

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1313 (Second Edition)

SHORT TITLE: Interpreter/Transliterator Licensure

SPONSOR(S): Representative Alexander

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>
REVENUES:					
Licensing Board	\$14,125	\$33,625	\$38,500	\$41,500	\$44,500
EXPENDITURES:					
Licensing Board	\$14,103	\$20,630	\$22,880	\$24,505	\$25,906
See Assumptions and Methodology for Other Fiscal Impacts					
POSITIONS:					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: State and Local Government					
EFFECTIVE DATE: G.S. 90D-5 and G.S. 90D-6 as enacted in Section 1 of this act and Sections 7, 8, 9, and 10 of this act are effective when the act becomes law. The remainder of the act becomes effective July 1, 2003.					

BILL SUMMARY: Adds new GS Ch. 90D as title indicates. Provides that no person shall practice as an interpreter or a transliterator (defined as process of receiving message in one language and delivering into manual form in the same language) unless licensed pursuant to act. Establishes the NC Interpreter and Transliterator Licensing Board to consist of nine members: three appointed by the Governor, three appointed by the General Assembly upon recommendation by the Speaker of the House of Representatives, and three appointed by the General Assembly upon recommendation by the President ProTempore of the Senate. Members to serve three year staggered terms. All Board members must be licensed pursuant to the act and employed in NC. The Board has the power to administer the act, adopt rules necessary to carry out purposes of the act, issue and revoke licenses, and maintain records. Sets out behavior that may result in Board denying, suspending, revoking, or refusing to issue the license for an interpreter or transliterator. Gives Board authority to seek injunctive relief against persons engaging in the unlicensed practice of interpreting and transliteration.

Licensure requires that applicant (1) be 18 or older, (2) be of good moral character as determined by the Board, and (3) be nationally certified by the National Association of the Deaf or by the Registry of Interpreters for the Deaf, Inc., or have a national certification recognized by the National Cued Speech Association or holds a quality assurance NC Interpreter Classification in effect on January 1, 2000. Licenses must be renewed annually. Allows provisional licenses for community interpreters or transliterators (defined as persons who provide services in a postsecondary or community setting). A provisional license is valid for one year and may be issued only up to four times per individual, unless extended by Board. Allows Board to set fee of \$225 for a license, a provisional license, and for \$150 for license renewal of either, and \$10 for duplicate licenses. Exempts the following persons from licensure: persons providing interpreting and transliterating services in religious proceedings, mentoring and training programs approved by the Board, and emergency situations until a licensed interpreter is available. An intern under the supervision of a person licensed under this chapter is also exempted from licensure. All educational interpreters or transliterators are also exempted from licensure covering interpreters serving individuals in prekindergarten through grade 12 and in institutions of higher education. Allows persons presently practicing interpreter or transliterator services to register with the Board within eighteen months of effective date of act and pay a \$75 registration fee to avoid complying with licensing provisions of act. Requires that after July 1, 2008, licenses will require that persons hold a four-year degree from an accredited institution. After July 1, 2008, persons seeking a provisional license as a community or educational interpreter must be a graduate of a two-year interpreter-training program or any four-year accredited degree institution.

ASSUMPTIONS AND METHODOLOGY:

A. Fiscal impact of the New Licensing Board

Per statute, the new board may begin to assess fees for an 18 month period beginning January 1, 2003 for individuals who are eligible for grandfather status per G.S. 90D-7 (Section 7), and individuals who will apply as new licensees beginning July 1, 2003. The board plans to operate budgetarily on a fiscal year basis of October – September to coincide with the annual renewal of licenses, which occurs in October. Therefore, for the first year it is anticipated that 150 individuals will be grandfathered at a fee of \$75 between January and September 2003; and 50 individuals will be new licensees assessed a prorated fee of \$37.50 for the period July-September 2003. Additionally, the board anticipated revenue from verifications (\$500) and the mail list (\$500). The total projected revenue for the first year January-September 2003 is \$14,125. Estimated expenses are \$14,103 and include the following: \$3,200 for board member per diem and travel; \$500 for the annual audit; \$900 for legal-rule-making; \$563 for equipment; \$4,500 for contractual services, i.e. the cost for the agency that will handle administrative responsibilities for the board; \$1,440 for office supplies, website maintenance, telephone and bank charges; \$2,000 for an Interpreter; and \$1,000 for miscellaneous expenses Therefore, revenue minus expenses provides a balance or net income of \$23 that may be used for unanticipated

expenses. In subsequent years the board anticipates that new licensees will have a steady increase of 5-10 per year, individuals on provisional status will maintain a range of 30-60 each year, and renewals will number about 325 per year. Therefore, in the second through fifth years revenue is projected to increase on an average \$40,000 and expenses on the same basis by \$23,000. If this occurs the board would achieve a balance or net income annually of approximately \$16,000.

B. Other Fiscal Impacts on State and Local Government

Under Chapter 8B of the General Statutes, a deaf person must be provided with an interpreter in judicial, legislative, or administrative proceedings. In addition, the Americans with Disabilities Act (ADA) requires that interpreter services be provided to deaf persons who receive services from state and local governmental agencies and community colleges. These requirements cause state and local governments to purchase interpreting and transliterator services to meet the needs of their deaf clients. If the licensure of interpreters and transliterators causes the hourly rate for interpreting and transliterator services to increase beyond the usual inflationary increases, than expenditures for purchase of interpreting and transliterator services by state and local governments may increase.

Since the impact of licensure on the hourly rates for interpreting and transliterator services is unknown, this fiscal note will estimate the increased expenditures resulting from a \$1 increase in the average annual hourly rate for interpreting and transliterator services.

In order to determine the number of hours of interpreting and transliterator services purchased by state and local government, the nine interpreter service agencies were contacted and asked how many services hours they billed to state and local governmental agencies. Seven of the agencies responded to the information request. Four of the seven agencies were able to identify the number of hours they had billed state and local governmental agencies in calendar 2001. The remaining three agencies replied that they did not keep records on the number of hours billed in past years or they rarely contracted with government agencies.

The agencies responding to the information request identified 12,456 hours billed to state and local government agencies. Since the agencies that were able to provide data are the larger agencies, this fiscal note assumes that they represent 80% of the hours purchased by state and local governmental agencies. Assuming that the agencies unable to provide data and independent interpreters not connected to an agency bill the additional 20% of service hours, then the estimated number of hours billed to state and local governmental agencies in calendar year 2001 was 15,570.

The Division of Vocational Rehabilitation purchases interpreting services for hearing impaired individuals who are receiving rehabilitation services and it usually uses independent interpreters who are not employed by the agencies. This fiscal note estimates that the Division of Vocational Rehabilitation purchases 36,000 hours

of interpreting services per year for its hearing impaired clients. This estimate is based on annual expenditures of about \$900,000 per year with an average cost per hour of \$25. Most of the interpreting services purchased by the Division of Vocational Rehabilitation are for hearing impaired individuals who are attending institutions of higher education. Since interpreters in education settings are exempted from licensure, this fiscal note assumes that 10% of the hours purchased by the Division of Vocational Rehabilitation or 3,600 hours are not at an institution of higher education and will require a licensed interpreter.

Estimated number of interpreting service hours purchased in SFY 2002 = 18,670

State Fiscal Year	Number of Services Hours	Cost if Hourly Rates Increase by \$1
2001-02	18,670	No Impact
2002-03	19,603	No Impact
2003-04	20,584	\$20,584
2004-05	21,613	\$21,613
2005-06	22,694	\$22,694
2006-07	23,828	\$23,828

Note: This chart assumes that the number of hours of interpreting services purchased will increase 5% per year.

SOURCES OF DATA:

Department of Health and Human Services
 Division of Services for the Deaf and Hard-of-Hearing
 Division of Vocational Rehabilitation
 Providers of interpreting and transliterator services

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Michele Nelson and Carol Shaw

APPROVED BY: James D. Johnson

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