

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4945-01
Bill No.: SB 1162
Subject: Licenses - Professional; Health Care; Health Care Professionals
Type: Original
Date: March 28, 2008

Bill Summary: Licenses clinical laboratory science personnel.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Clinical Laboratory Sciences	\$0	\$496,349	(\$180,464)
PR Fees	(\$224,987)	\$0	\$0
Total Estimated Net Effect on Other State Funds	(\$224,987)	\$496,349	(\$180,464)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Clinical Laboratory Sciences	2.5	2.5	2.5
Total Estimated Net Effect on FTE	2.5	2.5	2.5

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Public Safety (DPS) - Director's Office, DPS - Missouri State Highway Patrol, Office of the Governor, Missouri Senate, Office of State Public Defender, Office of State Treasurer, and Department of Revenue** assumes the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Administration (COA) - 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 Health and Senior Services (DOH)** state the legislation establishes the Clinical Laboratory Science Board under the Division of Professional Registration to administer a licensure program for scientists. The approved certification examination is a competency based certification examination administered by an approved credentialing agency, similar to a person sitting for a certified public accountant exam.

The DOH assumes the department will pay for the costs for employees already working for the department to be licensed. The DOH assumes the cost will be minimal and will be absorbed with core funding; therefore, the DOH assumes this legislation will not result in a fiscal impact to the department.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal for Administrative Rules 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 **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 07 average of \$41.21 per inmate per day or an annual cost of \$15,040 per inmate) or through supervision provided by the Board of Probation and Parole (FY 07 average of \$2.43 per offender, per day or an annual cost of \$887 per offender per year).

ASSUMPTION (continued)

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 **Department of Insurance, Financial and Professional Regulation (DIFP)** state based on 2006-2008 estimates from a search of Occupational Projections by the Department of Economic Development, Missouri Works, Labor Market Information, it is estimated there are 6,690 individuals that will be required to be licensed.

The projected revenue reflects an initial licensing fee of \$100 per licensee and a biennial renewal license fee of \$95 that will begin being collected in FY 10. A 3% growth rate is estimated. Once the fees for the board are established by rule, other fees could offset the estimated costs. Boards within the division incur division-wide expenses based on specific board licensee averages, in addition to the Office of Administration cost allocation plans. These expenses, based on a board of similar sized, will not require addition appropriation for the Professional Registration Transfer Core budget, but are considered in calculating the anticipated license and renewal fees.

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 10. Therefore, expenses incurred by the board in FY 09 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 12.

The proposed legislation will create the need for 2.5 FTE as follows: 0.5 FTE Principal Assistant (full-time annual salary \$47,676) to serve as the senior executive officer of the agency; 1.0 FTE Licensure Technician II (full-time annual salary \$24,636) will be needed to provide technical support, process licensure applications and respond to inquiries regarding licensure law; 0.5 FTE Investigator II (full-time annual salary \$34,908) to conduct investigations and inspections, serve notices and gather information as required by the board; and 0.5 FTE Administrative Office Support Assistant (full-time annual salary \$26,004) to assist with board meetings, complaints, discipline and responding to inquiries relating to licensure laws, rules and regulations.

ASSUMPTION (continued)

Expense and equipment costs are based on information from boards with a like sized licensee base. Attorney General's Office (AGO), Administrative Hearing Commission (AHC), Printing, Postage and Complaint and Investigation 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. Board meeting expenses are estimated to be \$10,104 for FY 09; \$10,407 for FY 10; and \$10,719 for FY 11 plus per diem.

Officials from the **Office of Attorney General** and **Office of Prosecution Services** did not respond to our request for a statement of fiscal impact.

This proposal will increase total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
CLINICAL LABORATORY SCIENCES FUND			
<u>Transfer-In - DIFP</u>			
Transfer from PR Fees Fund	\$224,987	\$0	\$0
<u>Income - DIFP</u>			
Licensure Fees/Renewals	\$0	\$669,000	\$20,100
<u>Costs - DIFP</u>			
Personal service costs (2.5 FTE)	(\$78,620)	(\$94,126)	(\$96,199)
Fringe benefits	(\$29,813)	(\$36,670)	(\$37,587)
Equipment and expense	(\$115,054)	(\$34,484)	(\$38,934)
AGO and AHC expenses	(\$1,500)	(\$7,371)	(\$7,744)
Total <u>Costs - DIFP</u>	<u>(\$224,987)</u>	<u>\$496,352</u>	<u>(\$160,362)</u>
FTE Change - DIFP	2.5 FTE	2.5 FTE	2.5 FTE
ESTIMATED NET EFFECT ON CLINICAL LABORATORY SCIENCES FUND			
	<u>\$0</u>	<u>\$496,349</u>	<u>(\$160,364)</u>
Estimated Net FTE Change for Clinical Laboratory Sciences Fund	2.5 FTE	2.5 FTE	2.5 FTE
PR FEES FUND			
<u>Transfer-Out - DIFP</u>			
Transfer to Clinical Laboratory Sciences Fund	<u>(\$224,987)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON PR FEES FUND			
	<u>(\$224,987)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may fiscally impact small businesses that employ clinical laboratory technician 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 continuing education requirements, and approve credentialing bodies that administer the professional exams.

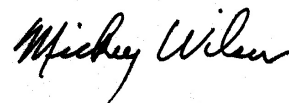
Temporary licenses are allowed and licensees may be placed on inactive status under certain circumstances. Procedures are established for denial and revocation of licenses and for the review of those administrative decisions.

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 Administration -
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Insurance, Financial Institutions and Professional Registration
Department of Corrections
Department of Health and Senior Services
Department of Revenue
Department of Public Safety -
 Director's Office
 Missouri State Highway Patrol
Office of the Governor
Missouri Senate
Office of Secretary of State
Office of State Public Defender
Office of State Treasurer

NOT RESPONDING: Office of Attorney General and Office of Prosecution Services



Mickey Wilson, CPA
Director
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