

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1326-02
Bill No.: SB 318
Subject: Professional Registration and Licensing
Type: Original
Date: February 22, 2019

Bill Summary: This proposal establishes the “Expand Workforce Access Act of 2019.”

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Various DIFP Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Federal Funds	\$0 to (\$77,951)	\$0 to (\$84,536)	\$0 to (\$85,325)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 to (\$77,951)	\$0 to (\$84,536)	\$0 to (\$85,325)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Federal Funds	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE
Total Estimated Net Effect on FTE	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE

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 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 324.025

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume this proposal establishes the Expanded Workforce Access Act of 2019. The fiscal impact is unknown to various DIFP funds depending upon the type of apprenticeships developed by state agencies or other licensing authorities and the extent of work that is demanded of the Division of Professional Registration.

Oversight will reflect an unknown cost to various DIFP funds.

In response to a similar proposal from this year (HB 470), officials from the **Department of Economic Development - Division of Workforce Development (DWD)** assumed this proposal creates the "Expanded Workforce Access Act of 2019" stating that, within the parameters established under the federal Labor Standards for the Registration of Apprenticeship Programs, each state licensing authority shall grant a license to applicants that successfully complete the eighth grade, complete an apprenticeship approved by the Division of Professional Registration or US Department of Labor or otherwise permitted under state or federal law and have passed an examination by the appropriate licensing authority.

While DWD is not the licensing authority, DWD may be required to work with the Division of Professional Registration or other agencies to ensure individuals completing the approved apprenticeships receive their licenses. Therefore, DWD is estimating the need for 1 additional FTE (Workforce Development Specialist IV) at an annual salary of \$51,108. This would be a cost to federal funds.

Oversight will reflect a potential cost to Federal Funds of \$77,951 in FY 2020, \$84,536 in FY 2021, \$85,325 and FY 2022.

Oversight assumes Department of Economic Development - Division of Workforce Development (DED-DWD) could absorb some of the additional duties without adding an FTE; however, DED-DWD has stated due to current workload, these cost cannot be absorbed. Therefore, Oversight will range the cost from \$0 (FTE can be absorbed) to the estimated provided by DED-DWD (FTE is not absorbed) to Federal Funds.

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services - Division of Regulation and Licensure (DHSS)** state that this legislation allows an applicant to receive a license to practice an occupation, profession, or activity in Missouri under specified criteria through an apprenticeship program.

The nursing home administrator applicant applying for licensure through apprenticeship would be treated as other applicants through the same application, office process, fee, and Board of Nursing Home Administrators' review to determine if the applicant meets the apprenticeship track for administrator licensure. DHSS does not anticipate an increase in applicants due to nursing home administrators obtaining licensure through an apprenticeship program.

Section 324.025.5

DHSS states that this section references the promulgation of rules and regulations. It is assumed it will take a Principal Assistant Board/Commission (salary \$51,658) approximately 16 hours make the required changes to state rules. Based on 2,080 working hours per year, this would require 0.01 FTE to assume these duties ($16 \text{ hours} \div 2,080 \text{ hours per year} = 0.01$) for a total personal service cost of \$517 ($\$51,658 \times 0.01$) for FY20.

Oversight assumes DHSS is provided with core funding to handle a certain amount of activity each year. Oversight assumes DHSS could absorb the costs related to this proposal with current resources; however, if multiple bills pass the cumulative impact may require additional FTE.

Officials from the **Department of Health and Senior Services - Division of Community and Public Health (DHSS)** assumes that the Lead Licensing Program and Onsite Wastewater Treatment Program would accept approved apprenticeships for licensing, so long as the criteria in §324.025.3 are met. The only cost anticipated is for rulemaking to clarify how this statute impacts other existing licensing statutes and regulations, and creation of new application forms. Time and costs for these activities is estimated in the table below.

ASSUMPTION (continued)

	Program Manager (EPHS V - OWTP)	Program Manager (Env. Superv. – LLP)	Program staff (HPR II)	Section Rules Coordinator (HPR III)	Management Review (HSSM)	Total
OWTP rules	10			20	5	35 hours
OWTP forms	2		3			5 hours
LLP rules		10		20	5	35 hours
LLP forms		2	3			5 hours
Total hours	12	12	6	40	10	80 hours
Average Salary	\$53,351	\$58,903	\$37,970	\$43,365	\$66,574	
Total cost	\$308	\$340	\$110	\$834	\$320	\$1,912

DHSS anticipates being able to absorb these costs, resulting in zero fiscal impact. However, until the FY20 budget is final, the department cannot identify specific funding sources.

Oversight assumes DHSS is provided with core funding to handle a certain amount of activity each year. Oversight assumes DHSS could absorb the costs related to this proposal; however, if multiple bills pass the cumulative impact may require additional FTE.

Officials from the **Office of the Secretary of State (SOS)** assume 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 \$5,000. 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 require additional resources.

ASSUMPTION (continued)

Officials from the **Joint Committee on Administrative Rules (JCAR)** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Office of Administration - Administrative Hearing Commission**, the **Department of Transportation**, the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Natural Resources** and the **Department of Agriculture** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

FISCAL IMPACT - State Government	FY 2020 (10 Mo.)	FY 2021	FY 2022
VARIOUS DIFP FUNDS			
Cost - DIFP	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT TO VARIOUS DIFP FUNDS	(Unknown)	(Unknown)	(Unknown)

FISCAL IMPACT - State Government (continued)	FY 2020 (10 Mo.)	FY 2021	FY 2022
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FEDERAL FUNDS

Cost - DED-DWD			
Salaries	\$0 to (\$42,590)	\$0 to (\$51,619)	\$0 to (\$52,135)
Fringe Benefits	\$0 to (\$23,487)	\$0 to (\$28,340)	\$0 to (\$28,498)
Equipment and Expense	\$0 to (\$11,874)	\$0 to (\$4,577)	\$0 to (\$4,692)
Total Cost - DED-DWD	\$0 to (\$77,951)	\$0 to (\$84,536)	\$0 to (\$85,325)
FTE Change - DED-DWD	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE

ESTIMATED NET EFFECT TO FEDERAL FUNDS	\$0 to (\$77,951)	\$0 to (\$84,536)	\$0 to (\$85,325)
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Estimated Net FTE Change to Federal Funds	0 to 1 FTE	0 to 1 FTE	0 to 1 FTE
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FISCAL IMPACT - Local Government	FY 2020 (10 Mo.)	FY 2021	FY 2022
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act shall be known as the "Expanded Workforce Access Act of 2019".

Beginning on January 1, 2020, each state licensing authority shall grant a license to any applicant who has successfully completed the eighth grade, completed an apprenticeship approved by the Missouri Division of Professional Registration or the U.S. Department of Labor, and has passed an examination, if one is deemed to be necessary by the Division.

The Division shall establish a passing score for such examinations, which shall not exceed the passing score that is required for a non-apprenticeship license.

FISCAL DESCRIPTION (continued)

If there is no examination requirement for a non-apprenticeship license, no examination shall be required for applicants who complete an apprenticeship.

The number of working hours required for an apprenticeship shall not exceed the number of educational hours otherwise required for a non-apprenticeship license.

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
Office of Administration
 Administrative Hearing Commission
Department of Revenue
Department of Health and Senior Services
Department of Natural Resources
Department of Agriculture
Department of Transportation
Department of Public Safety
 Missouri Highway Patrol
Department of Labor and Industrial Relations
Department of Economic Development
Office of the Secretary of State
Joint Committee on Administrative Rules



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February 22, 2019

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