



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 100-20 – Virginia Board for Opticians Rules and Regulations Department of Professional and Occupational Regulation February 23, 2000

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 9-6.14:7.1.G of the Administrative Process Act and Executive Order Number 25 (98). Section 9-6.14:7.1.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

This is a proposed revision to the existing regulations governing the licensure of opticians. Section 54.1-201 of the Code of Virginia provides the Board of Opticians with the authority to amend these regulations. Specific fees for this regulatory program are being reduced under a separate, exempt regulatory action. The proposed changes to this regulation include instituting more lenient remedies for expired licenses, different timing for the expiration dates of licenses, and waiving the minimum age requirement for emancipated individuals.

Estimated Economic Impact

Expired License Remedies

Currently, if a Virginia optician's license is expired for more than 12 months, he must retake and pass the practical and written examinations required for a Virginia optician's license. The Board of Opticians is proposing to significantly relax this burden. The proposed amended

regulation would allow a licensee to reinstate his license for up to 2 years following expiration of his license, by only paying a late fee in addition to the usual license renewal fee. Under the proposed amended regulation, if the license has been expired for more than two years, but the optician can show proof of continuous, active, ethical and legal practice outside of Virginia, then the license can be reinstated with only payment of a late fee in addition to the renewal fee. If the license has been expired for between two and five years, but the optician cannot show proof of continuous, active, ethical and legal practice outside of Virginia, he may still reinstate his license by completing a Board approved review course (along with the fees). Under the proposed amended regulation, the optician will be required to retake the practical and written examinations only if his license has been expired for more than five years.

The proposed amended regulation will clearly be less burdensome to opticians with expired licensees. Also, the proposed more lenient treatment of opticians with expired licenses is unlikely to put the citizens of Virginia at any additional risk since the proposed amended regulation still requires opticians out of practice for more than two years to complete a review course. Thus, this proposed change to the regulation would in net be beneficial for Virginia.

Effects of Expiration Date Change

Another proposed change for this regulation concerns the timing of the expiration dates of the licenses. Currently, all Virginia optician licenses expire on December 31 of each even numbered year. Since most opticians do not receive their first license at the beginning of January of odd numbered years, current first licenses last for less than 24 months. Under the proposed amended regulation, licenses would expire 24 months from the last day of the month in which the license was issued. Thus, under the proposed amended regulation, newly licensed opticians would receive more months of license coverage for the same given license fee. The same argument and conclusion are true for opticians who have their expired licenses reinstated.

In any given two-year period, DPOR would receive less in optician license fees under the proposed amended regulation than under the current regulation. There will likely always be some new Virginia opticians that would pay two standard license fees under the current regulation who would only pay one standard license fee under the proposed amended regulation. In addition, opticians who reinstate their licenses also pay two standard license fees (as well as

late fees) in the first 24 months under the current regulation, versus one standard license fee (and late fees) in the proposed amended regulation. Thus, DPOR would also receive fewer license fee dollars from opticians with reinstated licenses.

Since DPOR's most recent analysis indicated that the cash/revenue balance exceeded expenditures by 47.7% for the opticians licensure program, the reduced revenue due to the change in expiration dates would not seem to be problematic for the near future. At the same time, the delay in the second payment of license fees will be beneficial for new opticians and those reinstating their licenses.

However, further in the future when the current large cash/revenue surplus may be reduced, the smaller revenue collections due to the proposed change in expiration dates may cause DPOR to raise fee rates. Thus, the proposed change in expiration dates would likely cause a small transfer in fee costs from newly licensed opticians to experienced opticians renewing their licenses. The actual cost per time licensed (24 months) would be the same for both groups, versus the current higher cost per time licensed for new opticians. Therefore, the proposed change in expiration dates would be more equitable than the current method.

Minimum Age Exception

The amended regulation also includes a proposed exception to the minimum age required for a Virginia optician's license. Individuals under the age of 18 who have been legally emancipated from their parents or guardians and who otherwise meet the required qualifications, would be permitted to obtain an optician's license. This change is unlikely to have any impact in most years since very few if any individuals under 18 will be able to meet the other requirements for optician licensure.

Businesses and Entities Affected

All current opticians as well as those individuals considering becoming licensed opticians are affected by the proposed amendments to the regulation. According to DPOR, at the end of 1999, there were 1,693 licensed opticians in Virginia.

Localities Particularly Affected

The proposed amendments to the regulation will affect opticians and potential opticians statewide.

Projected Impact on Employment

According to DPOR, the establishment of the review course option for licensees applying for reinstatement is anticipated to affect less than five applicants per year. Thus, it is unlikely that any new instructors will need to be hired.

The proposed change in determining when opticians will need to retake the licensing exams will likely produce a small reduction in the demand for the services of private examination firms. However, the reduction in demand is not expected to be significant enough to reduce employment.

Effects on the Use and Value of Private Property

This regulation will have negligible effect on the use and value of private property.