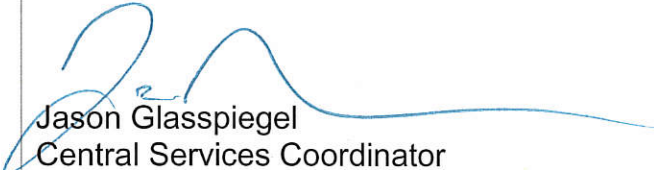


## MEMORANDUM

<b>DATE</b>	July 7, 2016
<b>TO</b>	Board of Psychology
<b>FROM</b>	 Jason Glasspiegel Central Services Coordinator
<b>SUBJECT</b>	Agenda Item #4(m) – SB 1155 (Morrell) Professions and Vocations: Licenses: Military

**Background:**

This bill, on and after January 1, 2018, would require every board within the Department of Consumer Affairs to grant a fee waiver for the application for and the issuance of an initial license to an applicant who supplies satisfactory evidence, as defined, to the board that the applicant has served as an active duty member of the California National Guard or the United States Armed Forces and was honorably discharged. The bill would require that a veteran be granted only one fee waiver, except as specified.

**Location:** Assembly Appropriations Committee

**Status:** From Assembly Committee on Veterans Affairs: Do pass to Committee on Appropriations.

**Action Requested:**

No action required at this time. Staff will continue to watch SB 1155 (Morrell).

Attachment A is the language of SB 1101 (Morrell)

Attachment B is the Assembly Veterans Affairs Analysis of SB 1101 (Morrell)



*California*  
LEGISLATIVE INFORMATION

**SB-1155 Professions and vocations: licenses: military service.** (2015-2016)

**SECTION 1.** *Section 114.6 is added to the Business and Professions Code, to read:*

**114.6. (a) (1)** *Notwithstanding any other provision of law, every board within the department shall grant a fee waiver for the application for and issuance of an initial license to an applicant who supplies satisfactory evidence to the board that the applicant has served as an active duty member of the California National Guard or the United States Armed Forces and was honorably discharged.*

*(2) For purposes of this section, "satisfactory evidence" means a completed "Certificate of Release or Discharge from Active Duty" (DD Form 214).*

*(b) Under this program, all of the following apply:*

*(1) A veteran shall be granted only one fee waiver, except as specified in paragraph (2). After a fee waiver has been issued by any board within the department pursuant to this section, the veteran is no longer eligible for a waiver.*

*(2) If a board charges a fee for the application for a license and another fee for the issuance of a license, the veteran shall be granted fee waivers for both the application for and issuance of a license.*

*(3) The fee waiver shall apply only to an application of and a license issued to an individual veteran and not to an application of or a license issued to an individual veteran on behalf of a business or other entity.*

*(4) A waiver shall not be issued for any of the following:*

*(A) Renewal of a license.*

*(B) The application for and issuance of an additional license, a certificate, a registration, or a permit associated with the initial license.*

*(C) The application for an examination.*

*(c) This section shall become operative on January 1, 2018.*

Date of Hearing: June 28, 2016

ASSEMBLY COMMITTEE ON VETERANS AFFAIRS

Jacqui Irwin, Chair

SB 1155 (Morrell) – As Amended May 31, 2016

**SENATE VOTE:** 39-0

**SUBJECT:** Professions and vocations: licenses: military service

**SUMMARY:** Requires, on or after January 1, 2018, every board under the Department of Consumer Affairs (DCA) to waive initial license fees for veterans, as specified. This bill:

- 1) Requires every board within the department to grant a fee waiver for the application for and issuance of an initial license to an applicant who supplies satisfactory evidence to the board that the applicant has served as an active duty member of the California National Guard or the United States Armed Forces and was honorably discharged.
- 2) Specifies that “satisfactory evidence” means a completed “Certificate of Release or Discharge from Active Duty” (DD Form 214).
- 3) Mandates that a veteran shall be granted only one fee waiver, except as specified
- 4) States that after a fee waiver has been issued by any board within the department pursuant to this section, the veteran is no longer eligible for a waiver.
- 5) Mandates that if board charges a fee for the application for a license and another fee for the issuance of a license, the veteran shall be granted fee waivers for both the application for and issuance of a license.
- 6) Requires a fee waiver to apply only to an application of and a license issued to an individual veteran and not to an application of or a license issued to an individual veteran on behalf of a business or other entity.
- 7) Prohibits issuance of a waiver for any of the following:
  - a) Renewal of a license.
  - b) The application for and issuance of an additional license, a certificate, a registration, or a permit associated with the initial license.
  - c) The application for an examination.
- 8) States that the operative date of this statute will be January 1, 2018.

**EXISTING LAW:**

- 1) Provides for the licensure and regulation of various professions and vocations by boards within the Department of Consumer Affairs.

- 2) Authorizes any licensee whose license expired while he or she was on active duty as a member of the California National Guard or the United States Armed Forces to reinstate his or her license without examination or penalty if certain requirements are met.
- 3) Requires the boards to waive the renewal fees, continuing education requirements, and other renewal requirements, if applicable, of any licensee or registrant called to active duty as a member of the United States Armed Forces or the California National Guard, if certain requirements are met.
- 4) Requires each board to inquire in every application if the individual applying for licensure is serving in, or has previously served in, the military.
- 5) Requires, on and after July 1, 2016, a board within the Department of Consumer Affairs to expedite, and authorizes a board to assist, the initial licensure process for an applicant who has served as an active duty member of the United States Armed Forces and was honorably discharged.

**FISCAL EFFECT:** According to the Senate Appropriations Committee, this bill will result in:

- 1) “[DCA]-wide revenue loss of \$1.1 million to waive applicable fees for honorably discharged veterans. Additional workload required of each board and bureau to establish the fee waiver in regulations prior to implementation could drive potentially significant costs. Though most boards and bureaus indicate that the loss of revenue and any associated workload would be minor, this bill would exacerbate the fiscal issues of several funds within the [DCA].
- 2) Additional absorbable workload to the [DCA] to make necessary changes to the [DCA’s] online licensing and enforcement system, BreEZe. Additional minor costs for updating websites related to applications.”

**COMMENTS:** According to the author:

In a 2013 White House Report, President Obama and the First Lady called upon states to do anything they can to streamline states’ occupational licensing schemes. The report stated, “many service members are required to repeat education or training in order to receive industry certifications and state occupational licenses, even though much, and in some cases, all, of their military training and experience overlaps with credential training requirements.” California has already taken a step toward alleviating this issue by expediting the licensing processes for veterans. We can make that process even easier by relieving veterans from having to scrape up money to pay for a license, some of which cost upwards of \$500, to do a job for which they are already, more than likely, qualified to perform.

A May 2015 Department of Veteran Affairs report found that the young veteran (18-24 years old) poverty rate was 11.9%, 14.2% if they had a disability. In addition, the California Department of Housing and Community Development found, “of California’s extremely low-income veteran renter households, 79 percent have a severe cost burden, spending more than 50 percent of their income on housing.” For those low-income veterans, licensing fees would be another burden they face if they were to apply for an occupational license. Waiving the fee may encourage some of these individuals to either apply for a license or to pursue a professional career requiring licensure.

[This bill] ...removes a barrier for veterans seeking work in California and encourages immediate entrance into the civilian workforce by waiving the application and initial license fees in order to receive an occupational license. These fees act as a barrier of entry to the workforce for the 240,000 to 360,000 veterans that separate from the military each year, many of whom would like to make California home... By removing a barrier, we can more effectively help veterans harness their invaluable skillsets thereby helping them find higher paying jobs, strengthening the economy, and chipping away at the growing issue of veteran homelessness.”

Families with one or both active duty parents move more often than the average household. While there is usually some notice to the servicemember about a permanent change of station (PCS) move, servicemembers are subject to an order to move and generally must do so. Often the servicemember knows well in advance that he or she will PCS but the destination may not be known until much closer in time to the orders directing the move. Therefore, to the extent that the non-servicemember spouse holds a license or certification that is not the subject of reciprocity by the destination state, there can be a significant financial impact resulting from the cost of licensing in the destination state and the amount of delay before a license is granted (during which period the license applicant cannot work at the licensed profession).

The Committee on Business and Professions noted in its analysis of this bill:

*DCA Board Assistance for Military Applicants and Licensees.* Due to the potential hardships of licensing on military applicants, veterans, and their families, the Legislature has passed, and the DCA boards have implemented, several policies to ease the burdens on military applicants, spouses, and licensees. For instance, BPC § 114 exempts licensees from penalties for reinstating a retired license if called to active duty. BPC § 114.3 requires boards under the DCA to waive renewal fees, continuing education requirements, and other requirements for military licensees as long as specified requirements are met.

In addition, after July 1, 2016, BPC § 115.4 will require boards under the DCA to begin expediting the initial licensure process for applicants who are honorably discharged veterans. Similarly, this bill adds a one-time initial license fee waiver for applicants who are honorably discharged veterans.

#### Policy Questions:

Does this bill meet a documented need or fix a known problem facing veterans?

This bill presents a general policy concern, applicable in this particular case but much broader than this single piece of legislation; the bill provides an incremental benefit to a small number of veterans and does not arise out of a known problem facing veterans. The policy concern is that bills like this could have a sort of halo effect, creating a false sense of greater progress. They also may consume the limited bandwidth of the Legislature and distract the attention of policy makers from documented issues of critical importance to veterans.

This bill would provide a tangible benefit to some veterans, and is aligned with the general policy to ease veterans' transition to civilian life. However, the waiver will not address a known veterans' need or challenge except in an attenuated way. License fees are a barrier to entry for all applicants, a license is, by design, a barrier to entry, put there typically to protect the public. Waiving the fee removes a barrier for every applicant. However, a fee waiver would most

logically present the greatest barrier to those for whom the fee presents a financial hardship. It has not been established that veteran applicants are experiencing more or less financial hardship than others, particularly in such DCA professions as dentistry, medicine, optometry, pharmacy, veterinary medicine, accountancy, and architecture.

Author's amendments: Due to imminent Legislative process deadlines, there is not sufficient time to amend the bill. However, staff recommends:

- 1) Clarification of the terminology of the bill. The author's intent is to include National Guard.
  - a) Clarify the documents which will suffice for eligibility for the waiver. Though the DD-214 is the most common discharge document, there are other forms, particularly for the National Guard, that are analogous but use a different form number.
  - b) Clarify "active duty" as it pertains to the National Guard.
- 2) Tailoring the bill by refining its scope. Some avenues of tailoring might include: refining which DCA entities will be required to grant a waiver (veteran applicants are concentrated in certain DCA entities), a financial hardship requirement, a chronological relationship with the date of discharge.
- 3) Refocus the bill: Grant the fee waiver to spouses of active duty members either instead of veterans or in addition to veterans. These spouses are compelled to move frequently with their active duty spouse and face documented issues with the portability of their professional licenses and certifications.

**Current Related Legislation.** SB 1348 (Canella) of the current Legislative Session, requires boards under the DCA that authorize veterans to apply military experience and training towards licensure requirements to post information on the board's website about applying for military experience and training towards licensure requirements.

**Prior Related Legislation.** AB 1057 (Medina), Chapter 693, Statutes of 2013, requires each board to inquire in every application for licensure if the individual applying for licensure is serving in, or has previously served in, the military.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

American G.I. Forum of California  
 AMVETS-Department of California  
 California Association of County Veterans Service Officers  
 California Dental Association  
 Goodwill Southern California  
 Military Officers Association of America, California Council of Chapters  
 Veterans of Foreign Wars, California Department

##### **Opposition**

None on File

**Analysis Prepared by: John Spangler / V.A. / (916) 319-3550**