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**INDEPENDENT STATE AUDITOR'S
STATEWIDE REVIEW OF THE ADEQUACY
OF FEES CHARGED FOR SERVICES BY
CERTAIN STATE AGENCIES**

**OFFICIAL AUDIT
REPORT
OCTOBER 3, 2002**

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The Executive Office for Administration and Finance (EOAF), in accordance with Chapter 7, Section 3B, of the Massachusetts General Laws, is required to annually review fees to determine whether the amounts are sufficient to defray the cost to the Commonwealth for related administrative expenses, and to report to the Legislature if a fee is not sufficient to defray such costs. Through 801 Code of Massachusetts Regulations 4.02, EOAF publishes fee amounts for services, regulations, licenses, fees, permits, or other public functions, except for court fees and tuition at state colleges, community colleges, universities, and the Massachusetts Maritime Academy. Through EOAF Administrative Bulletin No. 6, EOAF has delegated to state agencies its fee setting obligations for certain other services. Some state agencies are not required to have their fees reviewed by EOAF.

In accordance with Chapter 11, Section 12, of the General Laws, the Office of the State Auditor has conducted an audit of adequacy of fees charged by state agencies for various services, permits, licenses, and inspections. We identified 43 state agencies that have fees for services reviewed by the Secretary of EOAF in accordance with Chapter 7, Section 3B, of the General Laws. These state agencies, which had revenue from fees of over \$637.5 million during fiscal year 2001 (see Exhibit A), are responsible for promoting and maintaining public health and safety by issuing licenses, registrations, and permits, as well as enforcing rules, regulations, and compliance with laws.

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IMPROVEMENTS NEEDED BY THE EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE AND STATE AGENCIES IN THEIR REQUIRED ANNUAL REVIEW OF FEES

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Our review disclosed that improvements are needed by EOAF and state agencies concerning the annual review of license and registration fees charged for those activities subject to the Commonwealth's fee-setting requirements. Specifically, we noted that EOAF and state agencies have not complied with requirements covering annual reviews of fees, and little effort has been made to increase fees to defray the cost of providing the services associated with the fees. In fact, during the 11-year period ended June 30, 2001, only seven of the 43 state agencies in our audit had performed annual reviews of their fees. A fee increase of only 5% by the 43 agencies would result in an additional \$32 million per year in non-tax revenue for the Commonwealth.

Subsequent to our audit, Chapter 184 of the Acts of 2002 (the General Appropriation Act for Fiscal Year 2003), included increases of numerous fees for services charged by state agencies. Fees at 12 of the 43 agencies included in our review were increased or had surcharges added. In addition, eight Boards of

Registration were moved from the Division of Professional Licensure to the Department of Public Health (DPH). The statute allows these eight Boards of Registration to increase fees by as much as 50%. The increased amounts can be deposited in the newly created Quality in Health Professions Trust Fund, and funds can be used for the administrative expenses of Board licensing.

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INTRODUCTION

Background

The Executive Office for Administration and Finance (EOAF), in accordance with Chapter 7, Section 3B, of the Massachusetts General Laws, is required to annually review fees to determine whether they are adequate to defray the cost to the Commonwealth for administrative expenses, and to report to the Legislature if a fee is not sufficient to defray such costs. For selected services, EOAF establishes and publishes fees through 801 Code of Massachusetts Regulations (CMR) 4.02, while for other services EOAF has delegated its fee-setting responsibilities to state agencies through EOAF Administrative Bulletin No. 6. EOAF is also responsible for ensuring that fee levels reflect the government's cost of providing the services associated with the fee, and that fee setting is not used as a means to raise revenue. Most of the fees charged by various state agencies are incorporated in 801 CMR 4.02; however, some state agencies do not have their fees reviewed by EOAF.

During the past decade, the Legislature and the executive branch have attempted to streamline state government to make it more responsive to citizens attempting to access state services. This evolution of state government has seen duties and related services shift as departments are combined and consolidated. This shifting of services has also resulted in certain fees for services being transferred to new organizations, outside of EOAF, yet the fees remain listed in 801 CMR. For example, although the Office of the State Secretary is responsible for collecting corporate filing fees when an entity incorporates, the fees are still determined by EOAF and published in 801 CMR 4.02. Similarly, responsibility for the licensing and registration of employment agents and agencies has been transferred from the Department of Labor and Industries to the Attorney General's Office (1990) to the Division of Occupational Safety (fy2002). In addition, the Department of Labor and Industries has been renamed the Department of Labor and Workforce Development. This process of consolidation has shifted revenue streams and related agency expenses.

In accordance with Chapter 11, Section 12, of the General Laws, the Office of the State Auditor conducted an audit of the fees charged by state agencies for various services, permits, licenses,

inspections, etc. We identified 43 state agencies that have fees for services published in 801 CMR 4.02. The 43 state agencies examined during our review had revenue from fees totaling over \$637.5 million during fiscal year 2001 (see Exhibit A). These state agencies are responsible for promoting and maintaining public health and safety by issuing licenses, registrations, and permits, as well as enforcing rules, regulations, and compliance with laws. (See Exhibit B for a categorization of fees and exhibit C for agency profiles.)

The Executive Office for Administration and Finance's Fee Setting Responsibilities

Chapter 7, Section 3B, of the General Laws states, in part:

The secretary shall, on or before January first, nineteen hundred and seventy-six and at least annually thereafter, review the amount fixed by law for any service, license, permit or other public function and shall report to the general court any instance in which such amount is insufficient to defray the expense to the commonwealth of administrative costs connected therewith.

Notwithstanding any other general or special law to the contrary, for the period beginning March first, nineteen hundred and ninety-one, the secretary of administration (1) shall determine the amount to be charged by the commonwealth for each service of any kind performed by any state personnel or agency which is primarily for the benefit of any individual person or corporation, other than services for patients in hospitals, clinics and other health facilities and services rendered by institutions of correction for inmates therein; (2) shall determine the charge to be made by the commonwealth for each use for private purposes or gain of state-owned buildings, houses, facilities, and equipment; (3) shall determine the charge to be made by the commonwealth for all meals served in state institutions or facilities to employees thereof; and, (4) shall determine the amount to be charged for any other service, registration, regulation, license, fee, permit or other public function....

Under 801 CMR 4.02, EOAF establishes the rates of “fees for licenses, permits, and services to be charged by state agencies; rents and meals to be paid by state employees; rental charge for space used in state buildings; fee schedule for laboratory testing and calibration services; hazardous waste transporters fee; and returned check charge.” The CMR further states, “All amounts of charges for services, regulation, licenses, fees, permits or other public function (tuitions at state colleges, community colleges, universities, the Massachusetts Maritime Academy and court fees are specifically excluded) existing prior to the effective date... [of legislation] are to remain in force unless and until reviewed and realigned. All amounts of fees and charges

which have previously been determined and realigned by the Commissioner of Administration... are to remain in force unless and until further modified.”

Fee Setting Responsibilities Delegated to Individual State Agencies

EOAF has delegated to the state agencies the responsibility of annually reviewing fees charged by each state agency. EOAF issued on May 13, 1996, Administrative Bulletin No. 6, which describes the process for setting fees pursuant to Chapter 7, Section 3B, of the General Laws. EOAF Administrative Bulletin No. 6 states, in part:

In addition to fees set pursuant to [Chapter 7, Section 3B, of the General Laws], there are at least two other methods of setting fees. In some cases the Legislature delegates fee setting authority directly to an agency; in others the Legislature itself sets the fees in statute. Although agencies with authority to set their own fees are not required to follow the procedures set out in this Bulletin, their fees must be consistent with the constitutional principles governing the fee setting process. Therefore, any state agency setting fees should use the approach described in this Bulletin. Fees set in statute are not subject to further administrative process.

Fees vs. Taxes

EOAF's Administrative Bulletin No. 6 states:

Constitutional principles govern the fee setting process. Only a legislative body has authority to assess taxes. Therefore, fees may not be used purely as a tool to raise revenue, but must reflect the government's cost of providing the service associated with the fee. The Supreme Judicial Court has determined that "fees share common traits that distinguish them from taxes." Emerson College v. City of Boston, 391 Mass. 415, 424-425, 462 N.E.2d 1098, 1105 (1984). These characteristics are:

- 1. Fees are charged for particular governmental services that benefit the parties paying the fees.*
- 2. Fees are paid by choice, in that one can forego the service and thereby avoid the charge.*
- 3. Fees are collected not to raise revenues but to compensate the governmental entity providing the service for its expenses. Expenses may be broadly construed, including "all expenses imposed upon [the government] by the business" being regulated, including, for example, administrative and enforcement costs.*

Fee-Proposal Review Process to be Followed By the Executive Office for Administration and Finance

According to EOAF Administrative Bulletin No. 6, “A&F [EOAF] will evaluate fee proposals as they are received and will attempt to approve or disapprove a proposal within two weeks of its submission. Once A&F approves the proposal, it must give the Legislature at least 60 days notice before the proposed effective date of the fee. During this 60 day period, A&F, in conjunction with the requesting agency, must complete a public hearing process.”

EOAF developed a standard form for agencies to complete in order to file a fee proposal. The form requires the filing agency to provide data to support the promulgation and implementation of the proposed fee. The data included the following: (1) the justification for and purpose of the fee; (2) the source of authority to provide the service for which the fee will be charged; (3) the source of authority to charge the fee; (4) a comprehensive analysis of direct and indirect costs of providing the service for which the fee will be charged; (5) comparisons of the fee for the same or similar services in other states; and (6) projections of revenue from the proposed fee for current and future fiscal years.

Public Notice of Fee Change

As previously stated, EOAF Administrative Bulletin No. 6 requires that EOAF approve the agency fee proposal within two weeks of submission and give the Legislature at least 60 days’ notice before the proposed effective date of the fee. During this 60-day period, EOAF, in conjunction with the requesting agency, must complete a public hearing process. This process is unrelated to the regulatory review required in Executive Order No. 384, issued on February 7, 1996, “to reduce unnecessary regulatory burden.” The Executive Order requires each agency to “promptly undertake a review of every regulation currently published in the Code of Massachusetts Regulations under its jurisdiction.” It also requires each agency to demonstrate that there is a specific need for governmental intervention that is clearly identified and precisely defined; the costs of the regulations do not exceed the benefits that would be effected by the regulation; less restrictive and intrusive alternatives have been considered and found less desirable based on a sound evaluation of the alternatives; and the agency has established a

process and schedule for measuring the effectiveness of the regulations that are time-limited or provide for regular review.

Audit Scope, Objectives, and Methodology

In accordance with Chapter 11, Section 12, of the General Laws, the Office of the State Auditor conducted an audit to review the fees for various services, permits, licenses, and inspections charged and collected by state agencies. Our audit was conducted in accordance with applicable generally accepted government auditing standards for performance audits issued by the Comptroller General of the United States and, accordingly, included such audit procedures as we considered necessary under the circumstances.

Our objectives were to determine whether (1) the fees charged by state agencies for various services, permits, licenses, inspections, etc., are set in accordance with applicable laws, rules, and regulations, (2) EOAF annually reviews fees and reports to the Legislature any instance in which a fee is insufficient to defray the administrative cost to the Commonwealth, and (3) state agencies annually review fees and submit increases and decreases in fees to EOAF.

To meet our objectives, we took the following steps:

- Reviewed all applicable Massachusetts General Laws, Code of Massachusetts Regulations (801 CMR 4.02), EOAF Administrative Bulletin No. 6 and other applicable policies and procedures relative to the setting of fees of 43 state agencies in the Commonwealth.
- Gathered data related to MMARS Revenue Reports 466C, MMARS Expenditure Reports 341A, and agency Web site data.
- Contacted through correspondence the 43 agencies and requested a listing of their current fee schedules, the statutory authority for the fees, the date the last fee review was performed, revenue source codes and descriptions, total amount of revenue for fiscal years 1999 and 2000 for each revenue source code, and copies of their cost allocation plans, and asked whether they follow the EOAF Administrative Bulletin No. 6 process. We followed up with phone calls to those agencies that did not respond or provided inadequate information. We also met with officials from EOAF to discuss their annual fee-review process, fee-setting procedures, and monitoring of agency compliance with EOAF Administrative Bulletin No. 6.

- Developed a profile that includes the state agency name, the types of fees, the authorized amount of each fee, the authorization of each fee (i.e., 801 CMR 4.02), MMARS Revenue Reports for fiscal years 1999, 2000, and 2001, revenue-source codes, and revenue-source description. We categorized the revenue sources into the following eight groupings: Services, Licensing, Inspection, Certification, Copies, Exams and Testing, Public Access, and Miscellaneous. (See Exhibit B.)
- Reviewed fees that were established pursuant to Chapter 7, Section 3B, of the General Laws and EOAF Administrative Bulletin No. 6.

During the course of our audit we regularly discussed issues that came to our attention with appropriate officials at EOAF. At the conclusion of the audit, we reviewed the audit results in full detail with the Legal Counsel of the Executive Office for Administration and Finance.

AUDIT RESULTS

IMPROVEMENTS NEEDED BY THE EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE AND STATE AGENCIES IN THEIR REQUIRED ANNUAL REVIEW OF FEES

Our review disclosed that for the 11-year period ended June 30, 2001 the Executive Office for Administration and Finance (EOAF) and the 43 state agencies that charge fees for licenses, permits, and services did not generally comply with requirements concerning annual reviews of such fees. Moreover, we found that little effort was made to increase fees to defray the administrative costs incurred by state agencies providing these services. As a result, there is inadequate assurance that the established fees set at state agencies are sufficient to defray the administrative costs of the Commonwealth as specified by law.

We determined that 36 (84%) of the 43 agencies did not perform regular annual reviews of their fee structure during the 11-year period ended June 30, 2001. Since fees should be set based on the cost of providing a service, the decision to not regularly evaluate the appropriateness of these fee structures has resulted in a loss of significant potential non-tax revenue to the Commonwealth over the last 11 years. For example, an increase of only 5% in the fee revenue generated by the 43 agencies included in our review would result in an additional \$32 million per year in non-tax revenue for the Commonwealth.

Moreover, we found that EOAF, contrary to statutory requirements, has not implemented required annual review procedures to determine whether fees established at state agencies were sufficient to defray the cost of providing the associated services. With regard to the annual review requirement, Chapter 7, Section 3B, of the Massachusetts General Laws states, in part:

The secretary [of EOAF] shall, on or before January first, nineteen hundred and seventy-six and at least annually thereafter, review the amount fixed by law for any service, license, permit or other public function and shall report to the general court any instance in which such amount is insufficient to defray the expense to the Commonwealth of administrative costs connected therewith.

Additionally, EOAF Administrative Bulletin No. 6, effective May 13, 1996, sets forth the process for establishing new or amended fees. State agencies are required to submit the fee proposal to EOAF for its evaluation and approval. EOAF, however, did not monitor any of

the state agencies to ensure compliance with the requirement that fees be annually reviewed. EOAF's lack of monitoring and oversight of state agency compliance with Chapter 7, Section 3B, of the General Laws resulted in fee amounts charged by state agencies that may not have been enough to defray the associated administrative costs. Chapter 7, Section 3B, of the General Laws specifically requires EOAF to determine the amounts to be charged for any service, license, permit, or other public function, as follows:

Notwithstanding any other general or special law to the contrary, for the period beginning March first, nineteen hundred and ninety-one, the secretary of administration (1) shall determine the amount to be charged by the commonwealth for each service of any kind performed by any state personnel or agency which is primarily for the benefit of any individual person or corporation, other than services for patients in hospitals, clinics and other health facilities and services rendered by institutions of correction for inmates therein; (2) shall determine the charge to be made by the commonwealth for each use for private purposes or gain of state-owned buildings, houses, facilities, and equipment; (3) shall determine the charge to be made by the commonwealth for all meals served in state institutions or facilities to employees thereof; and (4) shall determine the amount to be charged for any other service, registration, regulation, license, fee, permit or other public function; provided, however, that said secretary shall not determine the rates of tuition at state institutions of higher education or any fees or charges relative to the administration and operation of the trial court, appeals court, supreme judicial court or any other department of the judiciary of the commonwealth.

Chapter 150, Section 46, of the Acts of 1990 (the General Appropriations Act) authorized and directed the Secretary of EOAF "to establish fees for service" for the following state agencies: the Executive Office of Environmental Affairs, the Department of Environmental Management, the Metropolitan District Commission, the Department of Food and Agriculture, the Chelsea Soldiers' Home, the Holyoke Soldiers' Home, the Massachusetts Aeronautics Commission (MAC), the Appellate Tax Board (ATB), and the Executive Office of Public Safety. As part of our review we compared the fees published in 801 CMR 4.02 to the fees set by Chapter 150 of the Acts of 1990 and found that for several agencies, the listed fees varied for the same services. For example, although MAC has registration and renewal fees for aircraft authorized by Chapter 150 of the Acts of 1990 that ranged from \$75 to \$225, the same MAC fees listed in EOAF's 801 CMR 4.02 ranged from \$48 to \$148.

During our audit we brought these discrepancies to the attention of EOAF officials, who during fiscal year 2002 amended the fees listed in 801 CMR to be consistent with the higher fees set by

Chapter 150 of the Acts of 1990. However, the costs of the services relating to these fees have not been reviewed for the past 11 years.

Based on our review of the 43 state agencies, we noted that 36 agencies had not performed any annual review of their entire fee structure, and that only seven agencies had performed a periodic review of some of their fees, including the submission of revised fee proposals to EOAF for approval. These fees were revised during the period from 1987 to 1999 after the following agencies submitted a revised fee schedule:

- Board of Registration of Hearing Instrument Specialists
- Department of Revenue
- Division of Occupational Safety
- Department of Environmental Management
- Registry of Motor Vehicles
- Board of Registration of Waste Site Cleanup Professionals
- Metropolitan District Commission (has the statutory authority to set its own fees)

To determine the reasonableness and adequacy of the proposed fee increases for the seven agencies that increased fees, we reviewed the data submitted to EOAF to justify for the fee increase. We determined that the information and forms submitted to EOAF did not contain all of the following data required by EOAF Administrative Bulletin No. 6:

- The justification for and purpose of the fee
- The source of the agency's authority to provide the service for which the fee will be charged and to charge the fee
- A comprehensive analysis of direct and indirect costs of providing the service for which the fee will be charged
- Comparisons of the fee for the same or similar services in other states
- Projections of revenue from the proposed fee for current and future fiscal years

We noted, for example, that although the Department of Environmental Management and the Metropolitan District Commission provided EOAF with a comparison of fees for similar services, the other five agencies did not. Moreover, none of the seven agencies requesting a fee increase prepared a comprehensive analysis of direct and indirect costs of providing the service. Therefore, EOAF was not given sufficient information by which to evaluate the cost of providing the service or determine whether the fee increase was reasonable.

Subsequent to our review, the Division of Professional Licensure (DPL) increased the fees for the 36 Boards of Registration under its control. This increase was authorized by Chapter 177, Sections 7, 7A, 80, and 81 of the Acts of 2001. This legislation allowed the boards within the DPL to increase fees that existed as of July 1, 1996 by an amount not to exceed 50%. Any fee increase would be ratified by a majority vote of each board followed by a public hearing.

However, EOAF required that each board execute a Memorandum of Understanding during the period December 2001 and January 2002 stating that DPL would follow the requirements of Chapter 7, Section 3B, of the General Laws EOAF Administrative Bulletin No. 6 to increase their fees. As a result, documentation justifying the increase was filed with EOAF, public notice was given, public hearings were held, and DPL fees were increased. Also, Chapter 177 established the Division of Professional Licensure Trust Fund, which is funded by 50% of the new fee amount. DPL may make the necessary expenditures from the fund for the shared administrative costs of its operations and programs.

Our review of the fees listed in 801 CMR noted that some of the fees that had not been increased during the past 11 years seemed to be low in relation to the cost of the services provided, as follows:

<u>Agency</u>	<u>Type of Fee</u>	<u>Fee</u>
Attorney General	• Charitable Organization Application of Registration	\$10 per year
	• Professional Fund-Raising Counsel (public charities)	\$10 per year
Criminal History Systems Board	• Non-Resident Gun License Original or Renewal	\$10 per year
	Bank Guard	\$20 biennial

<u>Agency</u>	<u>Type of Fee</u>	<u>Fee</u>
Department of Public Health	• Registration of X-Ray Machines	
	Dental	\$15 per tube, annual
	Medical	\$25 annual
	Hospital	\$30 annual
	Therapy Unit	\$30 annual
	• Licensing and Inspection of Bottled Water and Carbonated Non-Alcoholic Beverages Facility	
In-State	\$25 annual	
Out-of-State	\$100 annual	
Department of Public Safety	• Licensing and Inspection of Meat and Poultry Processors	\$75 annual
	• Certificate of Registration Fire Extinguishing Systems	\$60 biennial
	• Certificate of Registration Fire Extinguishers	\$10 biennial
	• Nuclear Power Plant Operations	
	First-Class Engineer's Exam and License	\$60 biennial
	Supervising Engineer's License	\$130 biennial
Operating Engineer's License	\$60 biennial	
Assistant Operating Engineer's License	\$60 biennial	
Department of Telecommunications and Energy	• Intrastate Vehicle Identification	\$20 annual
	• Bus Permits (Commercial Buses)	
	Original	\$40 annual
	Inspection	\$20 annual
	Renewal	\$40 annual
	• Drivers License (Bus and Commercial Truck Drivers)	
Examination	\$10 per filing	
License	\$20 annual	
Renewal	\$20 annual	
Replacement	\$10 per replacement	

Our review also disclosed that the Board of Registration of Hazardous Waste Site Cleanup Professionals believed that its annual fee of \$160 for administering the disciplinary program was too low and therefore conducted a cost analysis, which indicated that a \$600 annual fee would be needed to cover its administrative expenses. However, the board increased the fee to only \$200, since it believed that this amount was reasonable and acceptable to the program. This fee was ultimately approved by EOAF.

EOAF indicated that it planned to contact the General Counsels of all Secretariats to remind all the agencies that an annual review is required, including the implementation of a format for reporting purposes. Moreover, EOAF indicated that it intended to discuss the establishment of a database to track compliance and responses with state agencies. However, we were subsequently informed that EOAF had not reminded the agencies of their fee-setting responsibilities or created a database to track agency compliance with EOAF Administrative Bulletin No. 6. EOAF staff indicated that the agency's limited resources did not allow them to develop cost-tracking data and other needed mechanisms to provide oversight of the state agencies to ensure that each fee is set at a level sufficient to cover the administrative expenses incurred by the Commonwealth, and that an annual review of fees is performed.

Subsequent Events

Chapter 184 of the Acts of 2002, the General Appropriation Act for Fiscal Year 2003, increased numerous fees for services charged by state agencies. Fees at the following 12 of the 43 agencies included in our review were increased or had surcharges added: Appellate Tax Board, Board of Conciliation and Arbitration, Criminal History Systems Board, Department of Environmental Protection, Department of Fire Services, Division of Banks, Division of Insurance, Department of Revenue, Department of Labor and Workforce Development, Holyoke Soldiers Home, Registry of Motor Vehicles, and the Office of the State Secretary.

In addition, the following eight Boards of Registration were moved from the Division of Professional Licensure to the Department of Public Health (DPH): Dentists and Dental Hygienists, Medicine, Nurses, Nursing Home Administrators, Pharmacy, Physicians Assistants, Perfusionists, and Respiratory Therapists. Chapter 184 of the Acts of 2002 also allows these eight Boards of Registration to increase fees by as much as 50%, and the increased amount deposited in the newly created Quality in Health Professions Trust Fund. DPH may make the necessary expenditures from the Fund for the shared administrative costs of the operations and programs of the department related to Board licensing.

Recommendation

EOAF and the 43 state agencies reviewed should take the following steps:

1. Comply with EOAF Administrative Bulletin No. 6 and take the necessary action concerning the timely review of fees consistent with the cited requirements of establishing fees that reflect the state's cost of providing the services associated with fees.
2. Seek the needed resources that will provide continual monitoring of agencies to ensure their compliance with EOAF Administrative Bulletin No. 6. Such monitoring should include following up with the state agencies to ensure the submission of fee proposals when required.
3. Provide up-to-date guidelines to assist state agencies in reviewing the adequacy of established fees.

EXHIBIT A

Comparison of Total Fee Revenue by State Agency for Fiscal Years 1999, 2000, and 2001

State Agency	Fiscal	Fiscal	Fiscal	1999 - 2001	1999 - 2001
	Year	Year	Year	Dollar	Percent
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>Change</u>	<u>Change</u>
Alcoholic Beverages Control Commission	\$ 1,409,625	\$ 1,386,457	\$ 1,473,757	\$ 64,132	5%
Appellate Tax Board	1,384,639	1,228,235	1,120,615	(264,024)	-19%
Architectural Access Board	12,132	11,777	13,291	1,159	10%
Attorney General's Office	1,528,555	1,642,520	1,760,026	231,471	15%
Board of Registration in Medicine	4,487,979	4,217,660	4,742,932	254,953	6%
Bureau of State Office Buildings	59,422	89,004	107,914	48,492	82%
Chelsea Soldiers' Home	193,496	203,921	215,301	21,805	11%
Criminal History Systems Board	1,704,645	2,984,420	2,630,603	925,958	54%
Department of Education	9,655,496	10,614,066	7,136,496	(2,519,000)	-26%
Department of Environmental Management	5,885,306	5,999,028	7,137,314	1,252,008	21%
Department of Environmental Protection	23,633,505	22,923,325	21,456,978	(2,176,527)	-9%
Department of Fire Services	122,276	188,362	171,987	49,711	41%
Department of Fisheries, Wildlife & Environ. Law Enforcement	8,587,416	10,740,577	10,761,317	2,173,901	25%
Department of Housing & Community Development	985,344	842,616	970,306	(15,038)	-2%
Department of Industrial Accidents	5,378,440	5,320,213	5,734,011	355,571	7%
Department of Labor & Workforce Development	934,925	758,713	766,967	(167,958)	-18%
Department of Mental Health	1,000,077	412,991	439,771	(560,306)	-56%
Department of Public Health	33,854,423	32,795,162	33,472,881	(381,542)	-1%
Department of Public Safety	7,558,699	10,396,932	8,271,617	712,918	9%
Department of Revenue	875,479	544,251	535,049	(340,430)	-39%
Department of Telecommunications & Energy	5,939,982	5,612,682	5,345,783	(594,199)	-10%
Division of Administrative Law Appeals	77,746	132,802	87,015	9,269	12%
Division of Banks	2,309,826	2,309,648	2,183,133	(126,693)	-5%
Division of Capital Asset Management & Maintenance	235,000	237,302	2,227,233	1,992,233	848%
Division of Health Care Finance & Policy	10,501,191	6,157,376	7,752,758	(2,748,433)	-26%
Division of Insurance	20,910,883	21,067,098	35,494,240	14,583,357	70%
Division of Professional Licensure	9,824,931	10,641,743	10,044,461	219,530	2%
Division of Standards	1,091,714	1,453,227	1,458,519	366,805	34%
Executive Office for Administration & Finance	31,292	577,832	1,754,570	1,723,278	5507%
Executive Office of Elder Affairs	451,094	456,375	411,225	(39,869)	-9%
Executive Office of Environmental Affairs	79,229	1,202,527	1,285,852	1,206,623	1523%
Executive Office of Public Safety	318,949	329,865	355,158	36,209	11%
Executive Office of Transportation & Construction	371,235	846,120	767,146	395,911	107%
Holyoke Soldiers' Home	1,167,035	1,400,445	1,448,762	281,727	24%
Human Resources Division	1,349,092	797,436	1,081,347	(267,745)	-20%
Massachusetts Aeronautics Commission	304,153	272,042	270,717	(33,436)	-11%
Massachusetts Highway Department	1,892,169	2,264,772	2,078,282	186,113	10%
Metropolitan District Commission	6,049,903	5,931,882	6,068,578	18,675	0%
Office of Child Care Services	659,609	1,138,867	993,154	333,545	51%
Office of the State Comptroller	625	-	-	(625)	0%
Registry of Motor Vehicles	280,536,640	275,085,446	312,907,659	32,371,019	12%
State Racing Commission	8,269,328	7,829,312	7,542,386	(726,942)	-9%
State Secretary's Office	97,522,171	119,260,083	127,059,110	29,536,939	30%
	<u>\$ 559,145,676</u>	<u>\$ 578,305,112</u>	<u>\$ 637,536,221</u>	<u>\$ 78,390,545</u>	
				AVERAGE	<u>14%</u>
				MEDIAN	<u>7%</u>

Note to Exhibit A

The following are explanations of significant increases in agency fee revenue from fiscal year 1999 to 2001.

- The Bureau of State Office Buildings had revenues from fees totaling \$107,914 in fiscal year 2001, which is a 82% increase over fiscal year 1999. This increase was due to additional rental income resulting from an agency reorganization that placed additional rent-producing properties under the control of the bureau.
- The Division of Capital Asset Management and Maintenance had revenues from fees totaling \$2,227,233 in fiscal year 2001, which is a 848% increase over fiscal year 1999. This increase was due to additional rental income from the Public Works Building and the Agawam Cemetery.
- The Criminal History Systems Board had revenues from fees totaling \$2,630,603 in fiscal year 2001, which is a 54% increase over fiscal year 1999. This increase was due to additional fee income from the issuance of firearms permits and registrations, which was previously the responsibility of the Department of Public Safety.
- The Department of Fisheries, Wildlife and Environmental Law Enforcement had revenues from fees totaling \$10,761,317 in fiscal year 2001, which is a 25% increase over fiscal year 1999. This increase was due to additional fee revenue from licenses, permits, and revenue-producing stamps for inland hunting and fishing. These funds are transferred to the Inland Fisheries and Game Fund.
- The Division of Insurance had revenue from fees totaling \$35,494,240 in fiscal year 2001, which is a 70% increase over fiscal year 1999. This increase was from the renewal of insurance agent licenses and special broker's licenses that are valid for three years.
- The Executive Office for Administration and Finance had revenue from fees totaling \$1,754,278 in fiscal year 2001, which is a 5,507% increase over fiscal year 1999. This additional revenue was generated by the Revenue Maximization Program (e.g., siting fees for wireless communication antennae at Massachusetts Bay Community College).
- The Registry of Motor Vehicles had revenues from fees totaling \$312,907,659 in fiscal year 2001, which is a 12% increase over fiscal year 1999. This additional revenue was due to the Commonwealth's share of the fee charged for the new vehicle inspections.
- The State Secretary's Office had revenue from fees totaling \$127,059,110 in fiscal year 2001, which is a 30% increase over fiscal year 1999. This additional revenue was from excise taxes and related surcharges collected in counties where Registries of Deeds have been abolished.

EXHIBIT B

Fee Categories by State Agency for Fiscal Year 2001

<u>Agency</u>	<u>Services</u>	<u>Licenses</u>	<u>Inspections</u>	<u>Certifications</u>	<u>Copies</u>	<u>Exams & Testing</u>	<u>Public Access</u>	<u>Misc.</u>
Alcoholic Beverages Control Commission	-	X	-	X	-	-	-	-
Appellate Tax Board	-	-	-	-	-	-	-	X
Architectural Access Board	-	-	-	X	-	-	-	-
Attorney General's Office	-	-	-	X	-	-	-	-
Board of Registration in Medicine	-	X	-	-	-	-	-	-
Bureau of State Office Buildings	X	-	-	-	-	-	-	-
Chelsea Soldiers' Home	-	-	-	-	-	-	-	X
Criminal History Systems Board	-	X	-	-	X	-	-	-
Department of Education	-	X	-	X	X	-	-	-
Department of Environmental Management	X	X	-	X	-	X	X	-
Department of Environmental Protection	-	X	-	X	-	-	-	-
Department of Fire Services	-	X	X	X	X	-	-	-
Department of Fisheries, Wildlife & Environmental Law Enforcement	-	X	-	X	-	-	X	-
Department of Housing and Community Development	-	-	-	-	-	-	-	X
Department of Industrial Accidents	-	-	-	-	X	X	-	-
Department of Labor and Workforce Development	-	X	-	X	-	-	-	-
Department of Mental Health	X	X	-	-	-	-	-	X
Department of Public Health	-	X	-	X	X	-	-	-
Department of Public Safety	-	X	X	X	-	-	-	X
Department of Revenue	-	X	-	X	-	-	-	-
Department of Telecommunications & Energy	-	X	-	X	-	-	-	-
Division of Administrative Law Appeals	-	-	-	-	-	-	-	X
Division of Banks	X	X	-	-	-	-	-	-
Division of Capital Asset Management and Maintenance	X	-	-	X	-	-	-	-
Division of Health Care Finance & Policy	-	-	-	-	-	-	-	X
Division of Insurance	-	X	-	X	-	X	-	-
Division of Professional Licensure	-	X	-	X	X	X	-	-
Division of Standards	-	X	-	-	-	X	-	-
Executive Office for Administration and Finance	-	-	-	-	-	-	-	X
Executive Office of Elder Affairs	-	-	-	X	-	-	-	-
Executive Office of Environmental Affairs	-	-	-	X	-	-	-	-
Executive Office of Public Safety	X	-	-	-	-	-	-	-
Executive Office of Transportation and Construction	X	-	-	-	-	-	-	-
Holyoke Soldiers' Home	-	-	-	-	-	-	-	X
Human Resources Division	-	-	-	-	-	X	-	-
Massachusetts Aeronautics Commission	-	X	-	-	-	-	-	-
Massachusetts Highway Department	-	X	-	-	-	-	-	-
Metropolitan District Commission	X	-	-	-	-	-	-	-
Office of Child Care Services	-	X	-	-	-	-	-	-
Office of State Comptroller	-	-	-	-	-	X	-	-
Registry of Motor Vehicles	-	X	-	-	-	X	-	-
State Racing Commission	-	X	-	-	-	-	-	-
State Secretary's Office	-	X	-	-	X	-	-	-

X - Type of Service Provided

EXHIBIT C**Profile of the 43 Agencies' Fees**

1. The Alcoholic Beverages Control Commission licenses and monitors the manufacture, import, export, storage, transport, quality, and sales of all alcoholic beverages. The commission may grant, suspend, or revoke liquor licenses for shippers, taverns and bars, restaurants and hotels, package stores, chartered clubs, and pharmacies. The commission has a total of 27 fees under the categories of licensing and certification, and total fee revenue for fiscal year 2001 of \$1,473,757.
2. The Appellate Tax Board (ATB) is an independent, quasi-judicial administrative board that hears appeals of taxpayers who have been denied abatements for personal and property taxes and motor vehicle excise taxes by their local boards of assessors. The ATB also hears appeals of taxpayers who have been denied abatements in whole or in part on income, estate, and sales and use taxes by the Commissioner of Revenue. ATB has six fees under the category of miscellaneous (appeals), and total fee revenue for fiscal year 2001 of \$1,120,615.
3. The Architectural Access Board (AAB) develops and enforces regulations designed to make public buildings accessible to, functional for, and safe for use by persons with disabilities. AAB has one fee under the category of certification, and total fee revenue for fiscal year 2001 of \$13,291.
4. The Attorney General is the chief law enforcement officer of the Commonwealth. The Attorney General advises and represents the Commonwealth in all matters in which the Commonwealth is a party or has an interest. He also may represent the public in affirmative litigation to protect public interests. The office has a total of 16 fees under the category of certification, and total fee revenue for fiscal year 2001 of \$1,760,026.
5. The Board of Registration in Medicine was created to protect public health, safety, and welfare by setting standards for the practice of medicine and by ensuring that practitioners are appropriately qualified. The board grants and renews doctors' licenses, has the authority to receive and investigate complaints and discipline doctors, and produces physician profiles for consumers. The board has 18 fees under the category of licensing, and total fee revenue for fiscal year 2001 of \$4,742,932.
6. The Bureau of State Office Buildings (BSOB) manages the state office buildings located in the Government Center Complex in Boston—the State House, and the McCormack, Hurley and Lindemann Buildings—as well as state office buildings located in Springfield and Pittsfield. BSOB has 21 fees under the category of services (rentals), and total fee revenue for fiscal year 2001 of \$107,914.
7. The Chelsea Soldiers' Home's (CSH) cares for and provides medical services to honorably discharged Massachusetts veterans who served during a period of war. The CSH is also charged with the responsibility of educating health professionals and participating in research

to advance medical science. CSH has two fees under the category of miscellaneous (room charge), and total fee revenue for fiscal year 2001 of \$215,301.

8. The Criminal History Systems Board serves as the hub for information services for the law enforcement and criminal justice communities. The board operates the Criminal Justice Information System, which connects 276 local police departments. The board is responsible for the administration of the Criminal Offender Record Information statute and provides technical and administrative assistance to the Commonwealth's cities and towns. The board has 20 fees under the categories of licensing and copies, and total fee revenue for fiscal year 2001 of \$2,630,603.
9. The Department of Education (DOE) is the administrative arm of the State Board of Education and is responsible for implementing the Education Reform Act of 1993. DOE offers technical consultation and guidance to all public primary and secondary schools in the state. DOE also provides district and school administration, educator, assessment and accountability, and family and community services. DOE has 22 fees under the categories of licensing, certification, and copies, and total fee revenue for fiscal year 2001 of \$7,136,496.
10. The Department of Environmental Management (DEM) is the state's primary land-management and natural-resource-planning agency overseeing the state forest and park system. Its mission is to exercise care and oversight of natural, cultural, and historic resources and to provide quality public recreational opportunities. The Division of Forests and Parks is responsible for day-to-day operations and resource management, and the Division of Resource Conservation performs resource assessment, planning, design, construction, and scientific services. DEM has 56 fees under the categories of services, licensing, certification, and exams and testing, and total fee revenue for fiscal year 2001 of \$7,137,314.
11. The Department of Environmental Protection (DEP) has the responsibility for protecting human health and the environment by ensuring clean air and water, the safe management and disposal of solid and hazardous wastes, the timely cleanup of hazardous waste sites and spills, and the preservation of wetlands and coastal resources. DEP is one of five agencies under the Executive Office of Environmental Affairs. DEP's role under Article 97 of the Massachusetts Constitution is the guarantor of the people's right to "clean air and water" as well as "the natural scenic, historic and aesthetic qualities of the environment." DEP has 16 fees under the category of licensing, and total fee revenue for fiscal year 2001 of \$21,456,978.
12. The Department of Fire Services (DFS) is an agency within the Executive Office of Public Safety and is responsible for all fire-service matters within the Commonwealth. Its mission is to promote and enhance firefighter safety through policy and training, to assist and support the fire-service community in protecting the lives and property of the citizens of the Commonwealth, and to provide a presence in the Executive Office of Public Safety in order to direct policy and legislation on all fire related matters. DFS has 15 fees under the category

of licensing, inspection, certification, and copies, and total fee revenue for fiscal year 2001 of \$171,987.

13. The Department of Fisheries, Wildlife and Environmental Law Enforcement is responsible for the management and conservation of the state's fisheries and wildlife, including rare and endangered species. The Division of Law Enforcement is responsible for enforcing environmental laws, licensing and registering boats and recreational vehicles, and conducting programs on hunter and boater safety. The department has 221 fees under the categories licensing, certification, and public access, and total fee revenue for fiscal year 2001 of \$10,761,317.
14. The Department of Housing and Community Development (DHCD) administers the state's public housing programs, coordinates its anti-poverty efforts, allocates federal community development programs, and provides a variety of services to local government officials. DHCD makes state and federal funds and technical assistance available to strengthen communities and help them plan new developments, encourage economic development, revitalize older areas, improve local government management, build and manage public housing, stimulate affordable housing through the private sector, and respond to the needs of low-income people. DHCD has one fee under the category of miscellaneous, and total fee revenue for fiscal year 2001 of \$970,306.
15. The Department of Industrial Accidents (DIA) is responsible for overseeing the Commonwealth's workers' compensation system. DIA administers the Workers' Compensation Trust Fund, which provides benefits to injured employees of uninsured employers, and the Public Trust Fund, which pays cost-of-living adjustments to public employees who collect workers' compensation benefits. DIA has seven fees under the categories of copies and exams and testing, and its total fee revenue for fiscal year 2001 was \$5,734,011.
16. The Department of Labor and Workforce Development's Division of Occupational Safety administers several workplace safety and health programs to prevent occupational injuries, illnesses, and fatalities throughout the Commonwealth. Its mission includes the effective administration of employment agency laws, the issuance of prevailing wage schedules for many public works projects, and the promulgation of the state's minimum-wage regulations. The division issues licenses to individuals and corporations that provide temporary employment services or that perform lead- or asbestos-abatement work. The division has 27 fees under the categories of licensing and certification, and total fee revenue for fiscal year 2001 of \$766,967.
17. The Department of Mental Health (DMH) is responsible for all adult and child/adolescent continuing or long-term care, including inpatient and community-based services that promote independence, rehabilitation, and recovery. Its goal is to provide clinical care support, including a range of housing, educational, and employment programs for adults and interagency services, family, and school supports for children and adolescents. DMH has

three fees under the categories of services (rentals), licensing, and miscellaneous, and total fee revenue for fiscal year 2001 of \$439,771.

18. The Department of Public Health (DPH) is responsible for protecting, preserving, and improving the health of all Commonwealth residents through its communicable disease control; environmental health assessment; family and community health; health care quality management; health statistics, research, and evaluation; HIV/AIDS, hospitals; laboratory sciences; and other programs. DPH has 86 fees under the categories of licensing, certification (determination of need), and copies, and total fee revenue for fiscal year 2001 of \$33,472,881.
19. The Department of Public Safety (DPS) promotes public safety and awareness in Massachusetts through a variety of boards and commissions, and through licensing and inspections performed by the Division of Inspection, State Boxing Commission, and Special Licensing Unit. The State Boxing Commission is charged with administering and regulating both professional and amateur boxing, sparring, or other similar exhibitions in the Commonwealth for a prize or at which an admission fee is charged directly or indirectly. DPS has 69 fees under the categories of licensing, inspection, certification, and miscellaneous (police details), and the State Boxing Commission has 14 fees under the category of licensing. DPS had total fee revenue for fiscal year 2001 of \$8,271,617.
20. The Department of Revenue (DOR) administers the state's tax system and collects income, sales and use, corporate, estate, and other state taxes. DOR offers taxpayer assistance, audits tax returns, enforces state tax laws, and is responsible for administering the Massachusetts Child Support Enforcement Program. DOR has eight fees under the categories of licensing and certification, and total fee revenue for fiscal year 2001 of \$535,049.
21. The Department of Telecommunications and Energy (DTE) regulates the rates, practices, and quality of service of public utilities and common carriers in the Commonwealth (i.e., electric, gas, water, cable, and telecommunications companies, as well as bus companies, commercial motor vehicles, and some aspects of railroads). DTE also enforces safety regulations, oversees service, licenses and certifies service providers, sites energy facilities, and handles consumer complaints, including billing and termination practices of utility companies. DTE has 56 fees under the categories of licensing and certification, and total fee revenue for fiscal year 2001 of \$5,345,783.
22. The Division of Administrative Law Appeals conducts adjudicatory hearings of appeals to or from certain state agencies or as the result of notification of intended state agency action (e.g., the revocation or suspension of a professional license or certification). These hearings are either constitutionally or statutorily required. The division has one fee under the category of miscellaneous (appeals), and total fee revenue for fiscal year 2001 of \$87,015.
23. The Division of Banks (DOB) regulates, supervises, and audits state-chartered trust companies, savings banks, cooperative banks, credit unions, finance companies, mortgage brokers and lenders, and collection agencies. DOB grants charters; approves branches, acquisitions, and mergers; and fosters the safety and soundness of financial institutions.

DOB has 83 fees under the categories of services and licensing, and total fee revenue for fiscal year 2001 of \$2,183,133.

24. The Division of Capital Asset Management and Maintenance is responsible for major public building construction and real estate services for the Commonwealth. These responsibilities include planning, design, construction, capital budgeting, real property acquisition, and disposition and leasing for the Commonwealth's facilities. The division has 14 fees under the categories of services (rentals) and certification, and total fee revenue for fiscal year 2001 of \$2,227,233.
25. The Division of Health Care Finance and Policy, a result of the merger between the Rate Setting Commission and the Department of Medical Security authorized by Chapter 151 of the Acts of 1996, was created to implement provisions of the Health Security Act of 1988 (also known as the Universal Health Care Law), which was designed to expand access to health insurance coverage. The division is responsible for the collection and dissemination of data and information on the health care delivery system in Massachusetts, and the development of health-care pricing policies, methods, and rates for public payers. The division also administers the Uncompensated Care Pool, a fund that reimburses Massachusetts acute care hospitals and community health centers for services provided to uninsured and underinsured individuals. The division has 51 fees under the category of miscellaneous, and total fee revenue for fiscal year 2001 of \$7,752,758.
26. The Division of Insurance (DOI) regulates all aspects of the insurance industry. It licenses more than 800 insurance entities, companies, and health maintenance organizations and more than 100,000 insurance personnel. The Consumer Section answers consumer questions and investigates complaints against agents, brokers, and insurers. DOI has 60 fees under the categories of licensing, certification, exams and testing, and total fee revenue for fiscal year 2001 of \$35,494,240.
27. The Division of Professional Licensure is an umbrella agency responsible for 32 professional licensing boards that ensure the integrity of the licensure process for more than 515,000 professionals in more than 45 trades and professions. The boards, created primarily to protect the health and safety of consumers, examine and license applicants, hold disciplinary hearings, and establish standards for professional conduct. A centralized Investigative Unit handles all consumer complaints against licensed professionals. The division has 317 fees under the categories of licensing, certification, copies, and exams testing, and total fee revenue for fiscal year 2001 of \$10,044,461.
28. The Division of Standards (DOS) is responsible for setting standards and testing the accuracy of all weighing and measuring devices used in the sale of food, fuels, and other products. It sets accuracy and safety standards for thermometers; governs the advertising and sale of motor fuels; sets standards for lubricating oils, anti-freeze, and fuel oils; and inspects all fuel-dispensing pumps. DOS also licenses hawkers, peddlers, motor fuel and motor oil dealers, and auctioneers, and enforces pricing laws and regulations. DOS has 15

fees under the categories of licensing and exams and testing, and total fee revenue for fiscal year 2001 of \$1,458,519.

29. The Executive Office for Administration & Finance (EOAF) oversees the fiscal and administrative activities of the executive branch of state government. EOAF ensures the financial stability of state government by managing balanced operating and capital budgets. EOAF has two fees under the category of miscellaneous, and total fee revenue for fiscal year 2001 of \$1,754,570.
30. The Executive Office of Elder Affairs' mission is to promote the dignity, independence, and rights of Massachusetts elders and to support their families through advocacy and the development and management of various programs and services. The office has two fees under the category of certification, and total fee revenue for fiscal year 2001 of \$411,225.
31. The Executive Office of Environmental Affairs (EOEA) is the state agency primarily responsible for protecting and conserving natural resources in Massachusetts through its community preservation, open space protection, biodiversity, environmental education, pollution prevention, watershed initiative, and lakes and ponds strategy programs. EOEA has two fees under the category of certification, and total fee revenue for fiscal year 2001 of \$1,285,852.
32. The Executive Office of Public Safety (EOPS) is the planning and management arm of the Commonwealth's public safety efforts, and oversees 21 agencies, boards, and commissions. Its agencies are divided into the following categories: Law Enforcement and Regulatory, Criminal Justice, Emergency Management, and Executive Office. EOPS provides guidance and support through its communication, fiscal management, legislative, policy, technology, and Web development programs. EOPS has 38 fees under the category of services, and total fee revenue for fiscal year 2001 of \$355,158.
33. The Executive Office of Transportation & Construction (EOTC) oversees and supervises the planning, design, construction and maintenance of public transit services, general aviation programs, and the state and local highway network. EOTC also provides grants to assist municipalities with infrastructure improvements to foster economic growth in communities. EOTC has one fee under the category of services (rentals), and total fee revenue for fiscal year 2001 of \$767,146.
34. The Holyoke Soldiers' Home (HSH) provides healthcare services to Massachusetts honorably discharged wartime veterans with non-service-related health problems. HSH has two fees under the category of miscellaneous (room charge), and total fee revenue for fiscal year 2001 of \$1,448,762.
35. The Human Resources Division (HRD) administers the state personnel system, collective-bargaining activities, and the provision of employee benefits. HRD provides information about employment opportunities, employee benefits, examinations and outplacement services, and professional development and training; and assists state agencies in processing

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- human resources transactions. HRD has three fees under the category of exams and testing, and total fee revenue for fiscal year 2001 of \$1,081,347.
36. The Massachusetts Aeronautics Commission (MAC) oversees the development and operations of 50 municipal and private-use airports by administering airport improvement, airport safety inspections and enforcement, aircraft registration, and statewide airport and heliport planning programs. MAC has 17 fees under the category of licensing, and total fee revenue for fiscal year 2001 of \$270,717.
 37. The Massachusetts Highway Department (DPW/MHD) is responsible for the design, construction, and operation of 12,600 lane miles of state highway and 2,900 bridges. MHD projects include visitor centers, pedestrian and bicycle trails, commuter caravans, park and ride lots, highway emergency locator patrols, and variable message boards. MHD has 20 fees under the category of licensing, and total fee revenue for fiscal year 2001 of \$2,078,282.
 38. The Metropolitan District Commission (MDC) was established by the state Legislature to oversee and maintain the metropolitan park system. Its focus is open-space preservation, improvement, and acquisition, and its resources include beaches, skating rinks, swimming pools, athletic fields, bandstands, and music shells. It is one of the five departments in the Executive Office of Environmental Affairs. MDC has 73 fees under the category of services, and total fee revenue for fiscal year 2001 of \$6,068,578.
 39. The Office of Child Care Services (OCCS) was created in 1997 to consolidate all aspects of childcare services in the Commonwealth. OCCS sets standards for and monitors childcare programs throughout the state and is responsible for the establishment and enforcement of health and safety standards, and the licensing of childcare centers, nursery schools, private kindergartens, family day care homes, and various childcare programs, shelter facilities, and placement agencies. OCCS also administers and purchases subsidized childcare for eligible families, early learning services, and child care resource and referral services. OCCS has 17 fees under the category of licensing, and total fee revenue for fiscal year 2001 of \$993,154.
 40. The Office of the State Comptroller (OSC) is responsible for all accounting policies and practices of the Commonwealth, publication of official financial reports, and oversight of certain management and expenditure functions. The OSC also operates the state's accounting and payroll systems, administers the annual Single Audit of the Commonwealth, and prepares the warrant for the Governor's Council. The OSC has one fee under the category of exams and testing, and did not receive any revenue for fiscal year 2001.
 41. The Registry of Motor Vehicles (RMV) has primary responsibility for issuing and maintaining records related to motor vehicle registration and operators' licenses, enforcing motor vehicle laws to promote highway safety by ensuring that every driver meets minimum competency standards and by withdrawing driving privileges from anyone who proves to be a threat to other drivers, and collecting sales taxes on motor vehicles. RMV has 107 fees under the category of licensing and total fee revenue for fiscal year 2001 of \$312,907,659.
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42. The State Racing Commission (SRC), which regulates all pari-mutuel activities in Massachusetts, oversees thoroughbred, harness, and greyhound racing, and licenses all racing tracks and all owners, trainers, jockeys, veterinarians, blacksmiths, and other agents and employees of the tracks. SRC also hears appeals from the decisions of the Board of Stewards and the Boards of Judges, and monitors the security and protection of racing animals and the wagering public. SRC has 29 fees under the category of licensing, and total fee revenue for fiscal year 2001 of \$7,542,386.

 43. The State Secretary's Office is responsible for custody of the state seal, administration of elections, maintenance of public records, filing and distribution of regulations and public documents, corporate registration, recordings of appointments and commissions, storage of historical data, preservation of historic sites, administration and enforcement of the Massachusetts Uniform Securities Act, and information and referral on all aspects of state government. The office has 107 fees under the categories of licensing and copies, and total fee revenue for fiscal year 2001 of \$127,059,110.