

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4357-01  
Bill No.: Perfected SB 508  
Subject: Health Care; Insurance - Medical; Insurance Department; Licenses - Professional  
Type: Original  
Date: February 11, 2014

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Bill Summary: This proposal requires that an applicant for a navigator license must take an exam created by the Department of Insurance and submit to a criminal background check.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<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 2015	FY 2016	FY 2017
Criminal Records	\$12,650	\$3,300	\$3,300
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$12,650</b>	<b>\$3,300</b>	<b>\$3,300</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP), Office of the State Courts Administrator and Office of Prosecution Services (OPS)** each assume the current proposal would not fiscally impact their respective agencies.

DIFP stated that they began licensing Navigators in mid-September of 2013. As of December 23, 2013 there were 569 individual and 88 business entity navigators.

OPS also states that the creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional costs which are difficult to determine.

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 the proposed new crime of disclosing criminal record check information, a new Class A misdemeanor.

Passage of bills increasing penalties on existing crimes, or creating new crimes, requires the SPD to further extend resources. While the number of new cases 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 where the right to counsel attaches.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assume this legislation will require the approximately 575 current navigator licensees to obtain background checks. In checking with the DIFP, they anticipate approximately 150 new navigator licensees each year.

The charge for each background check processed is \$44.80. Twenty dollars for the state fingerprint check, \$16.50 for the federal check and an \$8.30 charge for the electronic fingerprint option used through a third-party vendor. Of this amount, the state retains the \$20 fee and \$2 of the federal charge for a pass-thru fee. The \$8.30 charge is paid directly to the vendor at the time application.

<u>Year</u>	<u>Expense</u>	<u>Revenue</u>
FY 2015	\$8,338	\$20,988
FY 2016	\$2,175	\$5,475
FY 2017	\$2,175	\$5,475

ASSUMPTION (continued)

Officials from the **Department of Corrections (DOC)** stated that they could not predict the number of new commitments which could result from the creation of the offense(s) outlined in the proposal. An increase in commitments would depend on the utilization of prosecutors and the actual sentences imposed by the courts. If additional persons were sentenced to the custody of the DOC due to the provisions of this legislation, the DOC would incur a corresponding increase in operational cost through supervision provided by the Board of Probation and Parole (FY 2013 average \$5.07 per offender, per day or an annual cost of \$1,851 per offender).

In summary, supervision by the DOC through probation 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.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>CRIMINAL RECORDS FUND</b>			
<u>Revenue - MHP</u>			
Federal Background Check Fee	\$20,988	\$5,475	\$5,475
<u>Expense - MHP</u>			
Federal Background Check Cost	(\$8,338)	(\$2,175)	(\$2,175)
<b>ESTIMATED NET EFFECT ON CRIMINAL RECORD FUND</b>	<b><u>\$12,650</u></b>	<b><u>\$3,300</u></b>	<b><u>\$3,300</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Small business navigators will be required to submit to and pay for a criminal background check.

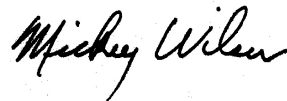
### FISCAL DESCRIPTION

This proposal requires that an applicant for a navigator license must take an exam administered by the Department of Insurance or an independent testing service with which the Department has contracted and requires applicants for individual licenses to provide two sets of fingerprints for the purpose of doing Missouri and national criminal record reviews.

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

Department of Insurance, Financial Institutions  
and Professional Registration  
Department of Public Safety - Missouri Highway Patrol  
Office of the State Courts Administrator  
Office of Prosecution Services  
Office of the State Public Defender  
Department of Corrections



Mickey Wilson, CPA  
Director  
February 11, 2014

Ross Strope  
Assistant Director  
February 11, 2014