



**Council on Licensure,  
Enforcement & Regulation**

Promoting Regulatory Excellence

# Licensing Board Structure

*Presentation to the Kentucky Occupational  
Licensing Policy Learning Consortium*

*April 30, 2018*



Autonomous

Centralized

Efficiency

Expertise

Cost

Coordination

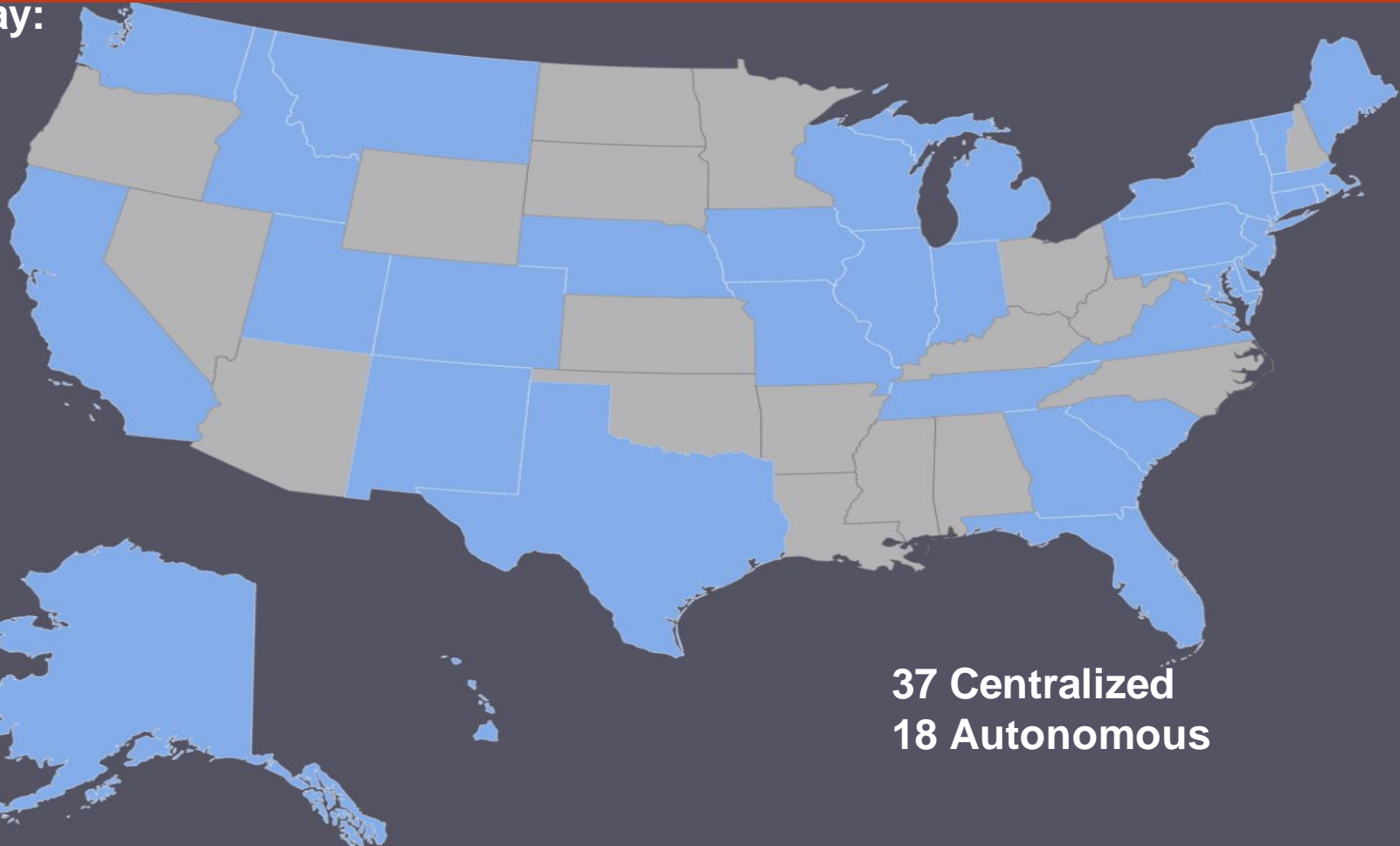
Oversight

## Not a new idea...

- 1892 NY places most of its professional regulatory board under a board of regents
- 1917 - Illinois
- 1921 - Washington
- 1923 - Pennsylvania
- 1929 - California
- 1960s - 70s wave of centralization (16 states)
- 1990 - 33 states



**Today:**



**37 Centralized  
18 Autonomous**

## Models of Board Structure

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- **Model A:** No central agency, only autonomous boards
- **Model B:** Autonomous boards with a central agency for routine administrative functions
- **Model C:** Autonomous boards and a central agency with authority for functions such as budgetary, personnel and certain disciplinary activities

## Models of Board Structure

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- **Model D:** Board actions subject to review by a central agency
- **Model E:** Central agency has complete regulatory authority. Boards are advisory only.
- **Note!** *Some states centralize certain boards while others remain autonomous*

## 4 Principles of Centralization

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- Grouping agencies into broad functional areas
- Establishing relatively few department to enhance the span of control and pinpoint responsibility to the chief executive and the legislature
- Delineating single lines of authority to the top
- Administering department by an individual and not by boards or commissions

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*“At the end of the day, this case is about a state board run by private actors in the marketplace taking action outside of the procedures mandated by state law to expel a competitor from the market,” ~ Judge Shedd*



## FTC vs. North Carolina Dental Board

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- Active supervision by the state
- Boards made up by a controlling number of active market participants
- Possible through centralized and non-centralized models....

## Other Reasons to Centralize

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- Economies of Scale
- Shared information
- Governance
- One-stop shopping for consumers
- Shared outreach / breadth
- Technology / databases

*The grass is not always greener...*

## Benefits of Independent vs. Central Agencies

### Independent Boards

- Administrative Efficiency
- Need for professional expertise
- Insulation from political interference
- Accountability

### Central Agencies

- Coordination
- Administrative Efficiency
- Oversight
- Accountability

*\*Ultimately reasons to centralize or remain independent are not mutually exclusive.*

## Regulatory Models Survey

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- Document variety of regulatory structures in the U.S.
- Share information across states
- Track movement and trends
- ❑ Authority / Model
- ❑ Reach – staff, professions, licensees
- ❑ Board Composition
- ❑ Fiscal
- ❑ Cost

## Preliminary Survey Results

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- 95 complete responses, representing 33 states and District of Columbia
- Responses received from: AL, AR, AZ, CA, CO, DC, HI, IA, ID, IN, KY, LA, MD, MN, MO, MS, MT, NC, NE, NH, NM, NV, OH, OK, OR, SD, TX, UT, VA, VT, WA, WI, WV, and WY

## Preliminary Survey Results

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- Model A – 7 states = 20.59%
- Model B – 4 states = 11.76%
- Model C – 6 states = 17.65%
- Model D – 1 state = 2.94%
- Model E – 1 state = 2.94%
- Multiple models in a state – 12 states = 35.29%
- Other model not described above – 3 states = 8.82%

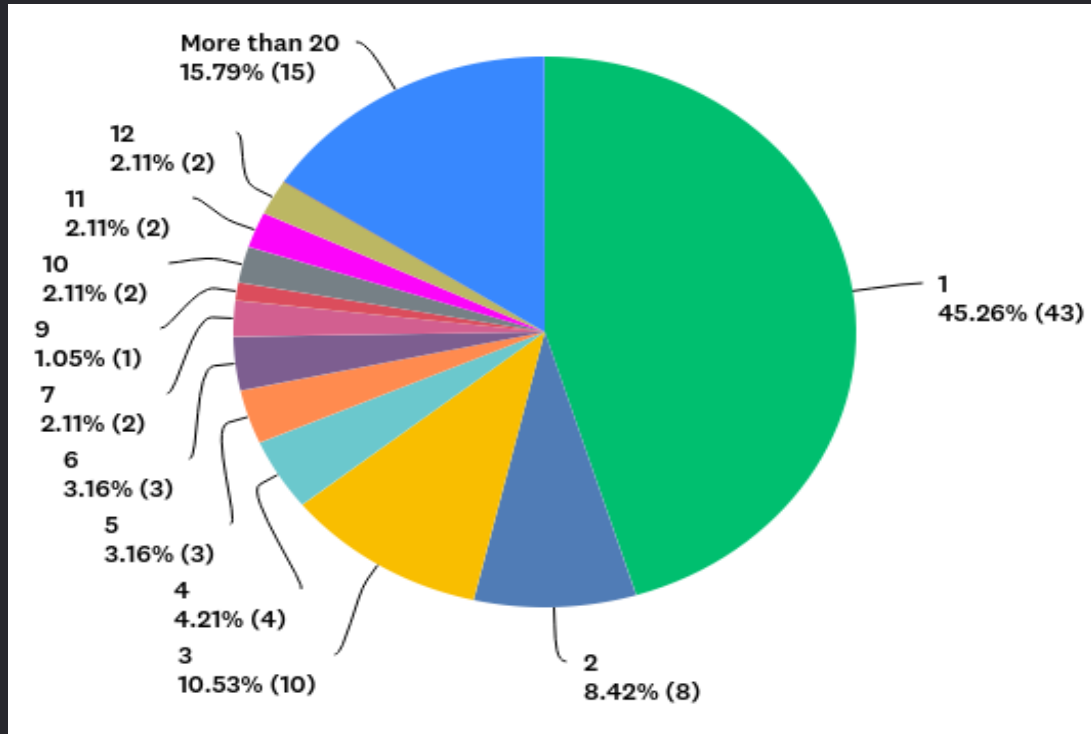
## Consider Changing Models?

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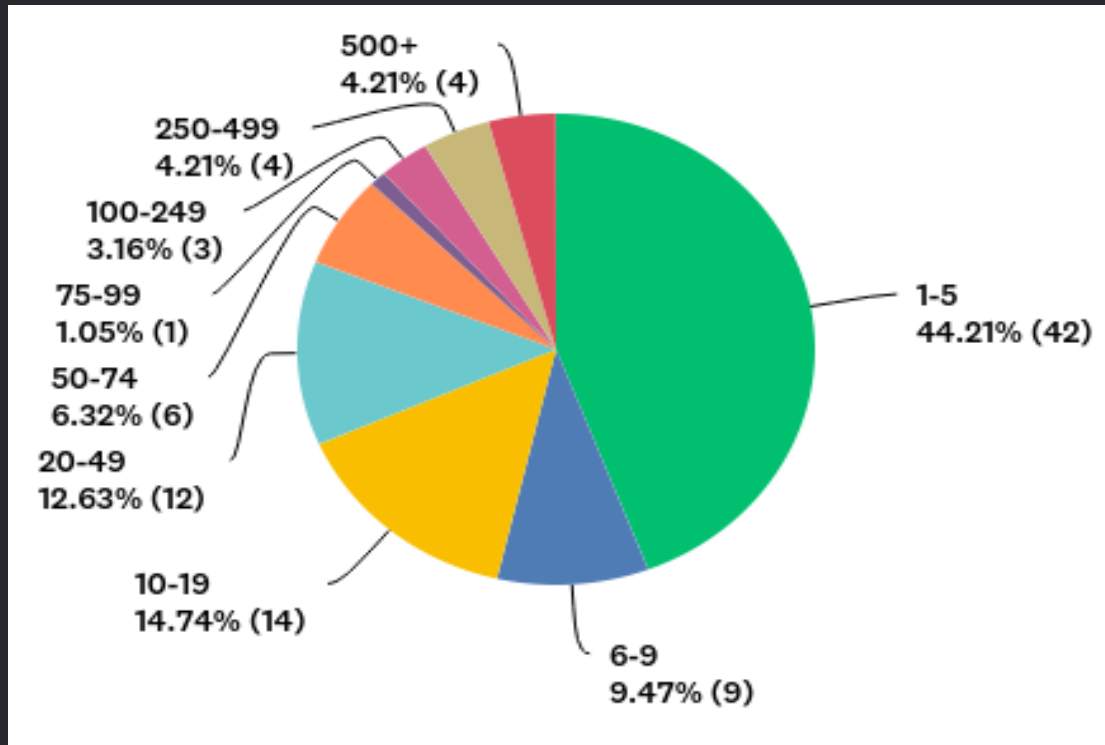
- Proposed consolidation (4) – impetus: efficiency, free-market support, job creation, NC Dental Board anti-trust concerns, efficiency, cost-savings, reduce bureaucracy, increase efficiency
- Moved from umbrella to more independent – impetus: cost-saving, better customer service
- Change to fully autonomous – impetus: time and cost savings
- Considering Department of Business and Industry having oversight of boards – impetus: small board staff needs more oversight, mismanagement of some boards, lack of education and experience on some boards, efficiency, cost-savings, anti-competitive protections, compliance issues



# How many different professions/occupations does your organization regulate?



## How many staff members does your organization employ?

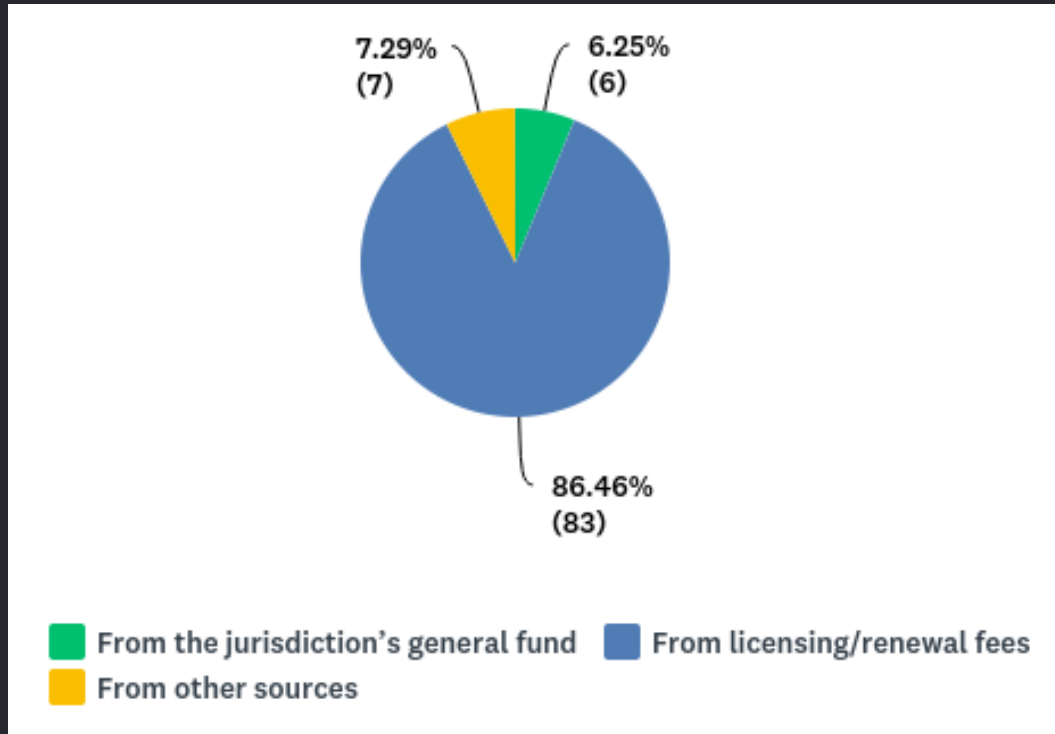


## Preliminary Survey Results

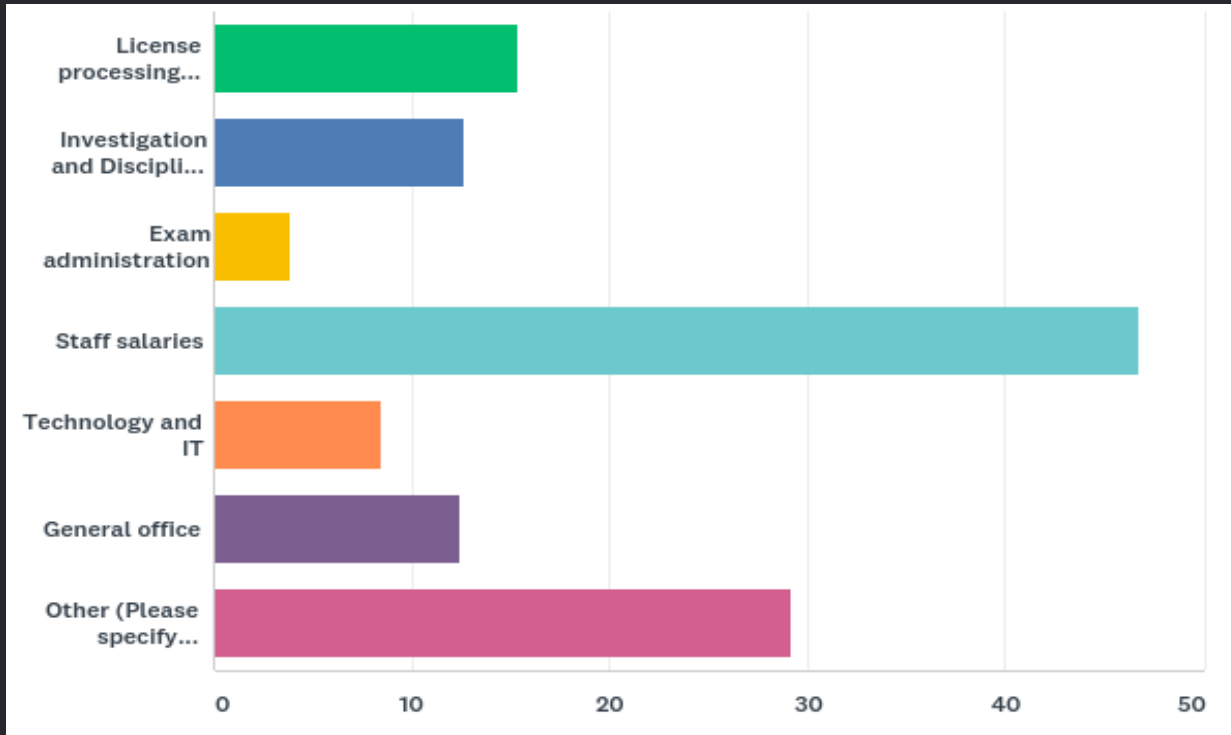
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- How many licensees in each profession?
  - Organizations regulating 1 profession, range is 67 to 120,000.
  - Average is 17,689.
- Percentage of Public Members
  - Range is 0% to 100%.
  - Average is 24.12%

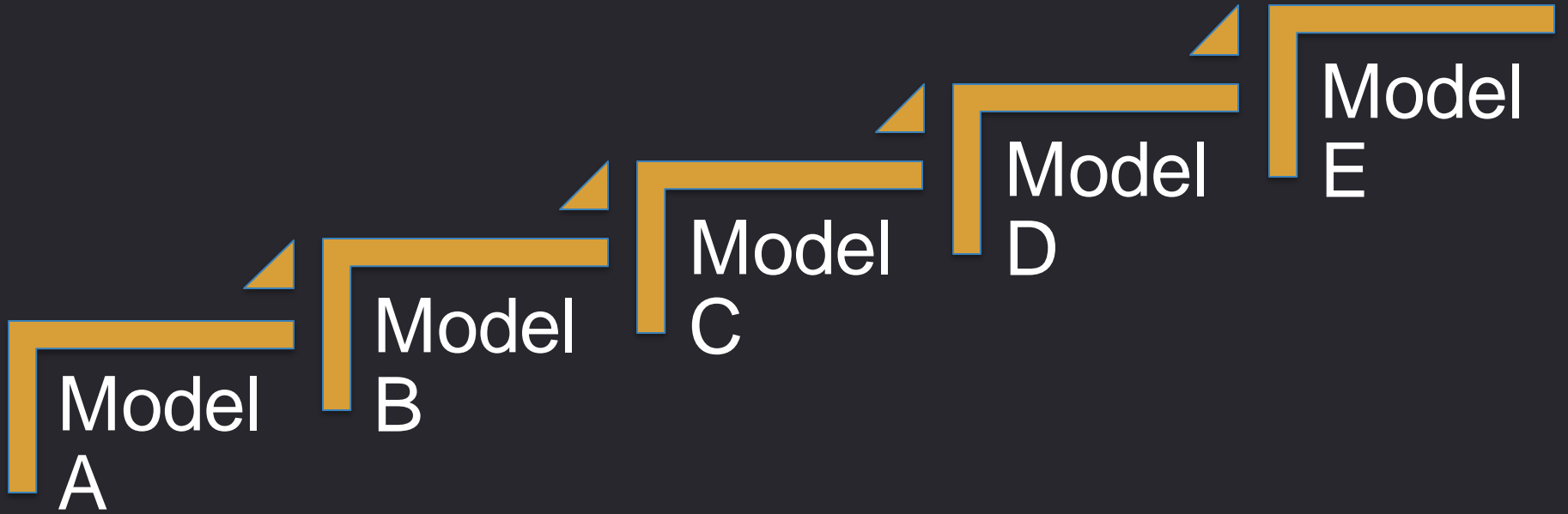
## How is your organization primarily funded?



# What percentage of the operating budget falls into each of the following categories?

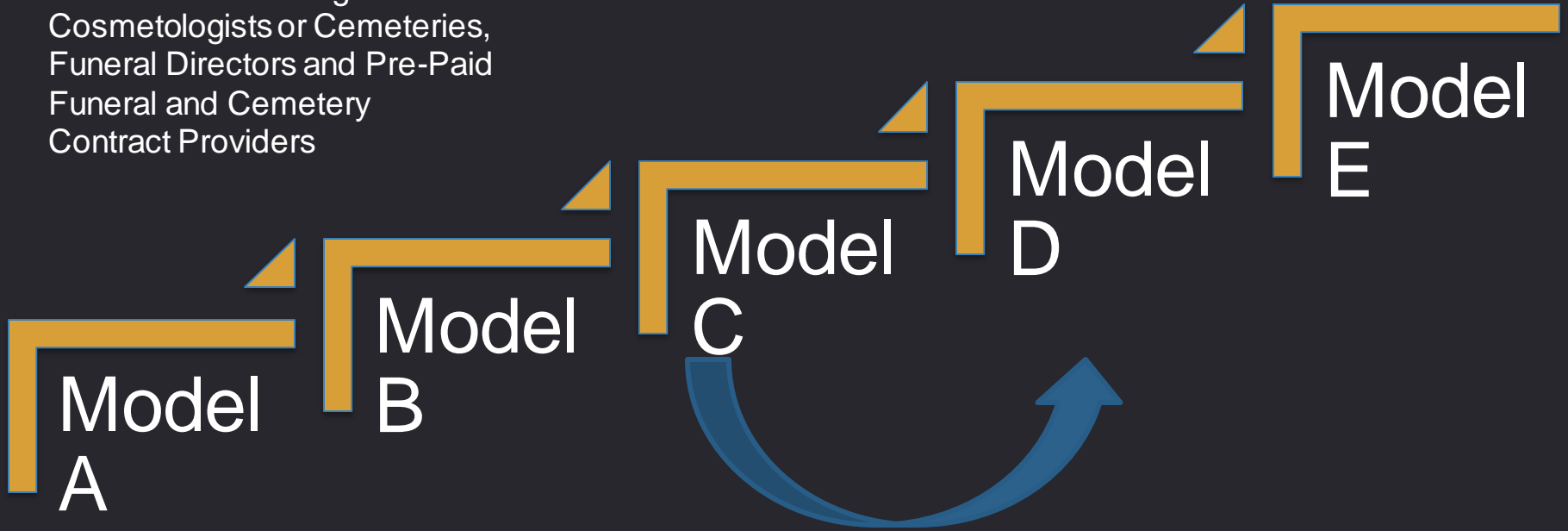


## Recent Regulatory Reform Efforts



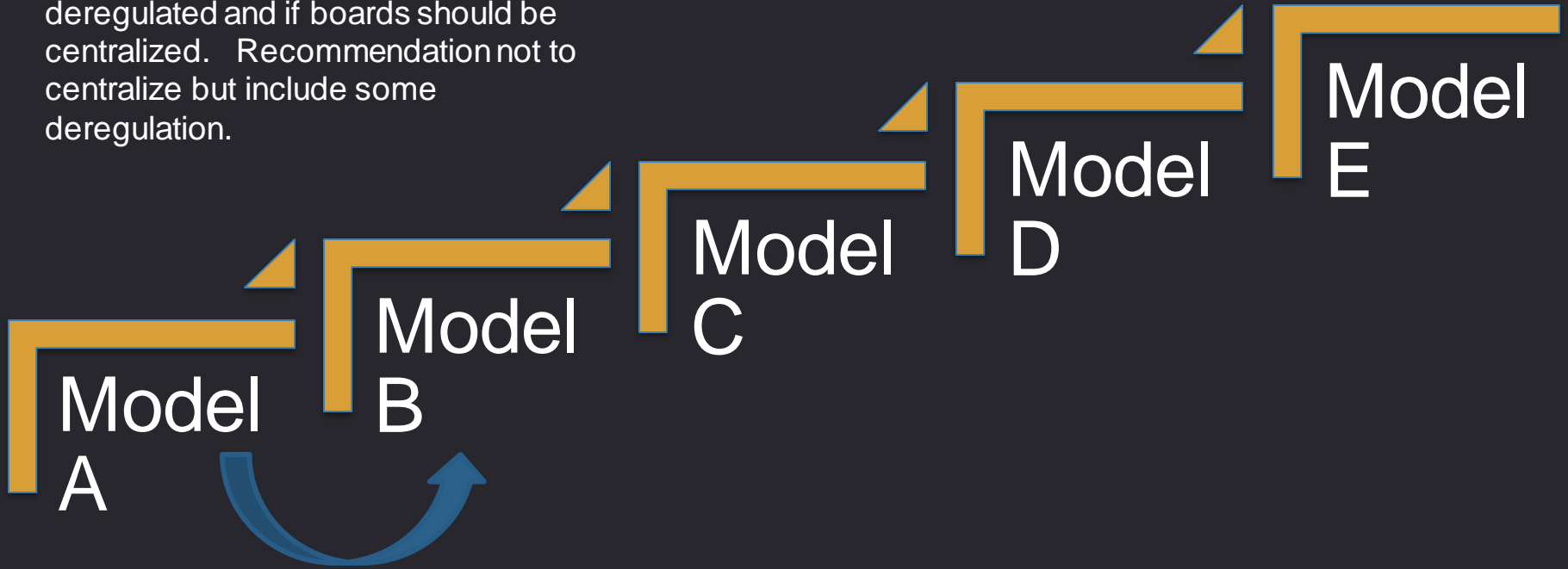
## Recent Regulatory Reform Efforts: Michigan

Combine similar occupations under an “umbrella” board. E.g. Barbers and Cosmetologists or Cemeteries, Funeral Directors and Pre-Paid Funeral and Cemetery Contract Providers



## Recent Regulatory Reform Efforts: North Carolina

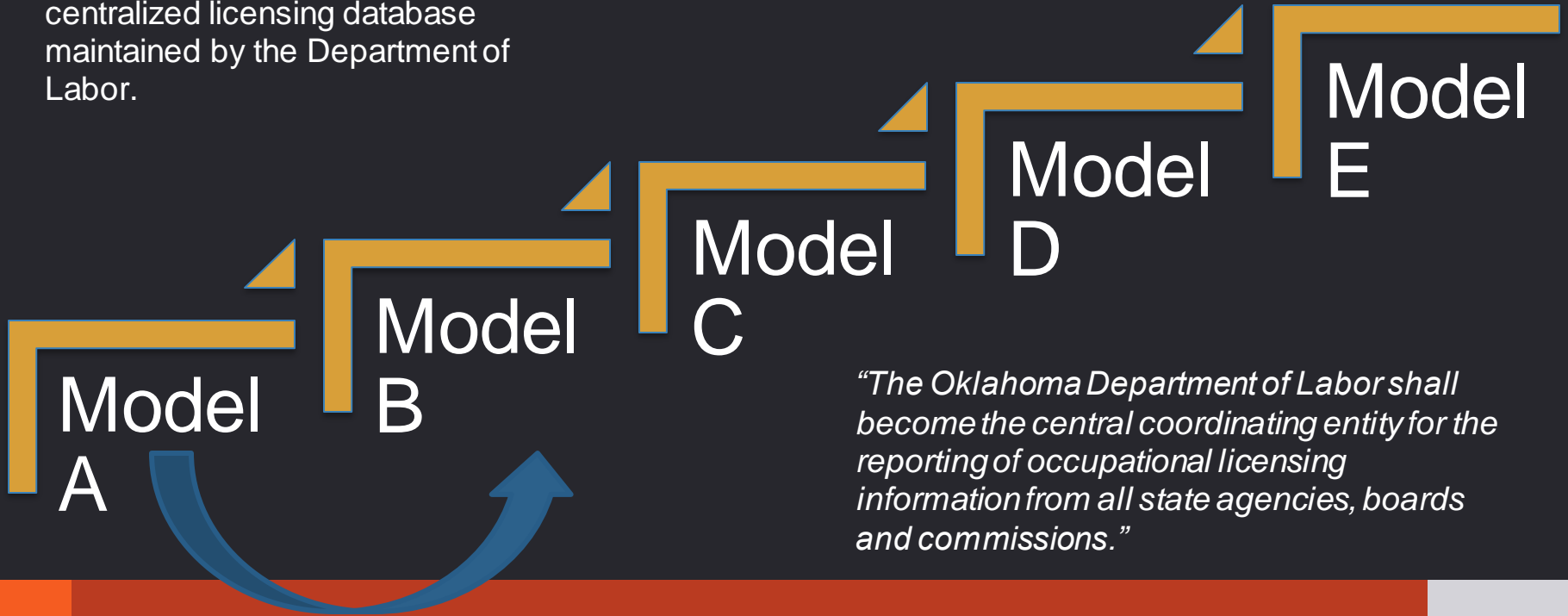
Investigate if professions should be deregulated and if boards should be centralized. Recommendation not to centralize but include some deregulation.



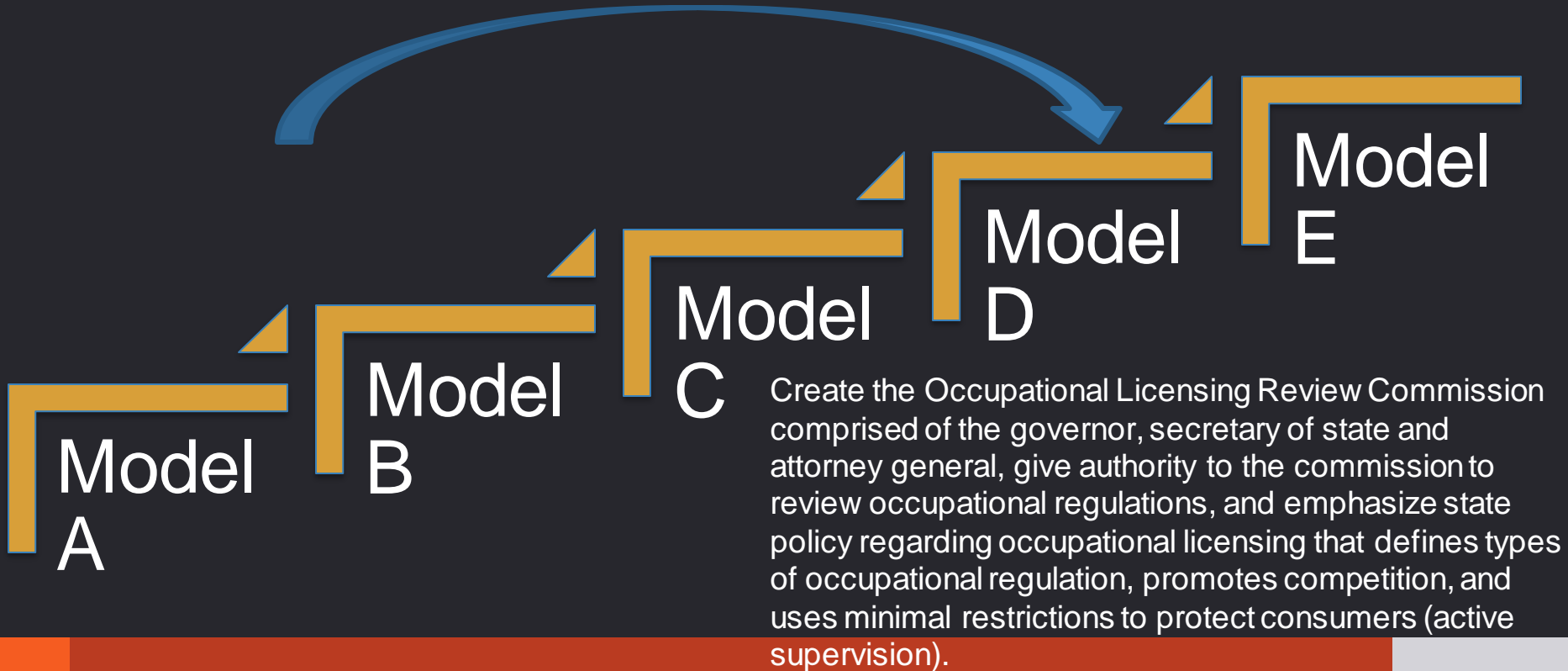


## Recent Regulatory Reform Efforts: Oklahoma

Require all boards to feed into a centralized licensing database maintained by the Department of Labor.



## Recent Regulatory Reform Efforts: Mississippi



## Considerations:

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- What problem are you trying to solve?
- Performance or consumer safety outcomes?
- Political capital for legislative changes
- Cost / Efficiency
- Degree of centralization and autonomy



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# Questions and Discussion

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