

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1082-01  
Bill No.: SB 314  
Subject: Licenses - Professional; Health Care; Health Care Professionals  
Type: Original  
Date: February 12, 2007

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Bill Summary: Licenses clinical laboratory science personnel.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$49,030)	(\$60,601)	(\$62,418)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$49,030)</b>	<b>(\$60,601)</b>	<b>(\$62,418)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Laboratory Science	\$0	\$753,231	(\$176,300)
PR Fees	(\$225,680)	\$0	\$0
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(\$225,680)</b>	<b>\$753,231</b>	<b>(\$176,300)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</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 FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
General Revenue	1	1	1
Laboratory Science	2.5	2.5	2.5
<b>Total Estimated Net Effect on FTE</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## FISCAL ANALYSIS

### ASSUMPTION

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

Officials from the **Office of Attorney General (AGO)** assume that any costs associated with this proposal can be absorbed. However, if this legislation is combined with other proposals that provide that the AGO would represent and bring enforcement actions against other licensees, the AGO will seek appropriations necessary to handle the additional workload.

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

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offenses(s) outlined in this proposal. An increase in commitment depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through either incarceration (FY 06 average of \$39.43 per inmate per day or an annual cost of \$14,394 per inmate) or through supervision provided by the Board of Probation and Parole (FY 06 average of \$2.52 per offender, per day or an annual cost of \$920 per offender per year).

DOC assumes the narrow scope of the crime will not encompass a large number of offenders. The low felony status of the crime enhances the possibility of plea-bargaining or the imposition of a probation sentence. The probability also exists that offenders would be charged with a similar but more serious offence of that sentences may run concurrent to one another.

Supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of Prosecution Services (OPS)** state any increase in the number of cases referred for criminal prosecution will have an additional fiscal impact on County

ASSUMPTION (continued)

Prosecutors. However, officials from the OPS are not aware of any estimates of the number of additional criminal cases that would be referred to County Prosecutors for charges because of this proposed legislation. Additionally, the OPS is not otherwise able to establish a workable estimate of the number of additional criminal cases that would be referred to County Prosecutors for charges. Therefore, it is not possible to determine if this proposal would have a significant direct fiscal impact on county prosecutors or the OPS.

**Oversight** assumes the OPS could absorb a minimal increase in cases. If the number of cases increases substantially, the OPS could seek additional funding through the appropriations process.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also 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 SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Office of State Public Defender (SPD)** assume the new crime will create new cases for the SPD. The exact number of cases affected is too uncertain to provide a definitive dollar amount of fiscal impact. Nevertheless, there will some impact.

Since the amount of impact is so uncertain, the SPD is assuming existing staff will probably be able to provide representation in these cases initially. However, once the true fiscal impact is determined, the SPD will reassess the impact of the legislation. Passage of more than one bill increasing existing penalties or creating new crimes would require increased appropriations for the SPD.

Officials from the **Office of State Treasurer (STO)** state they only ensure that disbursements are made from a lawful appropriation and don't exceed the appropriation amount. This proposal provides that the STO is to be the custodian of the fund and "shall" approve disbursements from the fund. As a result, the STO will need one (1) FTE Accounting Specialist I (\$39,324 annually plus fringe benefits) to monitor the disbursements.

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** state based on 2005 estimates from a search of Occupational Projections by the Department of Economic Development, Missouri Works, Labor Market Information, it is estimated there are 7,330 individuals that will be required to be licensed.

ASSUMPTION (continued)

The projected revenue reflects an initial biennial licensing fee of \$130 per licensee that will begin being collected in FY 09. A 3% growth rate is estimated..

It is assumed that all fees collected would be deposited into a fund for the Clinical Laboratory Sciences Board and that all expenses would be paid out of that fund. It is assumed no revenue will be generated by the Missouri Clinical Laboratory Sciences Board in FY 08. Therefore, expenses incurred by the board in FY 08 will be paid from a lending board within the division, pursuant to 620.106, RSMo. It is estimated that payback of any outstanding loans would be made in FY 11.

The proposed legislation will create the need for 2.5 FTE as follows: Principal Assistant (0.5 FTE salary \$59,532 a year) to serve as the senior executive officer of the agency; a Licensure Technician II (0.5 FTE salary \$23,916 a year) will be needed to provide technical support, process licensure applications and respond to inquiries regarding licensure law; an Investigator II (0.5 FTE salary \$33,888 a year) to conduct investigations and inspections, serve notices and gather information as required by the board; and, an Administrative Office Support Assistant (0.5 salary \$25,248) to assist with board meetings, complaints, discipline and responding to inquiries relating to licensure laws, rules and regulations.

Expenses and equipment costs are based on information from boards for like sized licensee base. Attorney General's Office (AGO), Administrative Hearing Commission (AHC), Printing, Postage and Board meeting costs are based on costs incurred for boards of similar size.

It is assumed that the board will meet four times per year for two days.

A vehicle has been requested for the estimated 106 investigations a year.

**This proposal will increase total state revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Office of State Treasurer</u>			
Personal service costs (1.0 FTE)	(\$33,753)	(\$41,719)	(\$42,970)
Fringe benefits	(\$15,277)	(\$18,882)	(\$19,448)
Total <u>Costs</u> - Office of State Treasurer	<u>(\$49,030)</u>	<u>(\$60,601)</u>	<u>(\$62,418)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
	<b><u>(\$49,030)</u></b>	<b><u>(\$60,601)</u></b>	<b><u>(\$62,418)</u></b>
Estimated Net FTE Change for General Revenue Fund	1.0 FTE	1.0 FTE	1.0 FTE
<b>LABORATORY SCIENCE FUND</b>			
<u>Transfer-In - DIFP</u>			
Transfer from PR Fees Fund	\$225,680	\$0	\$0
<u>Income - DIFP</u>			
Licensure Fees/Renewals	\$0	\$952,900	\$28,600
<u>Costs - DIFP</u>			
Personal service costs (2.5 FTE)	(\$73,909)	(\$90,265)	(\$92,451)
Fringe benefits	(\$33,451)	(\$40,854)	(\$41,843)
Equipment and expense	(\$98,044)	(\$47,666)	(\$49,095)
AGO and AHC costs	(\$20,276)	(\$20,884)	(\$21,511)
Total <u>Costs</u> - DIFP	<u>(\$225,680)</u>	<u>(\$199,669)</u>	<u>(\$204,900)</u>
<b>ESTIMATED NET EFFECT ON LABORATORY SCIENCE FUND</b>			
	<b><u>\$0</u></b>	<b><u>\$753,231</u></b>	<b><u>(\$176,300)</u></b>
Estimated Net FTE Change for Laboratory Science Fund	2.5 FTE	2.5 FTE	2.5 FTE
<b>PR FEES FUND</b>			
<u>Transfer-Out - DIFP</u>			
Transfer to Laboratory Science Fund	(\$225,680)	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON PR FEES FUND</b>			
	<b><u>(\$225,680)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal may fiscally impact small businesses that employ clinical laboratory technicians personnel if they pay licensure fees.

FISCAL DESCRIPTION

This proposal establishes licensing standards for different types of clinical laboratory science personnel. The proposal licenses clinical laboratory scientists, categorical laboratory scientists, clinical laboratory technicians and clinical laboratory assistants/phlebotomists.

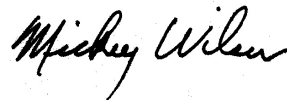
The proposal establishes the Clinical Laboratory Science Board consisting of seven members appointed by the Governor with the advice and consent of the Senate. The board shall establish educational standards and approve credentialing bodies that administer the professional exams.

Temporary licenses are allowed under certain circumstances. Procedures are established for denial and revocation of licenses and for the review of those administrative decisions.

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 Insurance, Financial and Professional Regulation  
Department of Corrections  
Department of Health and Senior Services  
Office of the Governor  
Office of Prosecution Services  
Missouri Senate  
Office of Secretary of State  
Office of State Public Defender  
Office of State Treasurer



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Director  
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