



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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**18 VAC 120-30 – Regulations Governing Polygraph Examiners**  
**Department of Professional and Occupational Regulation**  
June 14, 2006

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### **Summary of the Proposed Regulation**

The Department of Professional and Occupational Regulation (DPOR) proposes to change the fee structure associated with obtaining, and maintaining, a polygraph examiner license.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed regulatory changes encompassed by this regulation.

### **Estimated Economic Impact**

Current regulation requires polygraph examiners who are currently licensed in another state to pay a \$45 fee to be licensed by reciprocity. Fees for intern registration, initial examiner's license by examination and for examiner's license by reexamination are \$20, \$75 and \$75, respectively. Polygraph examiners must also pay a license renewal fee of \$15 and, if renewing their license 1 to 6 months after its expiration date, a reinstatement fee of \$50.

DPOR proposes to increase all of these fees considerably. The fee for an examiner's license by reciprocity will, under this proposal, increase to \$95. The fees for intern registration, initial examiner's license by examination and for examiner's license by reexamination will increase to \$75, \$200 and \$200, respectively. The license renewal fee will increase to \$55 and the program reinstatement fee will increase to \$75.

The competency examination that polygraph examiners now take tests them on polygraph methods, and equipment, that are obsolete. Polygraph examiners no longer use the polygraph equipment popularly associated with the field (equipment where needles scroll back and forth

making lines on long thin strips of paper); polygraph examiners now use digital equipment and computer programs in performing their jobs. Given the changes that have occurred in the field of polygraph examination over the last decade, DPOR believes the public is best served by overhauling the test they use to assess polygraph examiners. The increased revenue generated by proposed fee increases will cover the approximately \$18,000 cost of updating this examination which will, in turn, allow DPOR to accurately assess applicant polygraph examiners' proficiency in their craft.

In addition to increasing polygraph licensing fees, DPOR proposes to harmonize this regulation with others in the department by dropping the dishonored check fee of \$25. Individuals who write uncashable checks to DPOR will still have to pay a fee, but it will be based on actual charges imposed on DPOR by the bank.

## **Businesses and Entities Affected**

There are approximately 350 licensed polygraph examiners in the Commonwealth; in addition, the board receives between 10 and 15 applications for new licenses each year.

## **Localities Particularly Affected**

The proposed regulation will affect all localities in the Commonwealth.

## **Projected Impact on Employment**

Because all regulated entities are public employees, or private contractors who work for public agencies, and because public employers are, within the confines of their budget, largely motivated by considerations other than costs, increased polygraph examiner fees are unlikely to lead to decreased numbers of licensed polygraph examiners. Therefore, this proposed regulation is not likely to have any measurable effect on employment.

## **Effects on the Use and Value of Private Property**

The proposed regulation will affect polygraph examiners that are employed by public agencies as well as private polygraph examiners who will likely only be able to contract their services to public agencies. Increasing fees are not likely to affect public agency decisions to hire, or not hire, a polygraph examiner (or the services of a polygraph examiner). Given this, the value of a polygraph examiner license to its holder is unlikely to be affected by the proposed regulation.

## **Small Businesses: Costs and Other Effects**

DPOR does not know how many of its polygraph licensees are private contractors; but any polygraph examiner who fall into this category would qualify as a small business and will face more than doubled fees to get and maintain his license. Given the current legal restrictions on the use of polygraph testing, however, it is very likely that most, if not all, private contractors would find themselves working for public agencies that will more readily allow any license fee increases to be passed on to them. The pass through rate for these license fee increases will, even for public agency contracts, vary inversely with the number of polygraph examiners in a geographical area. In any case, fee increases are not so great that polygraph examiners would be likely to experience a significant reduction in profits.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

There are likely no other methods of accomplishing the board's goals that would further minimize any adverse impact on small businesses.

## **Legal Mandate**

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the

regulation. The analysis presented above represents DPB's best estimate of these economic impacts.