

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION
FISCAL NOTE

L.R. No.: 5271-03
Bill No.: HCS for SB 835
Subject: Professional Registration and Licensing; Department of Insurance, Financial Institutions and Professional Registration; Department of Higher Education; Nurse; Physical Therapists
Type: Original
Date: May 6, 2016

Bill Summary: This proposal modifies laws relating to licensed professionals.

FISCAL SUMMARY

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
Board of Registration for the Healing Arts	\$0	\$0	\$0	\$0 or (Greater than \$116,543)
Professional Registration Fund	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown
Total Estimated Net Effect on Other State Funds	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown, Greater than \$116,543) to Unknown

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented
Board of Registration for the Healing Arts Fund	0	0	0	0 or 2
Total Estimated Net Effect on FTE	0	0	0	0 or 2

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	Fully Implemented
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 192.945 - 192.947

Officials from the **Department of Health and Senior Services** assume the current proposal would not fiscally impact their agency.

In response to a similar proposal from this session, SB 822, officials from the **Office of the Secretary of State (SOS)**, 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, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

Section 324.004

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** state that it is unknown what professions may be affected by this legislation in the future. Therefore, the fiscal impact to their department is unknown.

For fiscal note purposes, **Oversight** will show a negative unknown to positive unknown fiscal impact.

Section 327.313 & 327.321

Oversight assumes this proposal, which changes the application requirements used for licensing land surveyors, will not fiscally impact Department of Insurance, Financial Institutions and Professional Registration.

ASSUMPTION (continued)

Section 334.037

Oversight assumes this provision modifies collaborative practice arrangements and will not fiscally impact any state agencies.

Sections 334.1200 - 334.1233

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume this compact will be effective when it is enacted into law in the tenth member state. Currently, no states have enacted the compact and only three states have legislation pending to enact the compact. It is not anticipate the compact would be enacted during FY17, FY18, or FY19 and as a result no fiscal impact to the Division during these fiscal years.

Once the compact is enacted the Division would have 1 FTE for a Licensing Technician I, 1 FTE for Legal Counsel, \$6,000 annual fee to participate in the compact, and revenue of \$50 for each licensee fee with a compact privilege. It is anticipated 200 individuals will apply for a license with compact privilege.

In response to a similar proposal, HB 2328, Oversight received the following responses:

Officials from the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Office of the State Courts Administrator** assume the current proposal would not fiscally impact their agency.

Oversight notes that the provisions of this section will not be effective until 10 states become members of the compact and there is no way to determine when that might occur. However, at the present time, the DIFP states the salary for a Processing Technician I is \$23,880 annually and the salary for 1 FTE Legal Counsel is approximately \$55,000 annually plus fringe benefits.

If the compact were to become effective today, the fiscal impact would be approximately \$78,880 in personal service costs plus \$41,663 in fringe benefits (total \$120,543) plus \$6,000 annual participation fee less \$10,000 in license fee revenue for a net cost to Board of Registration for the Healing Arts Fund of approximately \$116,543 annually. Equipment and expense costs have not been included by are assumed to be minimal.

ASSUMPTION (continued)

Section 335.203

Officials from the Department of Insurance, Financial Institutions and Professional Registration

Section 335.203

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume this proposal would have an unknown impact to the State Board of Nursing contingent on potential future appropriations made by the General Assembly to fund the Nursing Education Incentive Program.

In response to a similar proposal, SB 835, Oversight received the following responses:

Officials from the **Department of Higher Education (DHE)** assumed the proposal would not fiscally impact their agency. All staff that are currently processing the nursing education incentive program also process the other state aid programs.

DHE notes that the Nursing Education Incentive Program spanned three years, FY 2012, FY 2013, and FY 2014. DHE noted that the last year's nursing education grant recipients were:

Avila University	\$150,000
Maryville University	\$150,000
St. Charles Community College	\$142,260
Truman State University	\$150,000
University of Missouri-Columbia	\$150,000
University of Missouri-St. Louis	\$139,276
William Jewell College	<u>\$118,464</u>
TOTAL	\$1,000,000

Expenditures for this program were:

FY 2012	\$982,810
FY 2013	\$997,525
FY 2014	\$1,000,000

Oversight assumes the changes in the proposal will not create a fiscal impact to the state. Oversight also assumes if the program is given an appropriation in the future, the State Board of Nursing will be able to administer the program with existing resources.

ASSUMPTION (continued)

Sections 335.360 - 335.415

In response to a similar proposal, SB 985, officials from the **Office of Attorney General** assumed any potential costs arising from this proposal can be absorbed with existing resources.

In response to a similar proposal, SB 985, 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.

Section 336.020

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume the current proposal would not fiscally impact their agency.

In response to a similar proposal, SCS for SB 836, Oversight received the following responses:

Officials from the **Department of Higher Education** and the **Department of Health and Senior Services** each assumed the proposal would not fiscally impact their respective agencies.

Officials from the **Northwest Missouri State University**, the **Missouri Western State University**, the **State Technical College of Missouri**, and the **University of Missouri** each assumed the proposal would not fiscally impact their respective colleges and universities.

ASSUMPTION (continued)

Section 621.280

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** state that it is unknown what professions may be affected by this legislation in the future. Therefore, the fiscal impact to their department is unknown.

For fiscal note purposes, **Oversight** will show a negative unknown to positive unknown fiscal impact.

Bill as a Whole

Officials from the **Department of Public Safety - Missouri Highway Patrol**, the **Northwest Missouri State University**, the **Office of Administration**, the **Missouri Consolidated Health Care Plan**, the **Department of Mental Health** and the **Joint Committee on Administrative Rules** each assume the current proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT -</u> <u>State Government</u>	<u>FY 2017</u> <u>(10 Mo.)</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Fully</u> <u>Implemented</u>
BOARD OF REGISTRATION FOR THE HEALING ARTS FUND (§§334.1200 to 334.1233)				
<u>Income - DIFP</u>				<u>\$0 or ...</u>
Licensing fees	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$10,000</u>
<u>Costs - DIFP</u>				<u>\$0 or ...</u>
Personal service	\$0	\$0	\$0	(\$78,880)
Fringe benefits	\$0	\$0	\$0	(\$41,663)
Equipment and expense	\$0	\$0	\$0	(Unknown)
Compact participation fee	\$0	\$0	\$0	(\$6,000)
<u>Total Costs - DIFP</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$126,543)</u>
FTE Change - DIFP	\$0	\$0	\$0	0 or 2 FTE
ESTIMATED NET EFFECT ON THE BOARD OF REGISTRATION FOR THE HEALING ARTS FUND				
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (Greater than \$116,543)</u>
PROFESSIONAL REGISTRATION FUND				
<u>Costs - DIFP</u> §§324.004 & 621.280				
New PR Board Implementation	(Unknown) to <u>Unknown</u>	(Unknown) to <u>Unknown</u>	(Unknown) to <u>Unknown</u>	(Unknown) to <u>Unknown</u>
ESTIMATED NET EFFECT ON PROFESSIONAL REGISTRATION FUND				
	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>	<u>Unknown) to Unknown)</u>

<u>FISCAL IMPACT -</u> <u>Local Government</u>	<u>FY 2017</u> <u>(10 Mo.)</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Fully</u> <u>Implemented</u>
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Small Business</u>				

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

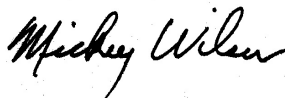
FISCAL DESCRIPTION

This proposal modifies laws relating to licensed professionals.

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 Health and Senior Services
Department of Agriculture
Office of the Secretary of State
Joint Committee on Administrative Rules
Department of Mental Health
Office of Administration
Department of Public Safety - Missouri Highway Patrol
Missouri Consolidated Health Care Plan
Joint Committee on Administrative Rules
Department of Insurance, Financial Institutions and Professional Registration
Attorney General's Office
Office of the State Courts Administrator
Department of Higher Education
Northwest Missouri State University
Missouri Western State University
State Technical College of Missouri



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May 6, 2016

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May 6, 2016