

House Concurrent Resolution No. 92

***Feasibility Study for the Creation of an Umbrella Board
to Assist Professional Licensing Boards***

**Prepared for the
Joint Committees on Government Organization and Government Operations**

By

**The Office of the Legislative Auditor
Performance Evaluation & Research Division
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The Feasibility of Creating an Umbrella Board for Licensing Boards

Introduction

Over the past several years, the Legislative Auditor has cited, in several performance reviews of professional licensing boards, that some licensing boards struggle to provide office space and staff for regulating the profession they oversee. In response to this problem, House Concurrent Resolution Number 92 (HCR 92) was passed during the 2010 legislative session with the directive to studying the advisability and feasibility of developing a multi-professional and occupational board (umbrella board). The Legislative Auditor was given the task of providing the analysis for HCR 92. This study is primarily concerned with the feasibility of bringing occupational boards within the same office and the potential cost savings. It does not estimate cost savings that would occur from sharing staff.

Summary

The Legislative Auditor has determined that creating an umbrella board for licensing boards is possible; however, the possibilities are somewhat limited by the lack of state-owned property and private-sector facilities in the Charleston and surrounding areas. The achievements of creating an umbrella board would provide uniform accessibility and enforcement, and some efficiencies; however, it is uncertain how much cost savings would occur. The Legislative Auditor analyzed two scenarios: 1) bring the majority of Chapter 30 boards within an umbrella board; and 2) bring 16 of the smaller licensing boards within an umbrella board.¹ Scenario 1 includes 32 licensing boards. Information for these boards is provided in Tables 3 and 4 at the end of this report. Information for the 16 boards in Scenario 2 is listed in Tables 5 and 6. Scenario 2 includes five boards that do not have staff or office space. The Real Estate Division within the Department of Administration was contacted to assist in determining the necessary office space and its cost.

Also included in this report is a comparison of license fees and cost per licensees between West Virginia boards and two states that have umbrella boards, the states of Pennsylvania and Maine. The data shows that while both states with umbrella boards have lower costs per licensees than does West Virginia, only Pennsylvania has on average lower license fees. Maine's license fees are in general higher than West Virginia. There are several states with umbrella boards; however, it is difficult to compare them all with West Virginia because many states have placed other licensing functions (nursing homes, alcohol and beverages, etc.) within the same umbrella board in addition to occupational licensing boards.

¹ The Contractors Licensing Board was excluded from scenario one because its office space is located within property administered by the Division of Labor. The Board of Law Examiners is also excluded. The Board of Occupational Therapy is excluded from both scenarios because its Morgantown location is close to the University of West Virginia which offers the state's only occupational therapy school.

What Is an Umbrella Board?

An umbrella board brings several licensing boards (in some states all licensing programs) within one agency. In general, this involves the sharing of office space, equipment and staff.

Purpose of an Umbrella Board

An umbrella board creates one central location for occupational and other state licensing programs. This establishes common and uniform access for the public, greater efficiencies and cost savings.

How Do Licensing Boards Operate Within an Umbrella Board?

Each occupational licensing board continues to operate independently from each other within an umbrella board. However, two or more boards may have the same executive director and staff. They also share the same equipment and their records are often in the same office area. Usually, there is central staff of an executive director and support staff that oversees the entire umbrella board.

Scenario 1

Scenario 1 examines the feasibility of bringing most of the Chapter 30 boards under one roof (see Table 1). There are 32 boards in the scenario (see Tables 3 and 4). These boards have over 50,000 square feet in total and around 84 staff. According to the Real Estate Division, the Rehabilitation Center in Institute is the only available state-owned facility that could contain these 32 licensing boards. The Rehabilitation Center currently has over 67,000 square feet of available office space. However, the amount of office space that the Real Estate Division feels is sufficient for the number of staff in this scenario is less than 25,000 square feet. However, the Real Estate Division indicated that it would need to know what the needs of each board to better estimate the necessary square footage. The cost per square feet estimated by the Real Estate Division is \$16. This is a full-service rate. The rate that boards pay on average only includes utilities. It is not known what boards are paying in other rental costs, such as taxes, insurance and sanitation, or if these costs are also included in the given rental figures.

Scenario 2

Scenario 2 examines the feasibility of creating an umbrella board for a select number of smaller boards, of which five do not have staff or an office. There are 16 boards in this scenario (see Tables 5 and 6). These boards have a total of 7,252 square feet and nearly 15 staff. In this scenario, the Legislative Auditor estimates that an addition of 2.5 staff would be needed for the five boards that

currently do not have staff. Therefore, the estimates for square footage is based on 17 staff. The Rehabilitation Center is able to house these boards, and in the private sector the building that presently houses the Lottery Commission will become available when the Lottery Commission moves to the City Center West facility. The building that the Lottery Commission presently resides in has 36,200 square feet.

Conclusion

There are some possibilities to create an umbrella board for licensing boards. The opportunity to house most of the licensing boards within one building is more limited than an attempt to create an umbrella board for some of the smaller boards. It is not clear what the cost savings would be in total in office space. This would depend on the actual square footage needed for each individual board and on the actual rental rate. However, based on estimates by the Real Estate Commission, there would be cost savings in both scenarios, over \$157,000 in Scenario 1 and over \$6,000 in Scenario 2. Sharing staff after bringing boards within the same building would provide additional cost savings and efficiencies. However, sharing office staff would be easier in Scenario 1 than in Scenario 2. Given the analysis of this report, the Legislative Auditor advises that attempts along the lines of Scenario 2 be made. Several smaller boards could benefit from sharing office space and staff, and with the relatively small amount of office space needed, it appears the most feasible plan.

Table 1

Scenario 1:

All Chapter 30 Boards Excluding Contractors Licensing and Attorneys-at-Law

Notes:	Projected Consolidated	Actual Current	Projected/Actual Difference
As a general rule, headcount drives square feet.			
	Total FTEs for Scenario 1	86.14	83.64
	Square Feet @3.5 People per thousand (Typical Assumption)	24.61	
	Square Footage	24,610	50,661
	Gross Rental Rate* \$	16.00 \$	10.89
	Gross Rent \$	393,760.00	551,751.99
			-157,992

PERD Question:

Real Estate Division Answer

How much square feet would each board be allocated?:

Requirements for each Board would need to be analyzed and defined.

What would be the total cost broken down between rent and utilities?:

Depends where the Boards land, \$16 per square foot is a good budget number.

Where would the physical location of the office space be (address and city)?:

There are currently no state-owned office buildings within the Charleston city limits with sufficient space.

However, the Rehab Center in Institute does have sufficient space to house these Boards.

Source: Department of Administration, Real Estate Division

*Note: Projected Gross Rental Rate is a full-service calculation, including utilities, insurance, taxes, sanitation. Actual rental rate includes only utilities.

Table 2

Scenario 2:

Smaller Chapter 30 Boards

Notes:	Projected Consolidated	Actual Current	Projected/Actual Difference
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As a general rule, headcount drives square feet.

Total FTEs for Scenario 2	17.00	14.59	
Square Feet @3.5 People per thousand (Typical Assumption)	4.86		
Square Footage	4,857	7,252	-2,395
Gross Rental Rate \$	16.00 \$	11.62	4.38
Gross Rent \$	<u>77,714.29</u>	<u>\$ 84,302.03</u>	<u>-6,588</u>

PERD Question:

Real Estate Division Answer

How much square feet would each board be allocated?:

Requirements for each Board would need to be analyzed and defined.

What would be the total cost broken down between rent and utilities?:

Depends where the Boards land, \$16 per square foot is a good budget number.

Where would the physical location of the office space be (address and city)?:

There are currently no state-owned office buildings within the Charleston city limits with sufficient space. However, the Rehab Center in Institute does have sufficient space to house these Boards.

Source: PERD calculations using estimates provided by the Real Estate Division.

Note: Projected Gross Rental Rate is a full-service calculation, including utilities, insurance, taxes, sanitation. Actual rental rate includes only utilities.

Table 3

Chapter 30 Boards for Scenario 1													
Board	Expenditures	Revenue	EOYB	Licenses	Exec Director	Total FTE*	Cost Per License						
Board of Accountancy	\$ 280,856	\$ 371,036	\$ 345,251	1,947		1	\$ 3.00	\$ 144.25					
Board of Acupuncture	\$ 10,942	\$ 12,125	\$ 23,438	45		0	\$ 0.00	\$ 243.16					
Board of Architects	\$ 134,292	\$ 133,850	\$ 236,491	1,246		1	\$ 1.00	\$ 107.78					
Board of Barbers and Cosmetologists	\$ 462,503	\$ 519,906	\$ 129,966	11,525		1	\$ 9.00	\$ 40.13					
Board of Chiropractic Examiners	\$ 86,281	\$ 93,370	\$ 59,809	331		1	\$ 0.63	\$ 260.67					
Board of Examiners in Counseling	\$ 124,844	\$ 120,946	\$ 78,109	1,083		1	\$ 2.00	\$ 115.28					
Board of Dental Examiners	\$ 381,387	\$ 387,281	\$ 272,156	2,436		1	\$ 2.75	\$ 156.56					
Board of Licensed Dietitians	\$ 23,506	\$ 18,705	\$ 37,516	365		0	\$ 0.00	\$ 64.40					
Board of Embalmers and Funeral Directors	\$ 137,488	\$ 169,225	\$ 218,072	915		1	\$ 1.96	\$ 150.26					
Board of Registration for Professional Engineers	\$ 580,099	\$ 681,320	\$ 1,032,503	9,447		1	\$ 4.50	\$ 61.41					
Board of Registration for Foresters	\$ 9,321	\$ 19,445	\$ 22,754	447		0	\$ 0.00	\$ 20.85					
Board Hearing Aid Dealers	\$ 912	\$ 5,300	\$ 40,451	61		0	\$ 0.00	\$ 14.95					
Board of Landscape Architects	\$ 11,040	\$ 10,440	\$ 19,606	118		0	\$ 0.00	\$ 93.56					
Massage Therapy Licensure Board	\$ 105,427	\$ 87,705	\$ 127,598	1,067		1	\$ 1.25	\$ 98.81					
Board of Medicine	\$ 1,119,795	\$ 1,262,935	\$ 1,255,752	4,398		1	\$ 12.00	\$ 254.61					
Nursing Home Administrators Licensure Board	\$ 69,639	\$ 91,115	\$ 202,559	225		1	\$ 1.00	\$ 309.51					
Board of Examiners of Registered Professional Nurses	\$ 956,771	\$ 1,099,491	\$ 835,569	27,032		1	\$ 10.00	\$ 35.39					
Medical Imaging & Radiation Therapy Technology Board of Examiners	\$ 446,803	\$ 424,641	\$ 777,677	7,553		1	\$ 4.00	\$ 108.13					
Board of Optometry	\$ 171,607	\$ 196,187	\$ 97,634	1,587		1	\$ 2.00	\$ 59.16					
Board of Osteopathy	\$ 89,590	\$ 141,640	\$ 121,587	286		1	\$ 1.00	\$ 313.25					
Board of Pharmacy	\$ 271,874	\$ 192,795	\$ 452,657	1,162		1	\$ 1.60	\$ 233.97					
Board of Physical Therapy	\$ 765,273	\$ 1,195,454	\$ 2,132,444	10,239		1	\$ 5.00	\$ 74.74					
Board of Examiners of Psychologists	\$ 184,666	\$ 221,553	\$ 49,585	1,939		1	\$ 2.00	\$ 95.24					
Real Estate Appraisers Licensing & Certification	\$ 119,135	\$ 124,495	\$ 39,745	565		1	\$ 1.00	\$ 210.86					
Board of Respiratory Care	\$ 289,463	\$ 292,314	\$ 132,329	637		1	\$ 3.00	\$ 454.42					
Board of Registered Sanitarians	\$ 107,582	\$ 107,828	\$ 198,791	1,594		1	\$ 1.00	\$ 67.49					
Board of Speech-Language Pathology & Audiology	\$ 4,356	\$ 7,150	\$ 11,006	201		0	\$ 0.00	\$ 21.67					
Board of Social Work Examiners	\$ 93,699	\$ 166,613	\$ 168,865	830		1	\$ 1.50	\$ 112.89					
Board of Examiners of Professional Surveyors	\$ 169,334	\$ 224,006	\$ 95,487	3,883		1	\$ 2.70	\$ 43.61					
Real Estate Commission	\$ 190,967	\$ 254,463	\$ 200,372	967		1	\$ 2.00	\$ 197.48					
Board of Veterinary Medicine	\$ 622,220	\$ 733,248	\$ 1,378,467	8,982		1	\$ 6.00	\$ 69.27					
	\$ 189,220	\$ 190,119	\$ 215,507	641		1	\$ 1.75	\$ 295.20					
Total	\$ 8,210,892	\$ 9,556,701	\$ 11,009,753	103,754		26	\$ 83.64	\$ 79.14					

* Total Staff includes executive directors.

Table 5

Chapter 30 Boards for Scenario 2									
Board	FTE's	Rent	Utilities	Office Space Sq Ft	Cost Per Sq Ft	Licenses	Location		
Board of Acupuncture	0	\$0	\$0	0	n/a	45	Charleston		
Board of Chiropractic Examiners	0.63	\$3,600	Included	373	\$10	331	South Charleston		
Board of Examiners in Counseling	2	\$6,780	Included	590	\$11	1,083	Charleston		
Board of Licensed Dietitians	0	\$1,445	Included	250	\$6	365	Charleston		
Board of Embalmers and Funeral Directors	1.96	\$10,776	Included	973	\$11	915	Charleston		
Board of Registration for Foresters	0	\$0	\$0	0	n/a	447	Ripley		
Board Hearing Aid Dealers	0	\$0	\$0	0	n/a	61	Charleston		
Board of Landscape Architects	0	\$0	\$0	0	n/a	118	St. Albans		
Massage Therapy Licensure Board	1.25	\$6,636	Included	550	\$12	1,067	Charleston		
Nursing Home Administrators Licensure Board	1	\$6,000	\$ 1,200	500	\$14	225	Winfield		
Board of Optometry	1	\$6,192	Included	516	\$12	286	Charleston		
Board of Examiners of Psychologists	1	\$4,583	\$203	600	\$8	565	Charleston		
Real Estate Appraisers Licensing & Certification	3	\$13,650	Included	900	\$15	637	Charleston		
Board of Respiratory Care	1	\$15,540	Included	1,200	\$13	1,594	Charleston		
Board of Registered Sanitarians	0	\$0	\$0	0	n/a	201	Charleston		
Board of Veterinary Medicine	1.75	\$6,752	\$945	800	\$11	641	Cross Lanes		
Total	14.59	81,954	2,348	7,252		8,581			
The average cost per sq ft of office space =									
The average square feet of office space per FTE =									
The number of licenses per FTE =									

Table 6

Chapter 30 Boards for Scenario 2									
Board	Expenditures	Revenue	EOVB	Licenses	Executive Director	Total FTE*	Cost Per License		
Board of Acupuncture	\$10,942	\$12,125	\$23,438	45	0	0.00	\$243.16		
Board of Chiropractic Examiners	\$86,281	\$93,370	\$59,809	331	1	0.63	\$260.67		
Board of Examiners in Counseling	\$124,844	\$120,946	\$78,109	1,083	1	2.00	\$115.28		
Board of Licensed Dietitians	\$23,506	\$18,705	\$37,516	365	0	0.00	\$64.40		
Board of Embalmers and Funeral Directors	\$137,488	\$169,225	\$218,072	915	1	1.96	\$150.26		
Board of Registration for Foresters	\$9,321	\$19,445	\$22,754	447	0	0.00	\$20.85		
Board Hearing Aid Dealers	\$912	\$5,300	\$40,451	61	0	0.00	\$14.95		
Board of Landscape Architects	\$11,040	\$10,440	\$19,606	118	0	0.00	\$93.56		
Massage Therapy Licensure Board	\$105,427	\$87,705	\$127,598	1,067	1	1.25	\$98.81		
Nursing Home Administrators Licensure Board	\$69,639	\$91,115	\$202,559	225	1	1.00	\$309.51		
Board of Optometry	\$89,590	\$141,640	\$121,587	286	1	1.00	\$313.25		
Board of Examiners of Psychologists	\$119,135	\$124,495	\$39,745	565	1	1.00	\$210.86		
Real Estate Appraisers Licensure & Certification	\$289,463	\$292,314	\$132,329	637	1	3.00	\$454.42		
Board of Respiratory Care	\$107,582	\$107,828	\$198,791	1,594	1	1.00	\$67.49		
Board of Registered Sanitarians	\$4,356	\$7,150	\$11,006	201	0	0.00	\$21.67		
Board of Veterinary Medicine	\$189,220	\$190,119	\$215,507	641	1	1.75	\$295.20		
Total	\$1,378,746	\$1,491,922	\$1,548,977	8,581	10	14.59	\$160.67		

* Total Staff includes executive directors.

Table 7

WV Chapter 30 Boards Licensing Fees Comparison Board	West Virginia Initial Fee	West Virginia Renewal Fee	Pennsylvania Initial Fee	Pennsylvania Renewal Fee	Maine Initial Fee	Maine Renewal Fee
Board of Accountancy	\$120	\$85	\$65	\$100 Biennial	\$50	\$50
Board of Accountancy	\$425	\$425 Biennial	N/A	\$40 Biennial	\$275	\$275
Board of Architects	\$250	\$75	\$40	\$100 Biennial	\$100	\$100
Board of Barbers and Cosmetologists	\$35	\$35	\$10	\$42 Biennial	\$50	\$50
Barber	\$35	\$35	\$10	\$35 Biennial	\$50	\$50
Cosmetologist	\$25	\$200	\$25	\$210 Biennial	\$225	\$225
Board of Chiropractic Examiners	N/A	N/A	N/A	N/A	N/A	N/A
Contractors Licensing Board	\$200	\$220 Biennial	N/A	N/A	\$200	\$200 Biennial
Board of Examiners in Counseling						
Board of Dental Examiners						
Dentists	\$150	\$150	\$20	\$250 Biennial	\$550	\$550 Biennial
Dental Hygienists	\$60	\$65	\$20	\$40 Biennial	\$175	\$175 Biennial
Board of Licensed Dietitians	\$50	\$50	N/A	\$65 Biennial	\$150	\$150
Board of Embalmers and Funeral Directors	\$80	\$80 Biennial	\$25	\$185 Biennial	\$200	\$200
Board of Registration for Professional Engineers	\$80	\$40	\$50	\$50 Biennial	\$200	\$50
Board of Registration for Foresters	\$50	\$25	N/A	N/A	\$70	\$70
Board Hearing Aid Dealers	\$100	\$100	N/A	N/A	\$110	\$110
Board of Landscape Architects	\$100	\$100	\$60	\$125 Biennial	\$100	\$100
Massage Therapy Licensure Board	\$200	\$100 Biennial	N/A	N/A	\$40	\$40
Board of Medicine						
Medical Doctor	\$400	\$400 Biennial	N/A	\$360 Biennial	\$600	\$500 Biennial
Podiatrist	\$400	\$400 Biennial	\$30	\$395 Biennial	\$450	\$450
Physician Assistant	\$200	\$100 Biennial	N/A	\$40 Biennial	\$250	\$250 Biennial
Nursing Home Administrators Licensing Board	\$600	\$300	\$40	\$297 Biennial	\$200	\$200
Board of Examiners of Registered Professional Nurses	\$51.50	\$25	N/A	\$65 Biennial	\$100	\$100 Biennial
Board of Examiners of Licensed Practical Nurses	\$75	\$40	N/A	\$60 Biennial	\$100	\$100 Biennial
Medical Imaging & Radiation Therapy Technology Board of Examiners	\$100	\$65	N/A	N/A	\$75	\$75 Biennial
Board of Occupational Therapy						
Occupational Therapist Registered	\$250	\$140 Biennial	\$30	\$55 Biennial	\$80	\$80
Certified Occupational Therapist Assistant	\$200	\$120 Biennial	\$30	\$45 Biennial	\$70	\$70
Board of Optometry	\$300	\$650 Biennial	\$25	\$135 Biennial	\$400	\$400
Board of Osteopathy	\$400	\$400 Biennial	\$45	\$220 Biennial	N/A	N/A
Board of Pharmacy	\$125	\$50	\$45	\$125 Biennial	\$200	\$100
Board of Physical Therapy	\$220	\$120 Biennial	\$30	\$90 Biennial	\$40	\$40
Board of Examiners of Psychologists	\$100	\$350 Biennial	N/A	\$300 Biennial	\$200	\$200
Real Estate Appraisers Licensing & Certification	\$265	\$265	\$35	\$225 Biennial	\$425	\$425
Board of Respiratory Care	\$200	\$65	N/A	\$25 Biennial	\$65	\$65
Board of Registered Sanitarians	\$20	\$20	N/A	N/A	N/A	N/A
Board of Speech-Language Pathology & Audiology	\$200	\$175 Biennial	\$20	\$46 Biennial	\$225	\$225 Biennial
Board of Social Work Examiners	\$100	\$85 Biennial	\$25	\$75 Biennial	\$70	\$70 Biennial
Board of Examiners of Professional Surveyors	\$200	\$100	\$50	\$50 Biennial	\$75	\$275 Biennial
Real Estate Commission	\$100	\$100	\$75	\$126 Biennial	\$100	\$100 Biennial
Board of Veterinary Medicine	\$300	\$250	\$35	\$300 Biennial	\$75	\$75

Table 8

State of Multi Professional Agency	Boards/Professions	Staff	Licenses	Expenditures	Revenue	Cost Per Licensee	# of Licensees to Staff	
Alaska								
Colorado								
Delaware								
Hawaii								
Illinois								
Indiana								
Iowa								
Maine		38	62.5	103,947 \$	5,426,552 \$	6,825,051 \$	52.20	1,663
Maryland								
Massachusetts								
Missouri		39	216	415,057 \$	12,003,942 \$	19,549,613 \$	28.92	1,922
New Hampshire								
New Mexico								
New York		29	315	778,929 \$	40,700,000 \$	46,800,000 \$	52.25	2,473
Pennsylvania		29	122	777,313 \$	32,318,000 \$	50,017,185 \$	41.58	6,371
South Carolina								
Texas		26	379.5	430,531 \$	27,978,167 \$	28,921,070 \$	64.99	1,134
Utah								
Vermont		44	30	54,463 \$	3,405,786 \$	4,607,925 \$	62.53	1,815
Virginia		14	215	312,000 \$	24,100,000 \$	24,600,000 \$	77.24	1,451
Wisconsin		64	114	345,844 \$	13,073,795 \$	17,430,931 \$	37.80	3,034
West Virginia		34	115.29	122,311 \$	9,913,646 \$	11,291,152 \$	81.05	1,061