTE NO. 16A-6316 DATE OF ADOPTION: DATE OF APPROVAL DATE OF APPROVAL Executive Alex M. Siegel, J.D. (Deputy General Counsel (Chief Counsel, Independent Acency Strike inapplicable E: Chairperson (EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY) [] Check if applicable Copy not approved. Objections attached. [] Check if applicable. No Attorney General approval or objection within 30 day

FINAL RULEMAKING
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS
STATE BOARD OF PSYCHOLOGY
49 PA. CODE § 41.12
BIENNIAL RENEWAL FEE INCREASE

#2464

The State Board of Psychology (Board) amends § 41.12 (relating to fees) to read as set forth in Annex A. The amendment increases the biennial license renewal fee for psychologists from \$120 to \$300.

Statutory Authority

The amendment is authorized under section 3.3(a) of the Professional Psychologists Practice Act (act) (63 P.S. § 1203.3(a)). It requires the Board to increase fees by regulation to meet or exceed projected expenditures if the revenues raised by fees, fines and civil penalties are not sufficient to meet Board expenditures. The new fee will be effective for the biennial period commencing December 1, 2005.

Response to Comments

Notice of proposed rulemaking was published at 35 Pa.B. 1582 (March 5, 2005). Publication was followed by a 30-day public comment period during which the Board received one public comment from the Pennsylvania Psychological Association in support of the proposal. Following the close of the public comment period, the Board received comments from the House Professional Licensure Committee (HPLC). On May 4, 2005, the Independent Regulatory Review Commission (IRRC) advised that it had no comments, questions or recommendations to the regulation. The Board did not receive any comments from the Senate Consumer Protection and Professional Licensure Committee (SCP/PLC). The following is in response to the comment submitted by the HPLC.

The HPLC noted that the Board's increased expenses occurred primarily in the areas of hearing examiner and legal office costs. The HPLC requested additional information about the types of cases that are referred to hearing examiners, the number of hearing examiners hearing Board cases and the number of hours expended by the hearing examiners on Board matters. The Board reviews each order to show cause and determines whether to hear the case or delegate it to a hearing examiner. Generally criminal convictions, reciprocal discipline, continuing education violations and application cases are delegated to the Department of State Office of Hearing Examiners. Five full-time hearing examiners are assigned to that office. In FY03-04, the Hearing Examiners Office reported 362.14 hours dedicated to hearing Board matters. The Board delegated 30 cases to hearing examiners from July 1, 2002 to July 1, 2004.

The HPLC also asked for a more detailed breakdown of the Board's legal expenditures and a list of other Board expenditures and projected expenditures, including the administrative fees which are paid to the Department of State. The chart below sets out the Board's expenditures. For ease of reference, the categories are described in detail preceding the chart.

Board Administration: Timesheet based staff expenses (personnel, operating and fixed assets) for the licensing divisions in the Bureau of Professional and Occupational Affairs. Direct charges, i.e., printing and mailing costs for boards and commissions newsletters, renewal notices, informational handouts, Acts, Rules and Regulations are included in this cost category. Operating and fixed assets expenses that are distributed based on their benefit to the board using licensee population such as License 2000, printed forms, office supplies and interagency billings

July 25, 2005 Biennial Renewal Fee Increase 16A-6316

(i.e., Civil Service Commission, Comptroller's Office, etc.). Test Administration staff expenses (direct charges) may include freight charges for overnight delivery services and occasional travel charges incurred by the Test Administration staff.

Commissioner's Office: Timesheet-based staff expenses (personnel, operating and fixed asset charges) for those staff assigned to Commissioner's Office and Revenue Office.

Departmental Services: Timesheet-based charges for support provided by the various support offices within the agency. These include the Executive Office, which consist of offices of the Secretary of the Commonwealth, the Deputy Secretary of Regulatory Programs, Chief of Staff, Deputy Secretary of Administration, Chief Counsel, Communications and Public Information, and Legislative Affairs Offices. In addition, costs are itemized by the offices of Bureau of Management Information Services, Bureau of Finance and Operations and Human Resources.

Legal Office: Timesheet-based staff expenses (personnel, operating and fixed assets) for board counsel, board prosecutors, complaints office and support staff. Examples of direct charges are expert witness services, advertising costs of license suspensions, revocations or fines assessed.

Hearing Expense: Timesheet-based staff expenses (personnel, operating and fixed assets) for staff assigned to the Hearing Examiners' Office. There are also direct charges for hearing related expenses such as court reporting services.

Legislative and Regulatory Analysis: Timesheet-based staff expenses (personnel, operating and fixed assets) for legal review of policy and regulatory matters that affect all boards and commissions.

Enforcement and Investigation: Timesheet-based staff expenses (personnel, operating and fixed assets) are captured for headquarters and the four regional offices, with travel-related expenses listed as a separate line item.

Professional Health Monitoring Program (Client-based): staff expenses (personnel, operating and fixed assets) are distributed based on the number of licensees of the licensing board participating in this program.

Board Member Expenses (Direct charges): Board member per diem, conference registration fees, travel expenses and membership dues for national professional organizations.

A :	В	e	D REQUIRED TO	E FY 2003-2004	F DIFFERENCE
	FY 2003-2004	EXPENSES	FISCAL YEAR	PROJECTED	FROM
COST CATEGORY	BUDGET	AS OF 4/26/05	END	EXPENSES	BUDGETED
ADMINISTRATIVE COSTS:					
Board Administration	99,000.00	94,816.99	0.00	94,816.99	4,183.01
Commissioner's Office	34,000.00	8,149.92	0.00	8,149.92	25,850.08
Departmental Services	21,000.00	17,488.02	0.00	20,988.02	11.98
LEGAL COSTS:					
Legal Office	189,000.00	214,389.35	0.00	214,489.35	(25,489.35)
Hearing Expenses	11,000.00	28,329.07	0.00	28,329.07	(17,329.07)
Legislative & Regulatory Analysis	1,000.00	2,803.67	0.00	2,803.67	(1,803.67)
ENFORCEMENT AND INVESTIGATION:					
Non-Travel	137,500.00	146,686.36	0.00	146,686.36	(9,186.36)
Travel	4,500.00	4,411.51	0.00	4,411.51	88.49
Prof. Health Monitoring Program	7,000.00	1,582.00	0.00	1,582.00	5,418.00
Board Member Expenses	40,000.00	<u>36,782.68</u>	0.00	36,782.68	3,217.32
TOTAL BOARD COSTS:	<u>544,000.00</u>	<u>555,439.57</u>	<u>0.00</u>	<u>559,039.57</u>	(15,039,57)

STATE BOARD OF PSYCHOLOGY FY02-03 AND FY03-04 SOURCES OF REVENUE

REVENUE BY SOURCE	FY02-03 ACTUAL	FY03-04 ACTUAL	BIENNIAL <u>TOTAL</u>
Renewals	4,080.00	658,790.00	662,870.
Applications	20,410.00	25,405.00	45,815.
Letters of Good Standing/Certifications	2,210.00	2,095.00	4,305.
Fines	11,850.00	27,000.00	38,850.
Licensee List	<u>1,946.72</u>	<u>2,992.39</u>	<u>4,939.</u>
TOTAL REVENUE	<u>40,496.72</u>	716,282.39	<u>756,779.</u>

Lastly, the HPLC noted that the Board imposed more disciplinary sanctions in 2003 than in 2002 and asked for a breakdown of the 2003 sanctions by category of offense. The following chart sets out the number and types of actions taken by the Psychology Board for calendar year 2003 by complaint type.

Total Actions Involving Failure to Satisfy Continuing Education Requirement	22
Total Actions Involving Unprofessional Conduct	2
Total Actions Involving Unprofessional Conduct	4
Total Cases Involving Conviction of a Crime	1
Total Actions Involving Arrests for Felonies or Misdemeanors	2
Total Actions Involving Practicing on Suspended License	2
Total Actions Involving Practicing Outside Scope of License	1
Total Actions Involving Mental or Physical Impairment	1
Total Actions Involving Disciplinary Action Taken In Another State	1
Total Application Actions Other Than Reinstatement	1

Violation

Failure to satisfy continuing education	22
Unprofessional conduct	2
Sexual misconduct	4
Conviction of a crime	1

Compliance with Executive Order 1996-1, Regulatory Review and Promulgation

The Board reviewed this rulemaking and considered its purpose and likely impact on the public and the regulated population under the directives of Executive Order 1996-1.

Fiscal Impact and Paperwork Requirements

The amendments will increase the biennial renewal fee for psychologists and will require the Board to alter some of its forms to reflect the new fee. The amendments have no other adverse fiscal impact or paperwork requirements on the Board, licensees, the Commonwealth, its political subdivisions or the public sector.

Sunset Date

The Board continually monitors the effectiveness of its regulations through communication with the regulated population. Accordingly, no sunset date has been set.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), the Board submitted copies of the notice of proposed rulemaking, published at 35 Pa.B. 1582, on March 5, 2005, to IRRC and the Chairpersons of the SCP/PLC and the HPLC for review and comment.

In compliance with section 5(c) of the Regulatory Review Act, the Board also provided IRRC, the SCP/PLC, and the HPLC with copies of comments received as well as other documents when requested. In preparing the final-form rulemaking, the Board has considered all comments received from IRRC, the SCP/PLC, the HPLC and the public.

Under section 5.1(j.2) of the Regulator	y Review Act (71 P.S. § 745.5a(j.2)), this final-
form regulation was (deemed) approved by the	e HPLC on,200, and (deemed)
approved by the SCP/PLC on,200	. Under section 5.1(e) of the Regulatory Review
Act, IRRC met on, 200_, and (deemed) t	he final-form regulation approved.

Contact Person

Further information may be obtained by contacting Christina Stuckey, Administrative Assistant, State Board of Psychology, P. O. Box 2649, Harrisburg, PA 17105-2649; or by telephone at (717) 783-7155.

July 25, 2005 Biennial Renewal Fee Increase 16A-6316

Findings

The State Board of Psychology finds that:

- (1) Public notice of proposed rulemaking was given under sections 201 and 202 of the act of July 31, 1968 (P.L. 769, No 240) (45 P.S. §§ 1201 and 1202) and the regulations promulgated thereunder, 1 Pa. Code §§ 7.1 and 7.2.
- (2) A public comment period was provided as required by law and all comments were considered.
- (3) This final-form rulemaking is necessary and appropriate for administering and enforcing the authorizing act identified in Part B of this Preamble.

Order

The State Board of Psychology, acting under its authorizing statutes, orders that:

- (a) The regulations of the Board, 49 Pa. Code Chapter 41, are amended to read as set forth in Annex A.
- (b) The Board shall submit this order and Annex A to the Office of General Counsel and the Office of Attorney General as required by law.
- (c) The Board shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.
 - (d) This order shall take effect on publication in the Pennsylvania Bulletin.

Alex M. Siegel, J.D., Ph.D., Chair

ANNEX

TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS PART I. DEPARTMENT OF STATE Subpart A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS CHAPTER 33. STATE BOARD OF PSYCHOLOGY

LICENSES

* * *

§ 41.12. Fees.

The schedule of fees charged by the Board is as follows:



COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF STATE BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS STATE BOARD OF PSYCHOLOGY

Post Office Box 2649 Harrisburg, Pennsylvania 17105-2649 (717) 783-7155

September 12, 2005

The Honorable John R. McGinley, Jr., Chairman INDEPENDENT REGULATORY REVIEW COMMISSION 14th Floor, Harristown 2, 333 Market Street Harrisburg, Pennsylvania 17101

Re:

Final Regulation

State Board of Psychology

16A-6316: Biennial Renewal Fee Increase

Dear Chairman McGinley:

Enclosed is a copy of a final rulemaking package of the State Board of Psychology pertaining to Biennial Renewal Fee Increase.

The Board will be pleased to provide whatever information the Commission may require during the course of its review of the rulemaking.

Alex M. Siegel, Ph.D./J.D., Chairperson State Board of Psychology

AMS:JPS:apm Enclosure

cc:

Albert Masland, Chief Counsel

Department of State

Basil L. Merenda, Commissioner

Bureau of Professional and Occupational Affairs

Joyce McKeever, Deputy Chief Counsel

Department of State

Cynthia Montgomery, Regulatory Counsel

Department of State

Gerald S. Smith, Senior Counsel in Charge

Department of State

Judith Pachter Schulder, Counsel

State Board of Psychology

State Board of Psychology

TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE REGULATORY REVIEW ACT

I.D. NUMBE	ER: 16A-6316			
SUBJECT:	State Board of Psychology: Biennial Renewal Fee Increase			
AGENCY:	DEPARTMENT OF STATE	<u>ن</u> ن		
	TYPE OF REGULATION Proposed Regulation			
X	Final Regulation	100 100 100		
	Final Regulation with Notice of Proposed Rulemaking Omitted	9 5		
120-day Emergency Certification of the Attorney General				
	120-day Emergency Certification of the Governor			
	Delivery of Tolled Regulation a. With Revisions b. Without Revisions			
FILING OF REGULATION				
DATE	SIGNATURE DESIGNATION			
9-12-05 8	Sandra J. Harph House committee on professional lice	ENSURE		
SENATE COMMITTEE ON CONSUMER PROTECTION & PROFESSIONAL LICENSURE				
9/2/08 0	INDEPENDENT REGULATORY REVIEW COMM	MISSION		
	ATTORNEY GENERAL (for Final Omitted only)	:		
	LEGISLATIVE REFERENCE BUREAU (for Propo	osed only)		