

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4846-01
Bill No.: SB 710
Subject: Health Care; Insurance - Medical; Department of Insurance; Licenses - Professional
Type: Original
Date: January 4, 2016

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Criminal Records	\$2,112	\$2,530	\$2,530
Total Estimated Net Effect on <u>Other</u> State Funds	\$2,112	\$2,530	\$2,530

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

The **OPS** also states 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. The SPD is currently providing legal representation in caseloads in excess of recognized standards.

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** state that currently there are 573 individuals who are licensed as navigators with the DIFP. Following the passage of SB 262 in 2013, requiring the licensing of navigators, the DIFP has seen an overall decrease in the number of individuals applying for licensure. Between July 1, 2014 and June 1, 2015, the DIFP received approximately 115 navigator applications for initial licensure. The Criminal Justice Information Services Division (CJIS), therefore, estimates that 115 individuals will submit a state and federal based criminal background check each year under this provision.

ASSUMPTION (continued)

The charge for each background check processed is \$43.05. Twenty dollars for the state fingerprint check, \$14.75 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. Estimated Revenue is based on 115 background checks at \$34.75 (\$43.05 - \$8.30) each, equating to \$3,996 in 12 months (\$3,336 for 10 months in FY17). Estimated Expense is based on 115 background checks with a \$12.75 (\$14.75 - \$2.00) federal charge, equating to \$1,466 in 12 months (\$1,224 for 10 months in FY17).

<u>Year</u>	<u>Revenue</u>	<u>Expense</u>	<u>Net Effect</u>
2017	\$3,336	(\$1,224)	\$2,112
2018	\$3,996	(\$1,466)	\$2,530
2019	\$3,996	(\$1,466)	\$2,530

This proposal could increase Total State Revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
CRIMINAL RECORDS FUND			
<u>Revenue - MHP</u>			
Federal Background Check Fee	\$3,336	\$3,996	\$3,996
<u>Expense - MHP</u>			
Federal Background Check Cost	<u>(\$1,224)</u>	<u>(\$1,466)</u>	<u>(\$1,466)</u>
ESTIMATED NET EFFECT ON CRIMINAL RECORD FUND	<u>\$2,112</u>	<u>\$2,530</u>	<u>\$2,530</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2017 (10 Mo.)	 FY 2018	 FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

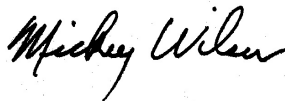
FISCAL DESCRIPTION

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
January 4, 2016

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January 4, 2016