



COMMONWEALTH of VIRGINIA

Joint Legislative Audit and Review Commission

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A Resolution of the Joint Legislative Audit and Review Commission directing staff to review the operation and performance of the Virginia Department of Professional and Occupational Regulation.

Authorized by the Commission on July 10, 2017

WHEREAS, the Department of Professional and Occupational Regulation protects the health, safety, and welfare of the public by licensing qualified individuals and businesses and enforcing standards of professional conduct for professions and occupations, including architects, contractors, cosmetologists, real estate professionals, land surveyors, and many others; and

WHEREAS, the Department oversees the 20 regulatory boards that establish minimum standards and appropriate credentials for the professions and occupations they regulate, and set the amount of fees charged when issuing credentials; and

WHEREAS, the Department issues professional credentials—licenses, certificates, or registrations—to individuals and businesses that meet the minimum standards established by each board; and

WHEREAS, more than 304,000 individuals and businesses held professional credentials issued by the Department as of May 1, 2017; and

WHEREAS, the Department enforces the standards of professional conduct established by the regulatory boards by investigating reports of violations and issuing sanctions and other disciplinary actions, including fines, probationary terms, and license suspension or revocation; and

WHEREAS, the Department receives no general fund appropriations, being funded exclusively through credential application fees, which are required by the Callahan Act to be sufficient for operating expenses but not excessive; and

WHEREAS, changes to the Department's credential qualifications or application fees are subject to the Administrative Process Act; and

WHEREAS, the Department employs 203 staff and operates with a non-general fund budget of \$23.4 million; and

WHEREAS, Executive Order 17 issued in 2014 establishes that all regulatory activity should be necessary to protect the health, safety, and welfare of the public, and that regulations should be designed to achieve their objectives in the most efficient and cost-effective manner; and

WHEREAS, the Joint Legislative Audit and Review Commission (JLARC) last completed a review of Virginia's occupational and regulatory boards in 1982; now, therefore be it

RESOLVED by the Joint Legislative Audit and Review Commission that staff be directed to review the operation and performance of the Department of Professional and Occupational Regulation. In conducting its study, staff shall (i) review whether the Department is organized and staffed to efficiently and effectively process applications for new and renewed professional credentials, respond to complaints about individuals or businesses, and support the work of each regulatory board; (ii) determine whether the Department's staffing and administration of regulatory board meetings effectively facilitate public participation and access; (iii) determine whether the Department appropriately enforces the standards of professional conduct established by the regulatory boards; (iv) determine whether the standards and fees established by the Department and its regulatory boards, and the requirements of the Administrative Process Act, are reasonable and identify any requirements or fees that unnecessarily prevent or hinder individuals or businesses from entering into or remaining in their professions; (v) determine whether the policies and procedures for modifying fees allow the Department and regulatory boards to respond to changing budgetary needs in a timely manner and ensure that boards are not carrying excessive surpluses or deficits; (vi) compare the Department's regulatory requirements and other provisions and the number and type of professions it regulates to those regulated in other states; and (vii) evaluate whether the Department is effectively contributing to the Commonwealth's economic interests through coordination with other agencies in the Commerce and Trade Secretariat and the Virginia Community College System. JLARC staff may review other issues and make recommendations as appropriate.

All agencies of the Commonwealth, including the Department of Professional and Occupational Regulation and its regulatory boards, the Virginia Board for Workforce Development, and the Virginia Community College System shall provide assistance, information, and data to JLARC for this study, upon request. JLARC staff shall have access to all information in the possession of state agencies pursuant to § 30-59 and § 30-69 of the Code of Virginia including all documents related to disciplinary proceedings or actions of the boards. No provision of the Code of Virginia shall be interpreted as limiting or restricting the access of JLARC staff to information pursuant to its statutory authority.

JLARC shall complete its work and submit a report of its findings and recommendations to the Commission by December 15, 2018.