

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4406-06
Bill No.: HCS for SB 528
Subject: Licenses - Professional; Physicians; Pharmacy
Type: Original
Date: April 23, 2014

Bill Summary: This proposal modifies provisions relating to professional registration.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$41,037)	(\$38,632)	(\$39,055)
Total Estimated Net Effect on General Revenue Fund	(\$41,037)	(\$38,632)	(\$39,055)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	1	1	1
Total Estimated Net Effect on FTE	1	1	1

- 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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state that based on projections from the Executive Director of Healing Arts, it is estimated that 121 individuals in the state of Missouri will be required to be licensed. In addition, a 3% growth rate has been estimated.

DIFP assumes one Processing Technician I is needed to provide technical support, process applications for licensure, and respond to inquiries related to the licensure law and/or rules and regulations. Printing and postage expenses for the first year include printing of rules, applications, letterhead and envelopes, as well as costs associated with mailings associated with initial licensure. Subsequent year's printing and postage is based on a board of similar size, Endowed Care.

During the first year of implementation costs are calculated for the design, program and implementation of the licensure program for new boards. This legislation does not provide any guidelines for handling complaints. Therefore, no enforcement costs have been figured for this fiscal note. Boards within the DIFP incur division wide expenses based on specific board licensee averages, in addition to department cost allocation plans. The following expenses are based on a board of similar size and will not require additional appropriation for the PR Transfer Core budget; however, these costs will be considered in calculating the anticipated license and renewal fees. These costs include maintenance of licensing system, division operating expenses, department cost allocation, and division personal service expenses. It is also assumed that without the authority to charge fees to these licensees, that funding would need to come from General Revenue to pay for the expenses related to licensure.

Officials from DIFP also state in regards to Section 316.265, if this proposal were to pass there would be an unknown decrease in the Board of Cosmetology and Barber Examiners Fund due to the following factors: less students attending cosmetology school, less cosmetologists renewing their current licenses, current license holders not renewing their shop licenses, and other unknown factors.

Officials from the **Department of Economic Development - Public Service Commission**, the **Department of Social Services**, the **Department of Natural Resources**, the **Department of Labor and Industrial Relations**, and the **Department of Mental Health** each assume the current proposal will not fiscally impact their respective agencies.

ASSUMPTIONS (continued)

In response to a previous version of this proposal, officials from the **Department of Public Safety - Missouri National Guard** assumed the proposal would not fiscally impact their agency.

In response to a previous version of this proposal, officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and 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 office can sustain with the 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Department of Health and Senior Services** did not respond to Oversight's request for fiscal impact.

Oversight assumes this proposal would not fiscally impact the Department of Health and Senior Services.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE FUND			
<u>Costs - DIFP</u>			
Personal Service	(\$19,700)	(\$23,876)	(\$24,115)
Fringe Benefits	(\$10,048)	(\$12,178)	(\$12,300)
Equipment and Expenses	(\$10,534)	(\$1,804)	(\$1,827)
Other Fund Costs	(\$755)	(\$774)	(\$813)
<u>Total Costs - DIFP</u>	<u>(\$41,037)</u>	<u>(\$38,632)</u>	<u>(\$39,055)</u>
FTE Changes - DIFP	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$41,037)</u>	<u>(\$38,632)</u>	<u>(\$39,055)</u>
Estimated Net FTE Change on the General Revenue Fund	1 FTE	1 FTE	1 FTE
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal would lessen the requirements on cosmetologists for licensure purposes. This proposal would require physicians assistants to become licensed to practice alongside a physician in the state of Missouri.

FISCAL DESCRIPTION

This proposal changes licensing requirements for specific defined business practices.

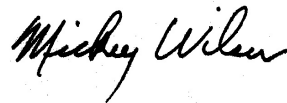
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration
Department of Natural Resources
Department of Social Services
Department of Mental Health
Office of the Secretary of State
Department of Public Safety - mng(
Department of Labor and Industrial Relations
Department of Economic Development - Public Service Commission

Not Responding:

Department of Health and Senior Services



Mickey Wilson, CPA
Director
April 23, 2014

Ross Strobe
Assistant Director
April 23, 2014