

Maryland Board of Examiners of Psychologists

4201 Patterson Ave, Baltimore, Maryland 21215



Legislative Report

October 1, 2012

Maryland Department of Health and Mental Hygiene

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, M.D., Secretary

This report is in response to a program evaluation of the Maryland Board of Examiners of Psychologists (the Board) performed by the Department of Legislative Services (DLS) under the auspices of the Maryland Program Evaluation Act (§ 8-401 et seq. of the State Government Article). This program evaluation is commonly known as a “Sunset Review”.

The Department of Legislative Services performed a preliminary sunset review during 2010 and recommended to the legislators a waiver of a full evaluation and to extend the Board’s existence for an additional 10 Years to July 1, 2023. During the 2011 legislative session, the legislators passed *HB75/SB89 Health Occupations - State Board of Examiners of Psychologists – Sunset Extension and Program Evaluation* thereby extending the Board until 2023.

The Department of Legislative Services required the Board to submit a follow-up report to the Senate Education, Health, and Environmental Affairs Committee and the House Health and Government Operations Committee by October 1, 2012. This report addresses the following areas of interest.

- An update on the Board’s plans to require psychology associates to renew their status every two years and whether psychology associates should be required to take continuing education credits;
- An analysis of the role of psychology associates in the State and whether it would be appropriate to certify or license psychology associates, as well as whether additional disciplinary authority is needed; and
- A long-term financial plan that (1) assesses options for bringing expenditures in line with revenues, including reducing expenditures, (2) identifies the need for any future fee increases, including determining what appropriate increase would be relative to the fees charged by other boards, (3) discusses how the board can maintain an appropriate fund balance, and (4) institutes a systematic, ongoing process for long-term financial planning.

In addition to the Board of Examiners of Psychologists (the Board) licensing psychologists, the Board also grants “psychology associates” (PA) an exemption from licensure to perform psychological services under the supervision of a licensed psychologist. The PA status was legislatively created as early as 1995.

In order for a PA to be granted exemption status, they are required to have at least a master's degree in an area that is primarily psychological or equivalent in subject matter and pay an application fee. The Board does not have disciplinary authority over PAs and the licensed psychologist that provides supervision is held responsible for all services performed by the PA. Psychology associates can work under many psychologists.

At the time the sunset review was conducted, once a PA was granted exemption status to practice psychology under a specific supervisor that arrangement could remain in place indefinitely without the PA or supervisor ever paying another fee. In March 2011 the Board promulgated regulations requiring PAs/supervisors to pay an administrative fee every two (2) years.

The Board also performed an analysis of psychology associates (PA) relating to the history, current status and the future of PAs. The chart below provides a snapshot of the findings.

History	Current	Future
PAs were created to satisfy a post-doctoral training requirement for licensure.	Although post-doctoral training is no longer required, many with a master's degree in psychology still want to be a PA. It is now a professional career.	Will continue to be a professional career. The implementation of licensure will likely increase the number of PAs.
Assisted license psychologists with psychological testing and other activities,	Many licensed psychologists continue to rely on PAs to assist with testing and other services.	This trend is expected to continue.
The need for PA providers outpaced the supply of licensed psychologists.	The need for services provided by PAs has greatly increased.	This trend is expected to continue.
PA status created employment opportunities for individuals with a Master's degree in psychology or a related field.	Continues to create employment opportunities for individuals with a Master's degree in psychology or a related field have grown.	This trend is expected to continue.
Range of new PAs per year in the 90's 17- 156	Range of new PAs per year in the 2000's 142- 420.	The number of PA per year is expected to grow.
	25 PAs from the 90's are currently still PAs.	

Because of these findings the Board is currently preparing to submit a legislative bill during the 2013 legislative session that will allow the Board to license psychology associates. Psychology associates will still be required to work under the supervision of a licensed psychologist, but will be issued a license to practice. PA's will be required to have continuing education hours to renew their license. In December of 2011, the Board held a retreat on licensing psychology associates. The public was invited and current psychology associate supervisors and psychology associates both participated. It was agreed that issuing a license to PAs would be beneficial to the public, the PAs, the supervisors and the Board. The passing of this bill will have the following impact:

- Licensed PAs;
- Enable the Board to better protect the public by granting the Board direct disciplining authority over PAs;
- Denote the title psychology associate as a profession, thereby enhancing the marketability of PAs;
- Relieve supervisors of being solely subjected to being disciplined by the Board; and
- Allow the Board to better develop and monitor the psychology associate profession that it has become.

In summary the Board has made the following changes since the sunset review:

- Psychology associates and their supervisors must renew their status every two years.
- The Board will submit legislation in 2013 that will allow PAs to become licensed.

As stated above the Board was also instructed to develop a long term financial plan. A five (5) year budget has been developed to meet this requirement.

The Psychology Board like most of the health occupational boards is self-funded and charges fees to produce revenue. The revenue collected is used to pay the operational cost associated with conducting business. The renewal of psychology licenses is the Board’s primary source of revenue. Licenses are renewed every two years and the Board uses an even and odd renewal number system to generate funds each year. However, more funds are generally collected in one year than the other. Therefore, within a two year budget cycle, high and low revenue collection years are created. During a low revenue collection year the Board uses carryout funds to meet its expenditures.

The Board also generates revenue by licensing psychologists. After renewals, this fee provides the second largest revenue to the Board. The Board provides other services for a fee; however the amount generated is often minimal.

The Board’s expenditures consist of direct and indirect expenditures. The chart below depicts some of the direct and indirect expenditures.

DIRECT AND INDIRECT EXPENDITURES	
DIRECT	INDIRECT
Personnel	Attorney General’s Office
Per diems	Rent
Communications	Indirect cost - departmental administrative cost
Travel	
Professional testing	
Litigation	

The majority of revenue generated is used to pay the direct and indirect expenditures. Nearly every year these expenditures increase. The Board has no control over the cost of most of these expenditures.

Chart 1 depicts Direct and Indirect expenditures for fiscal year 2013. The chart shows that the Direct cost represents well over half of the expenditures.

FY	Expenditures	Direct Cost	Indirect
13	\$678,947	\$527,226	\$106,721

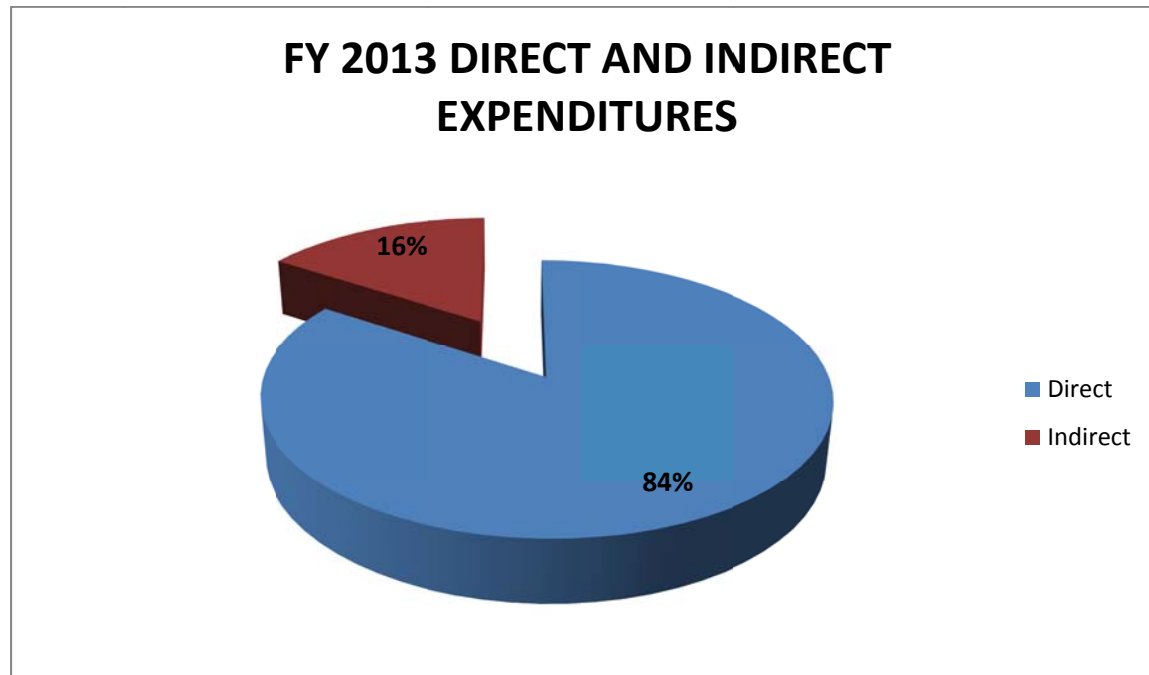


CHART 1

Chart 2 depicts Direct expenditures. Personnel represent 89% of direct expenditure. This is common with most businesses.

FY	Total	Personnel Costs	Per Diems	Communications	Travel	Professional Testing	Litigation
13	\$489,027	\$435,644	\$18,544	\$8,763	\$9,616	\$7,256	\$9,204

FY 2013 DIRECT EXPENDITURES

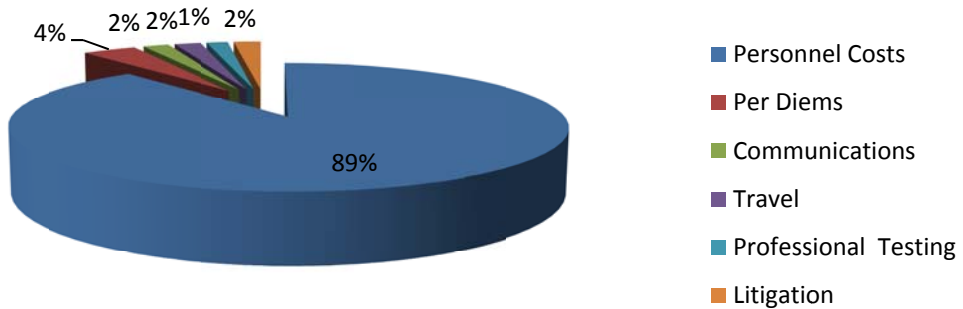


CHART 2

Chart 3 depicts Indirect expenditures. The Attorney General’s cost is nearly half of the Indirect expenditures.

FY	Total	Indirect Cost	AG Cost	Rent
13	\$106,721	\$21,366	\$51,204	\$34,151

FY 2013 INDIRECT EXPENDITURES

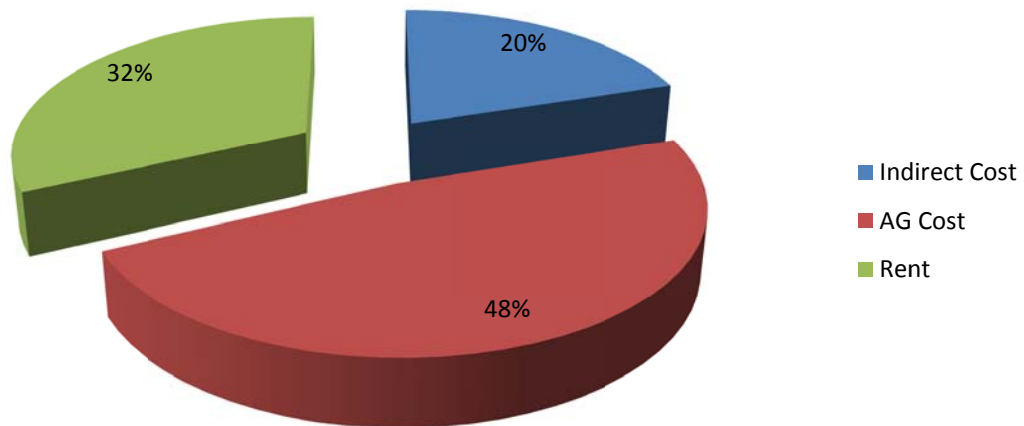


CHART 3

These charts illustrate that the Board does not have much control over its expenditures. However, the Board will or has taken the following steps to bring the expenditures down:

- Reduce mailing cost by corresponding with licensees via email.
- Reduce reproduction of newsletters by emailing newsletters and posting on the Board’s web.
- Reduce production of laws and regulations book by implementing an Electronic laws and regulations book.
- Hold more committee telephone conference to reduce per diem cost.

In addition, the Board’s financial plan includes increasing fees in order to meet the rising cost associated with conducting business. The Board anticipates the following fee increases in FY 2015.

FY 2012 PROPOSED FEE INCREASES

AREA	CURRENT FEE	AMOUNT OF INCREASE	FY15 FEE
Psychology App	\$200.00	\$100.00	\$300.00
Psych Assoc. App	\$100.00	\$100.00	\$200.00
Psychology renewal	\$350.00	\$50.00	\$400.00
Psych Assoc. renewal	\$100.00	\$175.00	\$275.00

These fee increases are in line with what other Boards charge for similar services. In some cases the Board’s fees are well below other Boards. Also, beginning in FY16 licensees currently on inactive status will begin paying a fee of \$200.00 to remain on inactive status for an additional five (5) years.

Below is a chart of the Board’s five (5) year financial plan with the proposed changes included. The chart shows that the Board will generate enough revenue to meet its expenditures. The plan also allows the Board to maintain a fund balance from year to year. Fund balances are used to defray expenditures during low revenue years; pay unanticipated expenditures; save money for large planned expenditures, and keep fees at the same level for several years.

Five (5) year financial Plan - FY13 – FY 17

	FY	PRIOR BALANCE	REVENUE	EXPENDITURES	FUND BALANCE
Actual	2012	\$199,568	\$598,824	\$585,427	\$168,077
Appropriation	2013	\$168,077	\$620,000	\$678,947	\$109,130
Estimate	2014	\$109,130	\$650,000	\$692,526	\$66,604
Estimate	2015	\$66,604	\$791,000	754,853	\$102,751
Estimate	2016	\$102,751	\$851,000	792,596	\$161,155
Estimate	2017	\$161,155	\$884,750	832,226	\$213,679

Five (5) year financial Plan - FY13 – FY 17

	FY	Prior Balance	Revenue	Expenditures	Fund Balance	Fund Bal. %
Actual	2012	\$199,568	\$598,824	\$585,427	\$168,077	29%
Appropriation	2013	\$168,077	\$620,000	\$678,947	\$109,130	16%
Estimate	2014	\$109,130	\$650,000	\$692,526	\$66,604	10%
Estimate	2015	\$66,604	\$791,000	754,853	\$102,751	14%
Estimate	2016	\$102,751	\$851,000	792,596	\$161,155	20%
Estimate	2017	\$161,155	\$884,750	832,226	\$213,679	26%

In order for the Board to continue to meet its obligation beyond FY 2017, the Board will conduct an assessment of its finances every three years and develop a financial plan that covers a five (5) year period.