



# PROGRAM EVALUATION DIVISION

## NORTH CAROLINA GENERAL ASSEMBLY

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# Occupational Licensing Agencies Should Not be Centralized, but Stronger Oversight is Needed

## Summary

As required by Session Law 2013-413, Section 10.(a), the Program Evaluation Division (PED) examined the structure, organization, and operation of the State's various independent occupational licensure boards as defined by G.S. 93B-1. PED identified 55 occupational licensing agencies (OLAs) with occupational licensing boards that met this statutory definition. **While OLAs are state agencies, they receive no state general revenue and are not subject to legislatively mandated spending restrictions.** In Fiscal Year 2013–14, these 55 OLAs expended \$67.2 million to regulate 703,870 licensees.

**The General Assembly should not transfer regulatory authority or administrative responsibilities from OLAs to a central state agency.** The transfer may not result in improved performance and would likely entail significant implementation costs to realize potential gains in efficiency.

**There is insufficient state-level oversight to ensure OLAs are efficiently and effectively protecting the public.** Occupational licensing is intended to help ensure the public is protected from severe physical or economic harm resulting from the associated activities of an occupation. Currently, there is no state-level entity responsible for ensuring OLA compliance with statutorily-mandated reporting requirements. Statutory requirements also do not ensure that OLAs provide reliable information to enable monitoring and evaluation of efficiency and effectiveness.

**As identified in Appendix D, the General Assembly should review the authority of 12 OLAs to issue licenses and consider consolidating 10 individual OLAs with other regulatory entities.**

To address these findings, the General Assembly should amend North Carolina General Statutes to:

- establish an Occupational Licensing Commission that would not function as a central licensing authority but would assist the General Assembly and OLAs in improving effectiveness and resolving disputes,
- ensure that the regulatory entities that are required to comply with the associated statutory requirements are clearly defined and listed,
- ensure the complaint process used by each OLA includes specified capabilities and attributes, and
- establish a legislative subcommittee to evaluate the continuing need for licensing authority for the 12 identified OLAs.