

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1881-01  
Bill No.: SB 365  
Subject: Boards, Commissions, Committees, Councils; Health Care; Licenses -  
Professional; Science and Technology  
Type: Original  
Date: March 23, 2009

Bill Summary: Licenses clinical laboratory personnel.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
State Treasurers' General Operation	(\$47,990)	(\$60,503)	(\$62,016)
Clinical Laboratory Science	\$0	\$890,409	(\$285,912)
PR Fees	(\$341,904)	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$389,894)</b>	<b>\$829,906</b>	<b>(\$347,928)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 9 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</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 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Clinical Laboratory Science	3.5	3.5	3.5
<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 2010</b>	<b>FY 2011</b>	<b>FY 2012</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, Office of the Governor, Missouri Senate, and Department of Revenue** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Prosecution Services (OPS)** assume the proposal will have no measurable fiscal impact on the OPS or County Prosecutors.

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

Officials from the **Office of Attorney General** assume any costs associated with this proposal can be absorbed with existing resources. The proposal would allow the board to refer violations of the act to the local prosecuting attorney.

Officials from the **Department of Public Safety (DPS) - Director's Office** defer to the DPS-Missouri State Highway Patrol for response regarding the potential fiscal impact of the proposal on their organization.

Officials from the **DPS - Missouri State Highway Patrol** assume the proposal will not fiscally impact their organization.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS realizes this is a small amount and does not expect that additional funding would be required to meet these costs. 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 that the office can sustain within 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.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide competent, effective representation for any new cases arising where indigent persons are charged with proposed new crime of practicing as a clinical laboratory personal without a license.

ASSUMPTION (continued)

HW-C:LR:OD

Passage of bills increasing penalties on existing crimes, or creating new crimes, requires the SPD system to further extend resources. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

**Oversight** assumes the SPD can absorb the additional caseload that may result from this proposal.

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 offense(s) outlined in this proposal. An increase in commitments 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 direct offender costs either through incarceration (FY 08 average annual cost of \$5,709 per inmate) or through supervision provided by the Board of Probation and Parole (FY 08 average annual cost of \$902 per offender).

The 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 imposition of a probation sentence, and the probability exists that offenders would be charged with a similar but more serious offense and that sentences may run concurrent to one another. Therefore, supervision through probation or incarceration would result in some additional costs, but the DOC assumes the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Office of State Treasurer (STO)** state the STO only ensures disbursements are made from a lawful appropriation and don't exceed the amount of the appropriation. Based on the current wording of the proposal, the STO would need one (1) Accounting Specialist 1 (\$40,302 annually plus benefits) to monitor the disbursements.

Officials from the **Department of Health and Senior Services (DOH)** state the Division of Professional Registration has been give administration of this program and the board created in the proposed legislation. The approved certification examination is a competency-based certification examination administered by an approved credentialing agency. The certification is not for the agency, but for an individual. The DOH does not typically incur costs for employees to sit for such exams. However, for existing employees not required to be certified at the time of their employment, DOH may be obligated to pay for their fees in order to keep experienced staff.

ASSUMPTION (continued)

In previous versions of this legislation, the Division of Professional Registration estimated a licensing fee of \$130. The DOH estimates the application fee to be nominal and assumes the cost for licensing to be between \$0 and \$8,525 in the first fiscal year [up to 55 employees X (\$25 application fee + \$130 licensing fee)]. The DOH assumes that employees hired after the legislation has become effective would obtain the certification on their own, prior to applying with the department or other laboratories within the state.

**Oversight** assumes the DOH can absorb potential licensing fees for current employees.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume approximately 8,000 individuals in the state of Missouri will be required to be licensed.

The projected revenue reflects an initial licensing fee of \$150 per licensee beginning in FY 11 and a biennial renewal license fee of \$150 that will begin being collected in FY 13. A 3% growth rate is estimated. Once the fees for the board are established by rule, other fees could offset the estimated costs.

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 11. Therefore, expenses incurred by the board will be paid back to the PR Fees Fund by a lending board within the division, pursuant to 324.106, RSMo. It is estimated that payback of any outstanding loans would be made in FY 13. However, should the number of licensee vary significantly from the number estimated, the licensure fees will be adjusted accordingly.

The proposed legislation will create the need for 3.5 FTE as follows: 1.0 FTE Principal Assistant (full-time annual salary \$49,104) to serve as the senior executive officer of the agency; 1.0 FTE Licensure Technician II (full-time annual salary \$25,380) 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 \$35,592) to conduct investigations and inspections, serve notices and gather information as required by the board; and 1.0 FTE Administrative Office Support Assistant (full-time annual salary \$26,784) to assist with board meetings, complaints, discipline and responding to inquiries relating to licensure laws, rules and regulations.

It is assumed that the board will meet four times per year for two days. Board meeting expenses are estimated to be \$9,964 for FY 10; \$10,263 for FY 11; and \$10,571 for FY 12 plus per diem.

ASSUMPTION (continued)

Printing and postage expenses for the first year include printing of rules, applications, letterhead and envelopes, as well as cost associated with mailings for initial licensure. Subsequent year's printing and postage is based on a board of similar size. Printing and postage expenses are estimated to be \$100,000 for FY 10; and \$20,126 annually for FY 11 and FY 12.

Based on a board of similar size, it is estimated that the board will receive approximately 347 complaints, beginning in FY 11. It is estimated that 30% of the complaints filed will require field investigations and it is estimated that 50% of the complaints that are investigated will require an investigator to incur overnight expenses. Therefore, beginning in FY 11, it is estimated there will be approximately \$15,407 annually in travel and investigative expenses.

Costs are calculated for services provided to the division by the AGO and the Administrative Hearing Commission (AHC). It is anticipated \$48,867 will be incurred annually, based on a board of similar size, for the AGO and AHC.

Boards within the division incur division-wide expenses based on specific board licensee averages, in addition to the DIFP and Office of Administration cost allocation plans. Approximately \$48,993 in additional expenses will be considered in calculating the anticipated license and renewal fees although these costs will not require additional appropriation for the Professional Registration Transfer Core budget.

**This proposal will result in an increase in total state revenue.**

FISCAL IMPACT - State Government

FY 2010  
(10 Mo.)

FY 2011

FY 2012

HW-C:LR:OD

**STATE TREASURER'S GENERAL  
 OPERATION FUND**

Costs - STO

Personal service costs	(\$33,585)	(\$42,342)	(\$43,401)
Fringe benefits	<u>(\$14,405)</u>	<u>(\$18,161)</u>	<u>(\$18,615)</u>
Total <u>Costs - STO</u>	<u>(\$47,990)</u>	<u>(\$60,503)</u>	<u>(\$62,016)</u>

**ESTIMATED NET EFFECT ON  
 STATE TREASURER'S GENERAL  
 OPERATION FUND**

	<u>(\$47,990)</u>	<u>(\$60,503)</u>	<u>(\$62,016)</u>
--	-------------------	-------------------	-------------------

**CLINICAL LABORATORY  
 SCIENCE FUND**

<u>Transfer-In - from PR Fees Fund</u>	\$341,904	\$0	\$0
--	-----------	-----	-----

Revenue - DIFP

Registration/renewal fees	\$0	\$1,200,000	\$36,000
---------------------------	-----	-------------	----------

Costs - DIFP

Personal service	(\$101,701)	(\$125,092)	(\$128,419)
Fringe benefits	(\$49,457)	(\$60,832)	(\$62,353)
Equipment and expense	(\$152,544)	(\$61,126)	(\$66,000)
AGO, AHC, Board member per diems	<u>(\$38,202)</u>	<u>(\$62,541)</u>	<u>(\$65,140)</u>
Total <u>Cost - DIFP</u>	<u>(\$341,904)</u>	<u>(\$309,591)</u>	<u>(\$321,912)</u>
FTE Change - DIFP	3.5 FTE	3.5 FTE	3.5 FTE

**ESTIMATED NET EFFECT ON  
 CLINICAL LABORATORY FUND**

	<u>\$0</u>	<u>\$890,409</u>	<u>(\$285,912)</u>
--	------------	------------------	--------------------

Estimated Net FTE Change on Clinical Laboratory Fund	3.5 FTE	3.5 FTE	3.5 FTE
--	---------	---------	---------

**PR FEES FUND**

Transfer-Out - to Clinical Laboratory  
 Science Fund

	<u>(\$341,904)</u>	<u>\$0</u>	<u>\$0</u>
--	--------------------	------------	------------

**ESTIMATED NET EFFECT ON PR  
 FEES FUND**

	<u>(\$341,904)</u>	<u>\$0</u>	<u>\$0</u>
--	--------------------	------------	------------

FISCAL IMPACT - Local Government

	FY 2010 (10 Mo.)	FY 2011	FY 2012
--	---------------------	---------	---------

\$0

\$0

\$0

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.

The proposal establishes the Clinical Laboratory Science Board consisting of seven members appointed by the Governor with the advice and consent of the Senate. Among other duties, the board shall establish educational standards and continuing education requirements.

Applicants for licensing are required to be at least 18 years old, submit an application, pay a fee, submit to a background check, pass certain examinations, and meet specific educational requirements.

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

The board is also authorized to seek injunctions against unlicensed clinical laboratory science personnel and subpoena individuals and documents.

Two years after August 28, 2009, any person who violates this proposal shall be guilty of a Class A misdemeanor.

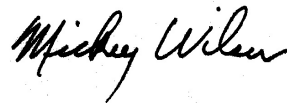
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION



L.R. No. 1881-01  
Bill No. SB 365  
Page 9 of 9  
March 23, 2009

Office of Attorney General  
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  
Office of Prosecution Services  
Missouri Senate  
Office of Secretary of State  
Office of State Public Defender  
Office of State Treasurer



Mickey Wilson, CPA  
Director  
March 23, 2009