

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0437-01  
Bill No.: SB 95  
Subject: Licenses - Professional; General Assembly; Boards, Commissions, Committees, Councils  
Type: Original  
Date: February 2, 2015

Bill Summary: This proposal modifies laws relating to the number of professional boards that an executive director can serve on and who can request licensee information.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Professional Registration Fees Fund*	\$0	\$0	\$0
Various Professional Registration Boards**	(\$856,646)	\$1,024,695	(\$907,497)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$856,646)</b>	<b>\$1,024,695</b>	<b>(\$907,497)</b>

\*Total Revenues and Expenses net to zero.

\*\*FY19 estimated to show revenues over \$1,000,000 to fund.

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 2016</b>	<b>FY 2017</b>	<b>FY 2018</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 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Professional Registration Fees	9	9	9
<b>Total Estimated Net Effect on FTE</b>	<b>9</b>	<b>9</b>	<b>9</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</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)** assume this proposal states that Executive directors shall be limited to serving on one board or commission, or a combination of boards of commissions where the total number of licenses is no more than 2,000. This proposal will require the Division of Professional Registration to hire 9 additional Executive Directors, based on the Division's licensee count for each board as of June 30, 2014. These additional costs will pass directly to the professional licensees in the form of higher board-specific fees. It is estimated the division can absorb any support staffing workload for the new directors. However, additional staff may be needed after implementation if the division evaluates and determines need for additional support staff.

DIFP assumes the total costs of 9 FTE annually will be approximately \$989,000. In addition, each licensee will be responsible for a fee of \$60 in FY17, with an income of \$1,983,360, as well as 3% growth in FY18 resulting in \$59,501 fee income. It is estimated that in FY19 the department will collect over \$1,000,000 in additional fees needed to cover the anticipated expenses that year.

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

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>PROFESSIONAL REGISTRATION FEES FUND</b>			
<u>Transfer In</u> - Various PR Boards	\$856,646	\$958,665	\$966,998
<u>Costs</u> - DIFP			
Salaries	(\$436,748)	(\$529,338)	(\$534,631)
Fringe Benefits	(\$227,131)	(\$275,282)	(\$278,035)
Equipment and Expenses	(\$50,207)	(\$11,485)	(\$11,772)
Office Space - Rental	(\$142,560)	(\$142,560)	(\$142,560)
<u>Total Costs</u> - DIFP	<u>(\$856,646)</u>	<u>(\$958,665)</u>	<u>(\$966,998)</u>
FTE Change - DIFP	9 FTE	9 FTE	9 FTE
<b>ESTIMATED NET EFFECT ON PROFESSIONAL REGISTRATION FEES FUND</b>			
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>VARIOUS PROFESSIONAL REGISTRATION BOARDS</b>			
<u>Transfer Out</u> - PR Fees Fund	(\$856,646)	(\$958,665)	(\$966,998)
<u>Income</u> - DIFP	<u>\$0</u>	<u>\$1,983,360</u>	<u>\$59,501</u>
Licensure Fees			
<b>ESTIMATED NET EFFECT ON VARIOUS PROFESSIONAL REGISTRATION BOARDS</b>			
	<u>(\$856,646)</u>	<u>\$1,024,695</u>	<u>(\$907,497)</u>
 <b>FISCAL IMPACT - Local Government</b>			
	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

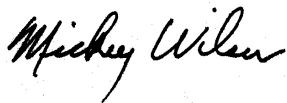
FISCAL DESCRIPTION

Currently, certain information pertaining to a licensee or applicant under the Division of Professional Registration is treated as confidential and only disclosed with the person's consent, pursuant to litigation or other lawful requests. This proposal allows the disclosure of applicant or licensee information when requested by members of the General Assembly or their employees. This proposal provides that an executive director of a board or commission under the Division of Professional Registration can only serve in this capacity on one board or commission, or a combination of boards or commission with the total number of licensees under the authority of the various boards is two-thousand or less. However, an executive director may serve on multiple boards if serving a different board personnel function.

This legislation is not federally mandated and would not duplicate. It would however, require an additional rental cost of \$142,560 for DIFP's 9 new executive directors.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration



Mickey Wilson, CPA  
Director  
February 2, 2015

Ross Strobe  
Assistant Director  
February 2, 2015