

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3816-05
Bill No.: HCS for SCS for SB 756
Subject: Boards, Commissions, Committees, Councils; Licenses - Professional; Fees
Type: Original
Date: April 13, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$0 to \$505,668)	(\$0 to \$606,801)	(\$0 to \$606,801)
Total Estimated Net Effect on General Revenue Fund	(\$0 to \$505,668)	(\$0 to \$606,801)	(\$0 to \$606,801)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
PR Fees	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

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

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Mental Health, and Department of Social Services** assume the proposal will have no fiscal impact on their organizations.

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 the cases are more complex, there may be a fiscal impact.

Officials from the **Department of Health and Senior Services (DOH)** state the proposal would not be expected to fiscally impact the operations of the DOH. If a fiscal impact were to result, funds to support the program would be sought through the appropriations process.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal to the SOS for administrative rules is less than \$1,500. The SOS does not expect additional funding would be required to meet these costs. However, the SOS recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

ASSUMPTION (continued)

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, has no fiscal impact on their organization with the exception of section 334.104.

Section 334.104 - Collaborative Practice Agreements

The DED-PR estimates there are approximately 4,443 nurses working under a collaborative agreement. The proposal requires the Board of Healing Arts to review at least 10 percent of the collaborative agreements. Mailing costs, to notify physicians engaged in such agreements that they have been selected for review, are currently \$0.43 per item. The DED-PR estimates the proposal will result in additional mailing costs of \$190.05 annually (444 nurses X \$0.43).

Oversight assumes the Board could absorb the minimal costs associated with this proposal.

Officials from the **Office of Attorney General (AGO)** assume that, if the changes to Section 324.270 is adopted, and all professional boards under that chapter opt to retain private legal counsel, then no professional board fees will be remitted to the General Revenue (GR) Fund by the boards. While the AGO does not know how much the boards in this proposal remitted to GR in FY 2005, the AGO assumes that this amount was less than \$100,000. If the intent of the language is to apply to all boards, the potential loss to GR would be \$606,801, the amount all of the boards remitted in FY 2005.

Oversight notes the DED-PR boards may employ internal legal counsel, hire independent legal counsel, or continue to retain the AGO for legal services. As a result, **Oversight** is ranging the potential decrease in General Revenue Funds from \$0 to a loss of \$606,801 annually. Depending on which method(s) the DED-PR boards use, the PR Fees Fund may have unknown savings on legal counsel expenses.

FISCAL IMPACT - State Government

	FY 2007	FY 2008	FY 2009
	(10 Mo.)		

GENERAL REVENUE FUND

Loss - Office of Attorney General
 Reduction in fees from Division of Professional Registration Boards

	\$0 to (\$505,668)	\$0 to (\$606,801)	\$0 to (\$606,801)
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

	<u>\$0 to</u> <u>(\$505,668)</u>	<u>\$0 to</u> <u>(\$606,801)</u>	<u>\$0 to</u> <u>(\$606,801)</u>
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PR FEES FUND

Savings - Various PR Board Funds
 Reduction in fees paid to the AGO for legal counsel and board work

	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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ESTIMATED NET EFFECT ON PR FEES FUND

	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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FISCAL IMPACT - Local Government

	FY 2007	FY 2008	FY 2009
	(10 Mo.)		
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal could impact small businesses if professional licenses are revoked. An administrative impact would affect small business dentist offices due to the change in record retention laws. In addition, small business physician offices may incur an administrative impact as a result of collaborative practice agreements and compliance audits conducted by the State Board of Registration for the Healing Arts.

DESCRIPTION

Section 324.270 provides that the division of professional registration or a board may contract with legal counsel for legal services, not directly related to pending litigation, which is necessary for the administration or enforcement of the provisions of the chapter.

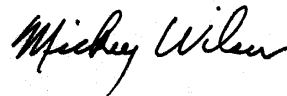
DESCRIPTION (continued)

Section 334.104 provides that within thirty days of any change in a collaborative practice agreement and on each renewal of a license, the state board of registration for the healing arts will require every physician to identify whether or not the physician is engaged in a collaborative practice agreement or physician assistant agreement. The board is to track the reported information and conduct random reviews of the agreements to ensure compliance with the provisions of law.

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 Attorney General
Office of Administration -
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Economic Development -
 Division of Professional Registration
Department of Mental Health
Department of Health and Senior Services
Department of Social Services
Office of Secretary of State



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Director
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