

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3274-01  
Bill No.: SB 664  
Subject: Compacts, Licenses - Professional; Nurses  
Type: Original  
Date: January 20, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of State Courts Administrator, Department of Corrections, and Office of State Public Defender** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Prosecution Services** assume the proposal will not have a significant direct fiscal impact on county prosecutors.

Officials from the **Office of Administration - Administrative Hearing Commission** assume the proposal will not significantly alter its caseload. However, if other similar proposals also pass, there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Department of Economic Development - Division of Professional Registration** state having reviewed the proposed legislation and having sought the conclusion of the appropriate board(s), they are of the opinion the proposal, in its present form, will have no fiscal impact on their organization unless certain border states would become party states to the compact.

A nurse would only be required to hold a license in his/her state of residence and then would be able to practice in other states that are part of the nurse licensure compact. Currently, 1,332 nurses have a Missouri license but reside in a compact state and 1,466 nurses licensed in compact states have a Missouri address (in states other than Kansas and Illinois). Implementation of the compact would mean a gain of 134 licensees. However, it is anticipated that the increase would be a wash as other licensees may not renew or go inactive.

ASSUMPTION (continued)

When, or if, Kansas and Illinois join the nurse licensure compact, there could be a greater fiscal impact on revenue received for nurse licenses. Currently, there are 5,986 licensed nurses in Illinois and Kansas that have a Missouri address and 12,160 Missouri licensed nurses that have a Kansas or Illinois address. There could be a net loss of 6,174 licenses (12,160 - 5,986). Based on the number of nurse licenses that are renewed in odd-numbered years, this could result in a net loss of \$384,860 in the odd years. The loss of revenue for licenses renewed in even numbered years could be \$43,120 and there is a nurse license compact administrator's fee of \$3,000. The revenue loss with the nurse licensure compact implemented was figured into the revenue projections through fiscal year 2010. Implementation of the nurse licensure compact will not require a license renewal fee increase, assuming the revenue projections are accurate.

Officials from the **Office of Secretary of State (SOS)** state the proposal adopts the nurse licensing compact. The Department of Economic Development, State Board of Nursing may promulgate rules to carry out this proposal. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Economic Development, State Board of Nursing could require as many as 8 pages in the Code of State Regulations and 12 pages in the Missouri Register because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual cost could be more or less than the numbers given. The SOS estimates the cost of the proposal to be \$492 [(8 pgs. X \$27) + (12 pgs. X \$23)] for FY 07.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Health and Senior Services (DOH)** state under current law, for a nurse to practice in Missouri they must be licensed by the State Board of Nursing. At that time a surcharge is collected (\$5 for an RN and \$1 per year) and those funds are deposited into a DOH fund to support nursing student loans and loan repayments. Nurses could be licensed in another compact state, especially a contiguous state, rather than Missouri, thereby reducing the funds available to the state program. It is unknown how many nurses would seek to engage in the compact and any corresponding fiscal impact is unknown.

**Oversight** assumes there could be an indirect effect on the Missouri Professional and Practical Nursing Student Loan and Loan Repayment Funds/Programs. However, there would not be a direct effect on any state funds.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could result in a cost savings to individual nurses who currently maintain licenses in more than one state, including Missouri.

DESCRIPTION

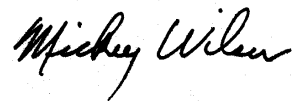
This proposal creates a multistate nursing licensure compact for registered nurses and licensed practical/vocational nurses. This compact allows licensed registered nurses and licensed practical/vocational nurses to practice nursing in states which participate in the nurse licensure compact. All states wishing to participate in the compact must adopt articles of authorization listed by the proposal:

- ARTICLE I - Finding and Declaration of Purpose;
- ARTICLE II - Definitions;
- ARTICLE III - General Provisions and Jurisdiction;
- ARTICLE IV - Applications for Licensure in a Party State;
- ARTICLE V - Adverse Actions;
- ARTICLE VI - Additional Authorities Invested in Party State Nurse Licensing Boards;
- ARTICLE VII - Coordinated Licensure Information Systems;
- ARTICLE VIII - Compact Administration and Interchange of Information;
- ARTICLE IX - Immunity;
- ARTICLE X - Entry into Force, Withdrawal and Amendment; and
- ARTICLE XI - Construction and Severability.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration -  
    Administrative Hearing Commission  
Office of State Courts Administrator  
Department of Economic Development -  
    Division of Professional Registration  
Department of Corrections  
Department of Health and Senior Services  
Office of Prosecution Services  
Office of Secretary of State  
Office of State Public Defender



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Director  
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