

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3142-06
Bill No.: HCS for SS for SB 580
Subject: Health Care; Banks and Financial Institutions; Disabilities; Elderly; Nursing Homes and Long-Term Care Facilities; Department of Revenue; Tax Credits; Taxation and Revenue - General
Type: Original
Date: May 4, 2020

Bill Summary: This proposal modifies provisions relating to health care

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
General Revenue*	Could be less than or exceed (\$766,497 to \$1,139,638)	Could be less than or exceed (\$5,979,163 to \$6,244,822)	Could be less than or exceed (\$5,882,535 to \$6,148,847)	Could be less than or exceed (\$5,785,977 to \$6,052,950)
Total Estimated Net Effect on General Revenue	Could be less than or exceed (\$766,497 to \$1,139,638)	Could be less than or exceed (\$5,979,163 to \$6,244,822)	Could be less than or exceed (\$5,882,535 to \$6,148,847)	Could be less than or exceed (\$5,785,977 to \$6,052,950)

*Fiscal impact to General Revenue for Section 135.690 (Preceptor Tax Credit) to net to zero as a result of the revenue loss equal to the amount of tax credits awarded which is later reimbursed from the Medical Preceptor Fund by an amount equal to the amount of tax credits awarded.

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 61 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Veterans Home Capital Improvement Trust (0304)	Up to or Could exceed (\$10,914,960)	Up to or Could exceed (\$10,914,960)	Up to or Could exceed (\$10,914,960)	Up to or Could exceed (\$10,914,960)
Medical Preceptor	\$0	\$4 to \$203,051	\$852 to \$203,051	(\$276) to \$203,051
Colleges and Universities	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Criminal Records System (0671)	\$76,560	\$43,472 to \$85,800	\$43,472 to \$85,800	\$43,472 to \$85,800
Board of Regulation for the Healing Arts (0634)	(\$1,080,702)	\$0	\$0	\$11,760
Radiologic imaging and Radiation Therapy	\$0	\$1,496,749	(\$766,699)	\$1,458,612
Total Estimated Net Effect on <u>Other</u> State Funds	Up to or Could exceed (\$11,919,102)	Up to or Could exceed (\$9,129,360)	Up to or Could exceed (\$11,392,808)	Up to or Could exceed (\$9,155,737)

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
General Revenue	7 to 10 FTE	7 to 8 FTE	7 to 8 FTE	7 to 8 FTE
Medical Preceptor	0 FTE	0 to 2 FTE	0 to 2 FTE	0 to 2 FTE
Board of Registration for the Healing Arts	7 FTE	7 FTE	7 FTE	7 FTE
Total Estimated Net Effect on FTE	14 to 17 FTE	14 to 17 FTE	14 to 17 FTE	14 to 17 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 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Local Government	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some of the agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Section 9.152 - Mental Health Awareness Month

In response to similar legislation (HB 1322), officials from the **Office of Administration** and the **Department of Mental Health** each assumed this section will have no fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in the fiscal note for these organizations as it relates to this section.

Section 9.166 - Minority Mental Health Awareness Month

In response to similar legislation (HB 1383), officials from the **Office of Administration** and the **Department of Mental Health** each assumed this section will have no fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in the fiscal note for these organizations as it relates to this section.

Section 9.182 - Deaf Awareness Month and Deaf Awareness Week

In response to similar legislation (HB 1572), officials from the **Office of Administration**, the **Department of Elementary and Secondary Education** and the **Department of Mental Health** each assumed this section will have no fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in the fiscal note for these organizations as it relates to this section.

Section 9.309 - Limb Loss Awareness Month

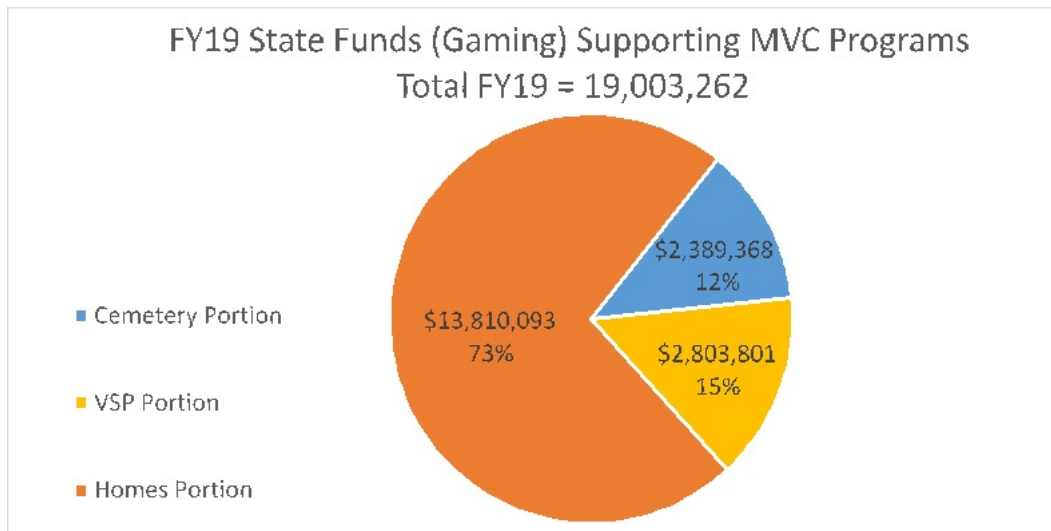
In response to similar legislation (HB 2352), the **Office of Administration** assumed this section will have no fiscal impact on their respective organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in the fiscal note for this organization as it relates to this section.

ASSUMPTION (continued)

Section 42.145 - Veterans and Care Facilities

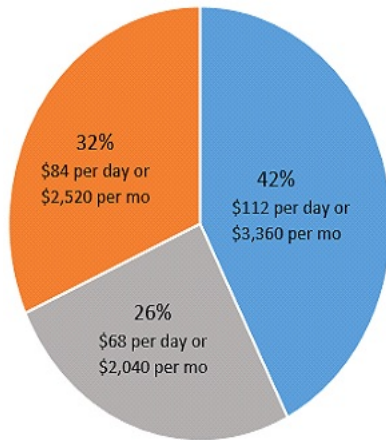
In response to similar legislation (HB 1485), officials from the **Department of Public Safety, Veterans' Commission (VET)** projected it would receive \$17,150,444 in state funds from the Missouri Gaming Commission for Fiscal Year 2021. This money is used to support the Missouri Veterans Commission's three core programs; the Veterans Service Program (VSP), the Veteran Cemetery Program and the Veterans Home Program. Gaming Commission revenues have decreased since 2014 and are projected to continue to decrease by 8-10% per year.

In Fiscal Year 2019, VET received \$19,003,262 in state funds from the Missouri Gaming Commission. That revenue provided 85% or \$2,389,368 of the \$3,308,913 total cost to operate the Veteran Cemetery Program. The revenue provided 100% of the cost or \$2,803,801 to operate the Veteran Service Program. The remaining \$13,810,093 was used to support the Veterans Homes Program. Please see the pie chart directly below depicting how state funds are used by VET.



The Veterans Homes Program provides, on average, \$84 per veteran per day to cover the cost of skilled nursing care (this equates to 32% of the total cost of skilled nursing care). Please see the pie chart below for the Veterans Homes Program expense and income breakdown.

ASSUMPTION (continued)



Monthly Expense & Income/Veteran

Cost of Care	\$7,920	(\$264/day)
VA + Res. Rate	<u>-\$5,400</u>	(\$180/day)
Balance (Gaming)	\$2,520	(\$84/day)

The Missouri Veterans Commission estimates the impact will be the following impact on operations:

There are currently 356 individual on the waiting list. VET is currently conducting face-to-face assessments to determine qualifications for skilled care. If each individual applies for and qualifies for a voucher, VET would be required to pay $356 \times \$84 \times 365$ (days per year) = \$10,914,960 per year in vouchers. This equates to 79% of the total Fiscal Year 2019 state funding VET received to operate all seven Veterans Homes.

As described above, the Missouri Veterans Commission only anticipates receiving \$17,150,444 in state funds from the Missouri Gaming Commission in Fiscal Year 2021 to support all three core programs. Providing vouchers for the state portion of skilled care, considering VET's current state funding source, will require VET to reduce services including services to the Cemetery Program, Veteran Service Program and VET will have to request additional state funding from other unknown sources to keep skilled nursing beds open.

VET anticipates an increase in current demand to the waiting list when the general public learns any veteran in a private facility can be reimbursed \$84 per day by the state of Missouri until a bed is offered, when they apply for admission to a Missouri Veterans Home. While there is no accurate way to estimate the number of veterans who may be utilizing non-VET skilled nursing care, VET estimates the majority will sign up to simply collect the \$84 state subsidy.

ASSUMPTION (continued)

Oversight does not have information beyond that provided by the VET. Therefore, Oversight will utilize VET's estimate of 356 veterans on a waiting list:

$$356 \times \$84 \text{ per day} \times 365 = \$10,914,960$$

For purposes of this fiscal note, Oversight will report the fiscal impact, as it relates to this section, as estimated by VET.

The VET assumes this program would be funded from the Veterans Commission Capital Improvement Trust Fund (0304).

Oversight notes the balance of the Veterans Commission Capital Improvement Trust Fund (0304) on December 31, 2019, was \$27,771,052.

In response to similar legislation (HB 1485) officials from the **Department of Health and Senior Services** stated this section would not have a direct fiscal impact on their respective organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero fiscal impact in the fiscal note for this organization.

Section 135.690 - Preceptorship Tax Credit

In response to similar legislation (HB 2036), officials from the **Office of Administration - Budget & Planning Division (B&P)** stated this proposed legislation would create a tax credit for any community-based faculty preceptor who serves as the community-based faculty preceptor for a medical student core preceptorship or a physician assistant student core preceptorship. The credit is equal to \$1,000 for each preceptorship, up to a maximum of \$3,000 per tax year if he or she completes up to three preceptorship rotations and did not receive any direct compensation for the preceptorships. The cumulative amount of tax credits awarded under this section shall not exceed \$200,000 per year.

The Division of Professional Registration is authorized to exceed the \$200,000 program cap in any amount not to exceed the amount of funds remaining in the Medical Preceptor Fund. This would result in an unknown negative impact on Total State Revenue (TSR) if the program cap is exceeded.

Effective January 1, 2021, funding for the tax credit program shall be generated from a license fee increase of \$7 per license for physicians and surgeons and from a license fee increase of \$3 per license for physician assistants. This money would be deposited into the Medical Preceptor Fund. At the end of every tax year, an amount equal to the dollar amount of all tax credits claimed under this section shall be transferred from the Medical Preceptor Fund to General Revenue (GR). Any excess money shall remain in the Medical Preceptor Fund.

ASSUMPTION (continued)

This proposal will lead to an increase in TSR, as additional fees are collected and deposited in the Medical Preceptor Fund. Concurrently, GR and TSR will decrease as tax credits are redeemed. The net impact to TSR could be positive or negative in a given year, depending on fees collected and credits redeemed. While GR collections will decrease, these losses are to be offset by a transfer from the Medical Preceptor Fund; such a transfer will be subject to appropriation. B&P defers to the Division of Professional Registration on specific revenue impacts.

This proposal could impact the calculation under Article X, Section 18(e).

Oversight notes B&P assumes TSR will increase as a result of the increase in the licensee fee(s) for physicians and surgeons and for physician assistants. Oversight notes B&P further assumes TSR will decrease as a result of the tax credit authorized under this proposed legislation.

In response to similar legislation (HB 2036), officials from the **Missouri Department of Commerce and Insurance (DCI)** stated the increased fee of \$7 per license for physicians and surgeons would generate approximately \$198,611 (28,373 active physicians * \$7 fee). DCI further states the increased fee of \$3 per license for physician assistants would generate approximately \$4,440 (1,480 active assistant physicians * \$3 fee).

DCI further states this proposed legislation would allow a community based faculty preceptor to claim a tax credit in the tax year which he or she completes the preceptorship rotations and shall submit supporting documentation, as prescribed by the Division of Professional Registration (the Division) under DCI. No more than 200 preceptorship tax credits shall be authorized by the Division in a calendar year. The cumulative amount of tax credits awarded under this section shall not exceed \$200,000.

DCI assumes the fee increase will begin at the annual license renewal in November 2021 (Fiscal Year 2022). DCI further assumes appropriation would not occur until July 2022 (Fiscal Year 2023). If the number of licensees largely vary from the estimates provided by DCI above, the fee will be adjusted accordingly.

Oversight assumes an appropriation could occur as early as Fiscal Year 2022. Therefore, Oversight will report the fiscal impact of this proposed legislation beginning in Fiscal Year 2022.

DCI assumed two (2) FTE Executives I are needed to provide technical support, process applications for licensure and respond to inquiry related to licensure law and/or rules and regulations.

ASSUMPTION (continued)

Oversight notes DCI assumes two (2) FTE Executives I are required in order to administer the responsibilities of the tax credit authorized under this proposed legislation. This proposed legislation would require that the Division under DCI authorize tax credits to taxpayers who complete preceptorship rotations, review aggregate authorizations in conjunction with the cap(s) established, provide priority to taxpayers who provide preceptorships in rural areas of Missouri and evaluate the fee increase annually.

Oversight will include DCI's FTE cost in this fiscal note. Oversight will report the FTE cost being credited to the Medical Preceptor Fund as this proposed legislation states, upon appropriation, the funds in the Medical Preceptor Fund shall be used by the Division for the administration of the tax credit program.

In response to similar legislation (HB 2036), officials from the **Missouri Department of Revenue (DOR)** stated, beginning January 1, 2021, any community-based faculty preceptor who serves as the community-based faculty preceptor for a medical student core preceptorship or a physician assistant student core preceptorship (and serves without direct compensation) shall be allowed a credit in an amount equal to one thousand dollars (\$1,000) for each preceptorship, up to a maximum of three thousand dollars (\$3,000) per tax year (for three students). No more than 200 preceptorship tax credits (\$200,000) shall be authorized annually. DOR notes the first tax returns reporting this tax credit will be filed starting January 1, 2022 (FY 2022).

DOR contacted the University of Missouri's Medical School (the School) to determine if any of their medical students participate in such a program. The School stated they have 250 certified physicians registered to serve as a community-based faculty preceptor and that the University of Missouri does not provide any compensation for these duties. The School has 25 first year students, 25 third year students and 25 fourth year students who participate in the Rural Track Program at the University. Those 75 students meet the definition outlined in the bill. Each of the 25 first year and 25 fourth year students work with one community-based faculty preceptor. The 25 third year students each work with at least three community-based faculty preceptors each. Therefore, at least the 125 physicians a year that are working with the School could potentially qualify for this tax credit.

DOR notes that the School is not the only medical school in Missouri that has such a program. Therefore, DOR assumes the full \$200,000 in tax credits may be utilized annually.

This proposal also creates funding for the administration of the tax credit. An additional license fee of \$7.00 per physician and surgeon and an additional license fee of \$3.00 per physician assistant is to be assessed starting January 1, 2021. These fees are to be transferred into the Medical Preceptor Fund. DOR contacted the Department of Commerce and Insurance who

ASSUMPTION (continued)

informed DOR that there are 28,373 active physicians and 1,480 assistant physicians. Therefore, this fund could result in \$198,611 in physician fees and \$4,440 in assistant physician fees being collected annually. The Department of Commerce and Insurance noted that the annual license fees are paid by the physicians and assistant physicians in November. The state would expect to receive the fees starting in Fiscal Year 2022 (November 2021) totaling \$203,051 annually.

This proposed legislation states that the money received into the Medical Preceptor Fund is to be used for the administration of the tax credit. Additionally, this proposal states that the money collected at the end of each tax year is to be transferred from the Medical Preceptor Fund to General Revenue in an amount equal to the total dollar amount of credits claimed. DOR assumes, based on the possible usage of the program, the entire \$200,000 would need to be transferred to General Revenue.

DOR assumes this proposed legislation will result in a maximum increase of 200 tax credit redemptions and an unknown, but minimal, increase in errors and correspondence. DOR anticipates the additional responsibilities of this proposed legislation can be absorbed with existing resources. However, if the increase is significant, or if multiple bills pass increasing the number of tax credit redemptions, DOR will request additional FTE through the appropriation process based on the following:

One (1) Revenue Processing Technician I for every 6,000 tax credits redeemed, one (1) Revenue Processing Technician I for every 7,600 errors/correspondence generated.

DOR notes \$2,000 is required for forms and programming changes.

Oversight notes DOR assumes the additional responsibilities of the tax credit created under this proposed legislation can be absorbed with existing FTE. Oversight does not have any information to the contrary. Oversight further notes DOR requires \$2,000 for forms and programming changes. Oversight assumes the \$2,000 is minimal and can be absorbed by DOR with existing resources. However, should the cost become significant, DOR may seek additional expense and equipment through the appropriation process.

Oversight notes, in response to similar legislation (HB 2036), officials from the **Missouri State Treasurer's Office** stated the proposed legislation would not have a direct fiscal impact on their respective organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

Oversight notes, even as the cumulative amount of tax credits is permitted to exceed the \$200,000 cap established under this proposed legislation, it is unclear whether more than two hundred preceptorship tax credits may be authorized by the Division for any one calendar year.

ASSUMPTION (continued)

Oversight notes Tax Year 2021 tax returns will not be filed claiming the credit until after January 1, 2022 (Fiscal Year 2022).

Oversight further notes the tax credits would be awarded to a community-based faculty preceptor, which is defined as “a physician or physician assistant who is licensed in Missouri and provides preceptorships to a Missouri medical student or physician assistant student without direct compensation for the work of precepting”. Oversight further notes “taxpayer” is defined as “any individual, firm, partner in a firm, corporation, or shareholder in an S corporation doing business in this state and subject to the state income tax imposed under Chapter 143, excluding withholding tax imposed under Sections 143.191 to 143.265”. Oversight assumes, then, only individual taxpayer(s) would receive a tax credit authorized under this proposed legislation; having no direct impact to business entities.

This proposed legislation creates the Medical Preceptor Fund which is created to fund the tax credit program created under this proposed legislation by obtaining and later transferring (or retaining amounts in excess of the total amount of tax credits claimed in any given year) revenues generated as a result of a license fee increase of \$7 for physicians and surgeons and a license fee increase of \$3 for physician assistants. The license fee increase shall take effect on January 1, 2021. Based on information stated by DCI, the revenues from the license fee increase would not be recognized until November 2021 (Fiscal Year 2022) when the license renewal occurs.

The Medical Preceptor Fund is to, at the end of each tax year, transfer an amount equal to the total dollar amount of tax credits claimed under this section from the Medical Preceptor Fund to GR. Any moneys in the Medical Preceptor Fund in excess of the amount of tax credits claimed shall remain in the fund.

As noted, this proposed legislation states the cumulative amount of tax credits that may be awarded each calendar year shall not exceed \$200,000 unless there are funds in excess of \$200,000 in the Medical Preceptor Fund that is readily available to be transferred to GR to provide additional tax credits.

Based on the cumulative amount of tax credits that may be authorized (\$200,000) and the total amount of revenue generated as a result of this proposed legislation, as estimated by DCI and DOR (\$203,051), Oversight assumes the cap of \$200,000 could be claimed each year.

However, this proposed legislation requires that the revenue in the Medical Preceptor Fund be appropriated by the General Assembly in order for the funds to be used by the Division for the administration of the tax credit program.

ASSUMPTION (continued)

Therefore, Oversight assumes, should there be no appropriation by the General Assembly, there would be no tax credits authorized/awarded to qualifying taxpayers.

Furthermore, as this proposed legislation states, upon appropriation, the revenues in the Medical Preceptor Fund shall be used by the Division for the administration of the tax credit, Oversight assumes DCI's FTE cost(s) will be credited to the Medical Preceptor Fund. This will decrease the amount of revenue available to be transferred to GR to reimburse the cost of the tax credit program and ultimately reduce the total amount of tax credits that may be awarded.

For purposes of this fiscal note, Oversight will show the fiscal impact to GR to net to zero (transfer out - tax credit allowances; transfer in - funds transferred from the Medical Preceptor Fund to GR) by reporting a revenue reduction equal to "\$0 to \$59,000" in Fiscal Year 2022 (subject to appropriation; \$200,000 tax credit cap less DCI FTE cost [total number of \$1,000 values remaining after DCI costs]) and reporting a revenue gain equal to "\$0 to \$59,000" in Fiscal Year 2022 (subject to appropriation; amounts transferred from the Medical Preceptor Fund for tax credits after DCI FTE costs [total number of \$1,000 values remaining after DCI costs]).

Oversight will show the fiscal impact to the Medical Preceptor Fund by reporting a revenue gain equal to an amount "Up to \$203,051" in Fiscal Year 2022 (estimated amount of revenue generated from license fee increase) and reporting a cost equal to the \$0 to the FTE cost(s) reported by DCI (subject to appropriation) and a revenue reduction by an amount equal to "0 to \$59,000" in Fiscal Year 2022 (subject to appropriation; reimbursement of GR cost of the tax credit program). Oversight will show the same in Fiscal Year 2023 using Fiscal Year 2023 FTE costs as reported by DCI.

Section 143.1160, 191.1601 - 191.1607 - Deduction for Contributions to Long-Term Dignity Savings Account(s)

In response to similar legislation (SB 580), officials from the **Office of Administration, Budget & Planning Division (B&P)** stated Section 143.1160 would create a tax deduction, beginning in Tax Year 2021, for taxpayers who contribute to a long-term dignity savings account. The deduction shall equal 100% of qualifying contributions up to \$4,000 for single and head of household taxpayers and \$8,000 for married filing joint taxpayers. This program shall sunset 12/31/2024, unless reauthorized.

B&P notes that the number of people who will create and contribute to a long-term savings account is currently unknown. B&P will estimate the impact of this proposal by showing account usage similar to the percentage of people that purchase long-term care insurance versus the percentage of people who contribute to a college savings plan. B&P chose long-term care

ASSUMPTION (continued)

insurance purchases because the use of such funds is similar to this proposal. B&P chose a college savings plan because the duration and tax planning purposes of such plans are similar to the savings accounts established under this proposal. For the purpose of this fiscal note, B&P will assume that individuals contribute the maximum allowed under this proposal (\$4,000 for single and \$8,000 for married filing joint).

Low Estimate

According to data published by the American Association for Long-Term Care Insurance, there were 350,000 individuals who purchased long-term care insurance during 2019. Of those purchases 50% were by individuals who are married and 50% were by individuals who were single. Using the population of Americans, B&P estimates that 0.1% of individuals purchase long-term care insurance; with 0.05% purchased by single individuals and 0.05% purchased by married individuals.

During 2017, the most recent complete tax year available, there were 1,835,556 single and head of household taxpayers and 1,229,346 married filing joint taxpayers. Using the usage percentage calculated above, B&P estimates that 1,640 taxpayers (982 single and 658 married) may contribute to a long-term dignity savings account. Using the deduction caps created under subsection 143.1160.2, B&P estimates that deduction claims could total \$9,192,000 annually (982 x \$4,000 + 658 x \$8,000). However, deductions do not reduce revenues on a dollar for dollar basis, but rather in proportion to the top tax rate applied. Therefore, B&P will show the estimated impacts throughout the implementation of the tax rate reductions from SB 509 (2014).

High Estimate

Based on Fiscal Year 2017 data, 56,892 taxpayers claimed a deduction for contributions into a 529-savings account. Based on the number of taxpayers in 2016 (which corresponds to Fiscal Year 2017 tax return claims), B&P estimates that the college savings plan had a usage rate of 1.8% across all taxpayers. For the purpose of this fiscal note, B&P will assume the same allocation of taxpayers between single and married filing joint as those used for the low estimate above. Therefore, B&P estimates that 28,207 taxpayers (16,893 single and 11,314 married) may contribute to a long-term dignity savings account. Using the deduction caps created under subsection 143.1160.2, B&P estimates that deduction claims could total \$158,084,000 annually (16,893 x \$4,000 + 11,314 x \$8,000). However, deductions do not reduce revenues on a dollar for dollar basis, but rather in proportion to the top tax rate applied. Therefore, B&P will show the estimated impacts throughout the implementation of the tax rate reductions from SB 509 (2014).

ASSUMPTION (continued)

Summary

B&P notes that while this deduction would become available in Tax Year 2021, the impact to Total State Revenue (TSR) will not occur until taxpayers file their annual return in Fiscal Year 2022.

Tax Year / Fiscal Year Impact	Deduction Claims	Current Law	TY21* / FY22	TY22* / FY23	TY23* / FY24
Tax Rate		5.40%	5.30%	5.20%	5.10%
LTC Purchase Rate (0.1%)	\$9,192,000	\$496,368	\$487,176	\$477,984	\$468,792
College Savings Accounts (1.8%)	\$158,084,000	\$8,536,536	\$8,378,452	\$8,220,368	\$8,062,284

*Assumes each SB 509 (2014) trigger is reached for rate reduction

Therefore, B&P estimates that this proposal could reduce TSR and General Revenue (GR) by \$496,368 to \$8,536,536 (top tax rate 5.4%) or by \$487,176 to \$8,378,452 (top tax rate 5.3%) in Fiscal Year 2022. Once SB 509 (2014) has fully implemented, this proposal could reduce TSR and GR by \$468,792 to \$8,062,284 annually.

Oversight notes B&P has provided an impact consisting of a range beginning with an estimate found using data specific to long-term care insurance purchases and ending with an estimate found using participation rates of college savings accounts.

In response to similar legislation (SB 580), officials from the **Missouri Department of Revenue (DOR)** stated, for all tax years beginning on or after January 1, 2021, a taxpayer shall be allowed a deduction of one hundred percent (100%) of a participating taxpayer's contributions to a long-term dignity savings account in the tax year of the contribution. The long-term dignity savings account may be used to pay or reimburse a qualified beneficiary's eligible expenses. These eligible expenses are defined in 26 U.S.C. Section 7702B(c)(2) and includes necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, and rehabilitative services, and maintenance or personal care for the chronically ill or those with a disability.

DOR notes, currently, Missourians are eligible to receive a deduction on their Missouri tax return for premiums paid for qualified long-term care insurance or for unreimbursed long-term care expenses. In Fiscal Year 2017, Missourians reported:

ASSUMPTION (continued)

Filing Status	Number of Filers Claiming Deduction	Amount Reported	Percent of All Filers in the Filing Status Claiming a Deduction
Single	27,360	\$55,649,224	2%
Head of Household	2,149	\$3,153,286	1%
Married Filing Jointly	47,072	\$140,059,601	6%
TOTAL	76,581	\$198,861,111	

However, it appears from this proposal that payments for long-term care insurance do not qualify for this tax credit.

To determine how many taxpayers may choose to participate in savings for their long-term care, we considered programs that are similar and information obtained from numerous sources. Only 0.02% of people purchase long-term care insurance per the American Association of Long-Term Care Insurance. Only 0.04% of people participate in a 529 education savings plan per the Pew Institute. According to the IRS data for Missourians in Tax Year 2019, 20% of Missourians received a distribution from or made a contribution to an individual retirement account. DOR notes this 20% may be higher than expected as DOR used the number of filers of the Retirement Savings Credit and the IRA payment filers and the Taxable IRA Distribution numbers to determine filers. It is possible people are counted twice as claiming the retirement savings credit and making an IRA payment.

According to the American Association of Long-Term Care Insurance the average cost of longer term care insurance is \$2,007 per year for a single person age 55 and for a couple is \$2,466 per year.

The MO Department of Commerce and Insurance stated that the national average of long-term care in the United States in 2016 was:

\$253 a day or \$7,698 per month for a private room in a nursing home.

\$225 a day or \$6,844 per month for a semi-private room in a nursing home.

\$119 a day or \$3,628 per month for care in an assisted living facility (for a one bedroom unit).

\$20.50 an hour for a home health aid

\$68 a day for services in an adult day health care facility.

It appears the nursing home and assisted living facility costs would be included in the eligible expenses outlined in the proposal. This proposal would allow the amount of the deduction claimed shall not exceed the amount of the taxpayer's Missouri Adjusted Gross Income for the tax year that the deduction is claimed, and shall not exceed four thousand dollars (\$4,000) per taxpayer claiming the deduction, or eight thousand dollars (\$8,000) if married filing combined.

ASSUMPTION (continued)

DOR notes that if the same people who claimed the deduction on their Missouri tax return also opened a long-term care savings account, and were eligible to claim the credit, it would result in the following:

Filing Status	Number of Filers Claiming Deduction	Tax Credit Claimed	Total Credit Claimed
Single	27,360	\$4,000	\$109,440,000
Head of Household	2,149	\$4,000	\$8,596,000
Married Filing Jointly	47,072	\$8,000	\$376,576,000
TOTAL	76,581		\$494,612,000

It is noted that the savings account must be open for more than 1 year prior to withdrawals being made from the account to cover the eligible expenses. Additionally, as shown with other savings account programs the participation rate is greatly overstated above.

DOR instead will assume that using the number of filers claiming the deduction and the 20% (amount of those that save for retirement) may produce a more realistic number of filers.

Filing Status	Current Number of Filers Claiming Deduction	20% that would establish the Account	Tax Credit Claimed	Total Credit Claimed
Single	27,360	1,701	\$4,000	\$6,804,000
Head of Household	2,149	3,402	\$4,000	\$13,608,000
Married Filing Jointly	47,072	10,210	\$8,000	\$81,680,000
TOTAL	76,581			\$102,092,000

DOR notes that since this is a deduction it would go against the current expected tax rate and be filed on the tax returns the following year. This projected tax rates assume that SB 509 (2014) is triggered each year consecutively. The loss to GR is estimated to be:

Calendar Year	Projected Tax Rate	Total Deduction
TY 2021	5.30%	\$5,410,876
TY 2022	5.20%	\$5,308,784
TY 2023	5.10%	\$5,206,692

ASSUMPTION (continued)

Fiscal Year Impact

Fiscal Year	Total Deduction
FY 2021	\$0
FY 2022	\$5,410,876
FY 2023	\$5,308,784
FY 2024	\$5,206,692

Oversight notes DOR has provided an estimate found by using participation rates for retirement savings.

Oversight notes Section 143.1160 of this proposed legislation would allow taxpayers who make contributions to an established Long-Term Dignity Savings Account to claim a deduction in an amount equal to the lesser of 100 percent of the contribution(s) made to a Long-Term Dignity Savings Account within a given tax year or \$4,000 if filing single or \$8,000 filing combined.

Oversight notes this proposed legislation, beginning January 1, 2021, would allow any individual who is a resident of this state to open a Long-Term Dignity Savings Account and make contributions to the account(s) which would qualify the individual for the deduction created under this section. Oversight notes the possibility of zero Missouri residents participating in this program as well as one hundred percent of Missouri residents participating in this program. Oversight assumes it to be highly unlikely that either of the previous two scenarios occur.

Oversight recognized, based on information published by the Congressional Research Service, Long-Term Care expenditures for the United States during 2016 totaled \$366 billion. The Congressional Research Service stated the expenditures of Long-Term Care, during 2016 were provided by the following sources: Medicaid (42.2%), Medicare (21.84%), Other Public (6.31%), Private Insurance (7.54%), Other Private (6.53%) and Out-Of-Pocket (15.58%).

Information published by the Kaiser Family Foundation indicates the State of Missouri received approximately \$2,901,085,449 from Medicaid for Long-Term Care during Fiscal Year 2018.

Using the percentages provided by the Congressional Research Service, Oversight used the Medicaid expenditures for Missouri during Fiscal Year 2018 reported by the Kaiser Family Foundation to estimate the expenditures to Missouri from the other sources of Long-Term Care mentioned above. Oversight provides the following expenditures per source for the State of Missouri with an estimated total of \$6,875,046,411 spent on Long-Term Care in Missouri:

ASSUMPTION (continued)

Total Estimated Missouri Expenditures on Long-Term Care	\$6,875,046,410.55	\$2,901,085,449 / 42.2%
Medicaid Spending On Long Term Care Per State (Provided by Kaiser Family Foundation)	\$2,901,085,449	Total X 42.2%
Medicare Spending Per Congressional Research Service	\$1,501,274,141	Total X 21.84%
Other Public Per Congressional Research Service	\$434,035,453	Total X 6.31%
Other Private Per Congressional Research Service	\$449,066,983	Total X 6.53%
Private Insurance Per Congressional Research Service	\$518,587,813	Total X 7.54%
Out of Pocket Per Congressional Research Service	\$1,070,996,571	Total X 15.58%

As shown above, Oversight estimates out-of-pocket expenses for Long-Term Care paid by Missourians for one year totals \$1,070,996,571.

Based on the estimates above, Oversight estimates that the deduction created under this section could amount to \$1,070,996,571, provided that the individuals spending such amount(s) contribute or donate their monies to their Long-Term Dignity Savings Account for the expense.

Oversight notes that the deduction is allowable pre-tax and does not represent a dollar-for-dollar reduction to TSR or GR; the deduction must be multiplied by the applicable (top) tax rate to estimate a true decrease to TSR and GR. Oversight notes the following tax rates per tax year, assuming the triggers created under SB 509 (2014) are met, resulting in a reduction of the top rate of personal income tax by one-tenth of one percent until fully implemented in Tax Year 2023:

Tax Year	Tax Rate
2020	5.40%
2021	5.30%
2022	5.20%
2023	5.10%

Oversight notes the first tax year in which the deduction under this proposed legislation could be claimed is Tax Year 2021, which will not be filed until after January 1, 2022 (Fiscal Year 2022). Oversight estimates the following decreases to TSR and GR per fiscal year:

ASSUMPTION (continued)

Fiscal Year	Tax Rate Applied	Decrease To TSR/GR
2022	5.30%	\$56,762,818
2023	5.20%	\$55,691,822
2024	5.10%	\$54,620,825

Oversight notes the estimates provided by Oversight do not take into consideration the capped deduction equal to \$4,000 for taxpayers who file single and \$8,000 for taxpayers who file combined, as the participation rate is unknown. The estimates above only report the estimated maximum amount that could be deducted (resulting in a loss to TSR and GR) provided individuals who currently receive long-term care first deposit their estimated out-of-pocket expenses into a Long-Term Dignity Savings Account prior to payment in order to receive the tax benefit.

Oversight notes the program's participation rate and contribution amounts are unknown and the estimated fiscal impacts vary widely. Therefore, for the purposes of this fiscal note, Oversight will utilize DOR's estimate, but state the amount could be less than or more than those amounts.

In response to similar legislation (SB 580), officials from the **University of Missouri's Economic & Policy Analysis Research Center (EPARC)** stated they do not possess information that would indicate the number of filers that would open such an account. Therefore, they are unable to estimate the impact this proposed legislation may have on GR.

Oversight notes, in response to similar legislation (SB 580), officials from the **Missouri Department of Commerce and Insurance** stated the proposed legislation would not have a direct fiscal impact on their respective organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

Sections 160.514 and 161.502 - Schools to Include Instruction on Use and Effects of Vapor Products

In response to similar legislation (Perfected HB 1808), officials from the **Department of Elementary and Secondary Education (DESE)** assumed, as stated per statute, revising Health Learning Standards will require 33 people: 16 people in K-5 workgroup and 17 people in Grades 6-12 workgroup. Based on work recently completed in revising Fine Arts standards, DESE originally estimated their cost as \$100,000. With the House Amendments, DESE revised their cost estimate down to \$20,000 in FY 2021.

ASSUMPTION (continued)

Oversight notes the amendment removes the requirement for three meetings, and that the cost for one meeting should be one third of the cost of three meetings. Oversight assumes at least one meeting in FY 21, and the note will show a cost of (\$33,000) to DESE.

In response to similar legislation (Perfectured HB 1808), officials from the **Department of Higher Education and Workforce Development** assumed this proposal has no fiscal impact on their agency.

In response to similar legislation (HB 1808), officials from the **Smithville School District, North Kansas City Schools** and **Hurly R-1 School District** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to similar legislation (HB 1808), officials from the **Special School District of St. Louis** assumed this proposal would require the following:

- Revision of Health/PE curricula to include vaping - Districts typically have teachers serve on their curriculum committees. Many pay their teachers to do so. Our district pays \$29/hr for extra duty work. At a minimum this would add 1-2 hours of work. If we have two teachers on the curriculum team, that would be about \$100.
- Purchase of materials to support the instruction Finding materials for this would require time and money to purchase or obtain. Hard to assign a cost.
- Training for teachers to implement the instruction - training has financial costs and costs in lost instructional time -while in training, teachers are not in classrooms. Estimate one hour of training for each teacher - can't assign a monetary value to lost instructional time.
- There is a finite amount of instructional time in a school year - taking time to instruct students in vaping means that time will have to be taken from something else. Again, you can't assign a monetary value to lost instructional time, but it means students would miss something else.

Oversight notes one school district indicated there might be some additional costs for teaching materials and/or teacher training. Oversight will show a range of impact from \$0 (costs are immaterial) to an unknown cost for teaching materials and/or teacher training. Oversight will show a cost to school districts beginning in FY 2022 per subsection 6 which requires school districts to adopt or develop curriculum no later than one year after the development of the framework by the state board of education.

ASSUMPTION (continued)

Sections 190.092 and 190.1005 - Automated External Defibrillators

In response to similar legislation (HCS HB 1460), officials from the **St. Louis County Police Department (St. Louis County PD)** stated they have approximately 38 automated external defibrillators (AEDs) that would need to be tested on the 90-day schedule. Each test/inspection would take approximately 15 minutes. The total testing time would be 9.5 hours (38 AEDs * 15 minutes/60 minutes per hour = 9.5 hours). Additionally, the testing would have to be done every quarter (12 months/4 = every 3 months or approximately 90 days) to stay within the time-line of the proposal. This increases the testing time to 38 hours (9.5 hours * 4 quarters = 38 hours).

Because the locations of the AED vary across St. Louis County boundaries, drive time would be a significant addition to the cost of the tests. Drive time to each AED device is difficult to estimate due to varying time-lines.

The St. Louis County PD would have to devote a minimum of 40 hours a year, or 120 hours every three years, to test the AEDs. Basing the salary on a Professional Staff 110, the average hourly wage with fringe benefits is \$31.82 per hours. The estimated total cost per year is \$1,273 per year (\$3,818 for the three years of the fiscal note) to the St. Louis County PD.

In response to similar legislation (HCS HB 1460), officials from the **Cooper County Public Health Center** stated this proposal would cost their county health center \$1,500 annually.

In response to similar legislation (HCS HB 1460), officials from the **City of Riverside** assumed no/minimal fiscal impact as a result of this legislation.

Oversight does not have any information to the contrary for local government costs for this proposal. For fiscal note purposes, Oversight will reflect the costs for all local governments as (Unknown).

In response to similar legislation (HCS HB 1460), officials from the **Office of Administration (OA), Facilities Management, Design and Construction (FMDC)** stated this bill modifies the requirements associated with an automated external defibrillator (AED). This bill states that any person or entity who acquires an AED shall comply with all regulations governing the placement of an AED; notify an agent of the local emergency medical services agency of the existence, location, and type of AED acquired; ensure that the AED is maintained and tested according to the operation and maintenance guidelines set forth by the manufacturer; ensure that the AED is tested at least biannually and after each use; and ensure that an inspection is made of all AEDs on the premises at least every ninety days for potential issues related to operability of the device. The bill also states that any person who in good faith renders emergency care by use of or

ASSUMPTION (continued)

provision of an AED shall not be held liable for any civil damages or subject to any criminal penalty as a result of such care or treatment, unless the person acts in a willful and wanton or reckless manner in providing the care, advice, or assistance. The person or entity who provides training to the person using an AED, the person or entity responsible for the site where the AED is located, and the person or entity that owns the AED shall likewise not be held liable for civil damages or subject to any criminal penalty resulting from the use of an AED.

If FMDC were to acquire AEDs for State facilities, this bill would impose a substantial burden on FMDC, as it would require routine inspection, testing and maintenance of AEDs. However, FMDC rarely acquires AEDs. FMDC also assumes that if another state agency acquires an AED for placement in a state facility that the acquiring agency will be responsible for complying with the requirements of this bill. Based on those assumptions, FMDC estimates that the fiscal impact will be less than \$10,000. FMDC anticipates being able to absorb these costs. However, until the FY21 budget is final, FMDC cannot identify specific funding sources.

Oversight does not have any information to the contrary. Therefore, Oversight assumes costs will be absorbed within current funding sources and will reflect no fiscal impact for OA for fiscal note purposes.

In response to similar legislation (HCS HB 1460), officials from the **University of Missouri Health Care (UMHC)** stated they had reviewed the proposed legislation and determined that, as written, it should not create expenses in excess of \$100,000 annually.

Oversight contacted UMHC officials and determined that expenses expected to be less than \$100,000 annually are “absorbable” within current funding levels. The organization can and has to absorb the costs to be compliant with the regulation, but it may be at the expense of other priorities.

Based on the responses received from the UMHC and other Colleges and Universities, **Oversight** assumes a range of \$0 or (Unknown) for Colleges and Universities.

Oversight notes, in response to similar legislation (HCS HB 1460), the **Department of Health and Senior Services**, the **Department of Natural Resources**, the **Department of Public Safety**, the **City of Kansas City**, the **Columbia/Boone County Department of Public Health and Human Services**, the **St. Louis County Health Department** and the **Springfield Police Department** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

ASSUMPTION (continued)

In response to similar legislation (HB 1460), officials from the **Missouri Department of Conservation**, the **City of Hazelwood**, the **City of Springfield**, the **Adair County Health Department**, the **Boone County Sheriff's Department**, the **Joplin Police Department**, the **St. Louis County Department of Justice Services**, the **Brentwood Fire Department**, **State Technical College of Missouri**, the **St. Charles Community College** and the **University of Central Missouri** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Sections 190.094, 190.100, 190.105, 190.143, 190.196 - Emergency Medical Services

In response to similar legislation (HCS HB 2125), officials from the **Department of Health and Senior Services** and the **Department of Commerce and Insurance** each assumed no fiscal impact to their respective agencies from this proposal.

In response to similar legislation (HB 2125), officials from the **Department of Labor and Industrial Relations** assumed no fiscal impact from this proposal.

In response to similar legislation (HB 2125), officials from the **University of Missouri Health Care** assumed no fiscal impact from this proposal.

Oversight notes this proposal permits physician assistants and assistant physicians to serve as staff on ambulances and exempts them from any mileage requirements and requirements to hold an emergency medical technician's license. The proposal also adds physician assistants and assistant physicians to those who may supervise someone with a temporary emergency medical technician license. The Department of Health and Senior Services, the Department of Commerce and Insurance, the Department of Labor and Industrial Relations and the University of Missouri Health Care have each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Sections 190.606 and 190.612 - Outside the Hospital Do-Not-Resuscitate Orders From Other States

Oversight notes, in response to similar legislation (HB 2493), the **Department of Health and Senior Services**, the **St. Louis County Department of Justice Services** and the **Springfield Police Department** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

ASSUMPTION (continued)

Section 191.116 - Alzheimer's State Plan Task Force

In response to similar legislation (Perfectured HCS HB 1683), officials from the **Department of Health and Senior Services (DHSS)** stated the proposed legislation would create the Alzheimer's State Plan Task Force.

The House Committee Substitute for HB 1683 revised the date the report of recommendations is due to the Governor and General Assembly from December 31, 2020, to June 1, 2021. The substitute also adds a representative of licensed skilled nursing facilities to the Task Force.

The revised timeframe for the report will allow current employees to assist the hourly and intermittent employee (H&I); therefore, the number of hours to research, prepare, and create the report would take the same number of hours indicated in the original version of the bill.

The Department would utilize an H&I from September 1, 2020, to January 1, 2021, to assist with writing the report for the Governor and General Assembly. It is estimated that the employee would spend approximately 686.4 hours (2,080 x .33) researching and preparing the report. The H&I employee would be paid \$20.00 per hour due to the comprehensive nature of the report requirements. Therefore, the total cost to the Department would be approximately \$14,778 (686.4 x \$20 + fringe) for the first year. After FY 2021, additional information gathering would exist within the normal duties of the department. It is assumed that the Department would be tasked with the logistics of ongoing support for the task force such as scheduling meetings, travel arrangements, etc. The Department anticipates being able to absorb these costs. However, until the FY 21 budget is final, DHSS cannot identify specific funding sources.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by DHSS for FY 21 and assumes any duties required by the task force beyond FY 21 can be accomplished with the personnel and resources appropriated to the department.

Oversight notes, in response to similar legislation (Perfectured HCS HB 1683), the **Department of Mental Health** and the **Department of Social Services** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Oversight notes, in response to similar legislation (HB 1683), the **Office of the Governor**, the **Department of Higher Education and Workforce Development** and the **Lieutenant Governor's Office** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

ASSUMPTION (continued)

§192.2000 - Alzheimer's/Dementia Family Support Groups

In response to similar legislation (SCS HCS HB 1683), officials from the **Department of Health and Senior Services (DHSS)** stated this section requires the DHSS, Division of Senior and Disability Services (DSDS) to establish a family support group in every county in the state to provide information and support to persons with Alzheimer's disease and related dementias.

To complete the requirements of this section the DSDS would add six Aging Program Specialists (APS) II positions (\$45,000 annual salary). One APS II would be located in each of the five regions to collaborate with local resources to establish and maintain the family support groups. An additional APS II would be located in a centralized office to coordinate and support consistent efforts statewide. The total salary for all APS II would be approximately \$270,000 (\$45,000 x 6 FTE).

DSDS assumes each APS II will travel to all counties within their region twice monthly to establish and provide ongoing support to the family support groups. This will require each APS II to travel 1,000 miles per month at the standard mileage rate of \$.43/mile which will provide an annual mileage reimbursement of \$30,960 (\$0.43 x 1,000 miles x 12 months x 6 APS II).

DHSS estimates FY 21 costs of \$462,781 to General Revenue; FY 22 costs of \$464,118; and FY 23 costs of \$468,543.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by DHSS for fiscal note purposes.

§191.255 - Disclosure to Federal Government of List of Persons With Medical Marijuana Cards

In response to similar legislation (HCS #2 HB 1896), officials from the **Department of Corrections (DOC)** stated this legislation creates a class E felony offense when a state agency discloses to the federal government the statewide list of persons who obtained a medical marijuana card.

In order to provide information on the impact of this legislation, a standard impact for a new, nonviolent offense of a class E felony is used. In FY 2019, the average class E nonviolent sentence is 3.4 years. Incarcerated offenders serve 2.1 years in prison and 1.3 years on parole. Average term for probation is 3.0 years. An estimate, for each year, is one offender is sentenced to incarceration while two offenders are given probation.

ASSUMPTION (continued)

	# to prison	Cost per year	Total Costs for prison	# to probation & parole	Cost per year	Total cost for probation and parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	1	(\$6,386)	(\$5,322)	2	absorbed	\$0	(\$5,322)
Year 2	2	(\$6,386)	(\$13,027)	4	absorbed	\$0	(\$13,027)
Year 3	2	(\$6,386)	(\$13,288)	7	absorbed	\$0	(\$13,288)
Year 4	2	(\$6,386)	(\$13,554)	7	absorbed	\$0	(\$13,554)
Year 5	2	(\$6,386)	(\$13,825)	7	absorbed	\$0	(\$13,825)
Year 6	2	(\$6,386)	(\$14,101)	7	absorbed	\$0	(\$14,101)
Year 7	2	(\$6,386)	(\$14,383)	7	absorbed	\$0	(\$14,383)
Year 8	2	(\$6,386)	(\$14,671)	7	absorbed	\$0	(\$14,671)
Year 9	2	(\$6,386)	(\$14,964)	7	absorbed	\$0	(\$14,964)
Year 10	2	(\$6,386)	(\$15,264)	7	absorbed	\$0	(\$15,264)

If this impact statement has changed from statements submitted in previous years, it is because the Department of Corrections (DOC) has changed the way probation and parole daily costs are calculated to more accurately reflect the way the Division of Probation and Parole is staffed across the entire state.

In December 2019, the DOC reevaluated the calculation used for computing the Probation and Parole average daily cost of supervision and revised the cost calculation to be used for 2020 fiscal notes. The new calculation estimates the increase/decrease in caseloads at each Probation and Parole district due to the proposed legislative change. For the purposes of fiscal note calculations, the DOC averaged district caseloads across the state and came up with an average caseload of 51 offender cases per officer. The new calculation assumes that an increase/decrease of 51 cases in a district would result in a change in costs/cost avoidance equal to the cost of one FTE staff person in the district. Increases/decreases smaller than 51 offenders are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases. For instances where the proposed legislation affects a less specific caseload, DOC projects the impact based on prior year(s) actual data for DOC's 44 probation and parole districts.

ASSUMPTION (continued)

The DOC cost of incarceration is \$17,496 per day or an annual cost of \$6,386 per offender. The DOC cost of probation or parole is determined by the number of P&P Officer II positions that would be needed to cover the new caseload.

Oversight assumes state agencies or state employees would not share medical marijuana user/registry information with the federal government. In addition, Oversight assumes the minimal fiscal impact incurred by the DOC for this proposal will be absorbable within current funding levels. Therefore, Oversight assumes no fiscal impact for the DOC for this fiscal note.

Oversight notes, in response to similar legislation (HCS #2 HB 1896), the **Missouri Office of Prosecution Services** stated the proposal would not have a measurable fiscal impact on their organization. However, 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. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

Oversight notes, in response to similar legislation (HCS #2 HB 1896), the **Office of State Public Defender (SPD)** stated the proposal would not have a direct fiscal impact on their organization. **Oversight** contacted SPD officials and determined the SPD assumes state agencies and employees will not be indigent and, therefore, will not require services from the SPD. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

Oversight notes, in response to similar legislation (HCS #2 HB 1896), the **Department of Health and Senior Services**, the **Department of Commerce and Insurance** and the **Office of State Courts Administrator** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Oversight notes, in response to an earlier version of HB 1896, the **Missouri Attorney General's Office** 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 in the fiscal note for this organization.

Section 195.815 - Medical Marijuana Industry Background Checks

In response to similar legislation (HCS #2 HB 1896), officials from the **Department of Public Safety (DPS)**, **Missouri State Highway Patrol (MHP)** stated the Missouri Department of Health and Senior Services (DHSS) notes there are 348 medical marijuana “facilities” and

ASSUMPTION (continued)

assumes each facility will request background checks on 10 employees. DHSS has the ability to conduct the state fingerprint portion of the employee background check requirement pursuant to the Missouri Constitution Article XIV. This legislation, if enacted and approved by the Federal Bureau of Investigation (FBI) Criminal Justice Information Law Unit (CJILU), would authorize the federal fingerprint portion of the employee background check requirement. With the estimation of 348 facilities conducting background checks on 10 employees, it is assume that \$6,960 will be deposited into the Criminal Record System Fund which includes a \$2.00 FBI fee (CJISD retains \$2.00 of the FBI fee).

The state fee for a fingerprint based criminal record check is \$20.00 per request. The federal fee for a fingerprint based criminal record check is \$13.25 per request, of which, the CJIS Division retains \$2.00. This equates to \$22 of the total state and federal fingerprint background check fee that is retained in the Criminal Record System Fund per request.

State and Federal Fingerprint Fee Schedule

State Fee = \$20.00

Federal Fee = \$13.25

Total State and Federal fee = \$33.25

Vendor Fee (if applicable) = \$8.50

Total State and Federal with Vendor fee = \$41.75

Total Retained in the Criminal Record System (CRS) Fund = \$22.00

Oversight obtained additional information from the Department of Health and Senior Services (DHSS) regarding the number of background checks that could be required as a result of this legislation. DHSS notes there are 348 medical marijuana “facilities” and assumes each facility will request background checks on 10 employees. Therefore, Oversight assumes \$76,560 (348 facilities x 10 employees x \$22/background check) will be deposited into the Criminal Record System Fund for FY 21.

Based on DHSS’ analysis, it is expected the DHSS will receive 38 to 75 background check requests per week once the industry is up and running. Therefore, for fiscal note purposes, **Oversight** will present an impact to the Criminal Records System Fund of \$43,472 (38 checks/week x 52 weeks x \$22 fee retained in CRS Fund) to \$85,800 (75 checks/week x 52 weeks x \$22 fee retained in CRS Fund) for FY 22 and FY 23.

Oversight notes, in response to similar legislation (HCS #2 HB 1896), the **Department of Health and Senior Services** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

ASSUMPTION (continued)

Section 191.775 - Prohibits Vapor Product Usage in Certain Areas

In response to similar legislation (HCS HB 1682), officials from the **Department of Elementary and Secondary Education** assumed this proposal has no direct fiscal impact on their agency.

The previous version made vaping on school property an infraction. Smoking was already an infraction, and according to the Office of State Courts Administrator (OSCA), there were only 7 cigarette smoking infractions in FY 2019. Oversight assumed adding vaping would immaterially increase the number of infractions. This version removes the infraction for both smoking and vaping. **Oversight** assumes removing the infraction altogether would immaterially reduce the number of smoking infractions, and not have a material fiscal impact.

Oversight assumes that school district policies already bar the use of vapor products on campus. Oversight notes the Kansas City Public School District, Columbia Public School District and Springfield Public School student codes of conduct already bar this behavior.

Because of a lack of contrary information, this note has a \$0 net direct fiscal impact.

Section 191.1145 - Telehealth Services

Oversight notes, in response to similar legislation (HB 2566), the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Public Safety, Missouri State Highway Patrol**, the **Department of Social Services**, the **Missouri Consolidated Health Care Plan**, the **Missouri Department of Conservation** and the **Missouri Department of Transportation** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Section 191.1160 - 21st Century Missouri Patient Education Task Force

In response to similar legislation (HB 2288), officials from the **Missouri Senate (SEN)** stated this proposal establishes the “21st Century Missouri Patient Education Task Force”. The task force is to be comprised of 5 Senators, 5 Representatives, the Governor, 4 Department Directors and 7 lay people.

The SEN assumes meetings will be held in Jefferson City during the interim. The average of the total round trip miles for current sitting senators is 32 miles and the current mileage rate, as set by the Office of Administration, is 43 cents per mile. Therefore, the SEN estimates total costs for senator mileage of \$561.

ASSUMPTION (continued)

Oversight does not have any information to the contrary. Oversight notes extrapolating the SEN's anticipated expenses to the entire task force (22 people) would total roughly \$2,500 per meeting. Oversight assumes two meeting per year for a total of \$5,000 and assume this is not a material amount and will not reflect this in the fiscal note.

In response to similar legislation (HB 2288), officials from **Legislative Research (LR)** stated the Office of Revisor believes that, due to the limitation of current staff to revision only, the use of the old language allowing the Joint Committee staff to provide support for interim and other committees refers to the Oversight Division. As such, LR assumes the proposal will have no fiscal impact on their organization.

In response to similar legislation (HB 2288), officials from the **Missouri House of Representatives (MHR)** assumed the proposal will have no fiscal impact. Either the House will absorb expenses incurred by members serving on the task force or the Senate will cover the same with its Joint Contingent Expenses appropriation.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the no impact provided by the MHR for fiscal note purposes.

Oversight notes, in response to similar legislation (HB 2288), the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Social Services**, the **Governor's Office**, the **Office of Administration** and the **Oversight Division** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Section 192.2150 - Home Delivered Meals

Oversight notes, due to time constraints, no agency responses were received for this provision. It is assumed this section will have no fiscal impact.

Section 195.030 - Waiving Registration Requirements for Temporary Health Care Facilities

Oversight assumes the provisions of this section are permissive and there will be no fiscal impact.

ASSUMPTION (continued)

Section 195.070 - Administration of Certain Controlled Substances

In response to similar legislation (HB 2512), officials from the **Department of Health and Senior Services (DHSS)** stated the proposed legislation modifies provisions relating to the administration of certain controlled substances by allowing practitioners to administer a controlled substance when it is delivered to the practitioner to administer to the patient for whom the medication is prescribed. The Division of Regulation and Licensure, Section for Health Standards and Licensure, Bureau of Narcotics and Dangerous Drugs (BNDD) is responsible for the regulation of controlled substances. The proposed legislation would require amending current rules and regulations.

It is assumed it will take a Health and Senior Services Manager (salary \$68,802) approximately 16 hours to 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 hours ÷ 2,080 hours per year = 0.01) for a total personal service cost of \$688 (\$68,802 X 0.01).

The DHSS anticipates being able to absorb these costs. However, until the FY21 budget is final, the department cannot identify specific funding sources.

Oversight does not have any information to the contrary. Oversight assumes the DHSS has sufficient staff and resources available to absorb the minimal cost associated with implementing this proposal and will reflect no impact as provided by the DHSS for fiscal note purposes.

Oversight notes, in response to similar legislation (HB 2512), the **Department of Commerce and Insurance** 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 in the fiscal note for this organization.

Section 196.1170 - Kratom Consumer Protection Act

For the purpose of this proposed legislation, officials from the **Office of State Public Defender (SPD)** stated, in response to similar legislation (Perfected HB 2061), they cannot assume that existing staff will provide effective representation for any new cases where indigent persons are charged with the proposed new crimes regarding the drug kratom. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases where the right to counsel attaches.

ASSUMPTION (continued)

Oversight notes over the last three fiscal years, the SPD has lapsed a total of \$153 of General Revenue appropriations (\$2 out of \$28.0 million in FY 2017; \$150 out of \$42.5 million in FY 2018; and \$1 out of \$46.0 million in FY 2019). Therefore, **Oversight** assumes the SPD is at maximum capacity and the increase in workload resulting from this bill cannot be absorbed within SPD's current resources.

Adding one additional Assistant Public Defender 1 (APD) with a starting salary of \$47,000, will cost approximately \$74,500 per year in personal service and fringe benefit costs. One additional APD II (\$52,000 per year; eligible for consideration after 1 year of successful performance at APD I) will cost the state approximately \$81,000 per year in personal service and fringe benefit costs. When expense and equipment costs such as travel, training, furniture, equipment and supplies are included, **Oversight** assumes the cost for a new APD could approach \$100,000 per year.

Oversight assumes the SPD cannot absorb the additional caseload that may result from this proposal within their existing resources and, therefore, will reflect a potential additional cost of (Less than \$100,000) per year to the General Revenue Fund.

In response to similar legislation (Perfectured HB 2061), officials from the **City of Kansas City** stated since this bill provides state regulation of the sale of kratom products, it may reduce gross receipts of businesses selling the project. In turn, this may result in a reduction of licensing fees, which are based on gross receipts, of an indeterminable amount to the City.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a \$0 or (Unknown) fiscal impact for local governments for fiscal note purposes.

Oversight notes, in response to similar legislation (Perfectured HB 2061), the **Missouri Office of Prosecution Services** stated the proposal would not have a measurable fiscal impact on their organization. The enactment of a new crime creates additional responsibilities for county prosecutors which may result in additional costs which are difficult to determine at the present time. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

Oversight notes, in response to similar legislation (Perfectured HB 2061), the **Department of Health and Senior Services**, the **Office of State Courts Administrator** and the **City of Springfield** each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

ASSUMPTION (continued)

Oversight notes the provisions of §196.1170.7 provides that the director may, after notice and hearing, impose a fine on a dealer who violates subdivision (1) of subsection 4, of not more than \$500 dollars for the first offense and not more than \$1,000 for the second or subsequent offense. Fine revenue is distributed to school districts. It is unknown whether there will be any fines or the amount of fine revenue that may be collected. Therefore, Oversight will range fine revenues received by school districts from \$0 to Unknown for purposes of this fiscal note.

Sections 197.305 and 197.318 - Nursing Facility Occupancy Rates

In response to similar legislation (HB 2093), officials from the **Department of Health and Senior Services (DHSS)** stated the Division of Regulation and Licensure (DRL) currently processes Certificate of Need applications. The proposed legislation will require staff to review additional information; however, this will not create a significant change to time spent on the application process and is within the normal ebb and flow of work scope for DRL, so minimal time and expense will be required to conduct the requirements of the proposed legislation.

The DHSS anticipates being able to absorb these costs. However, until the FY21 budget is final, the department cannot identify specific funding source.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect no fiscal impact for the DHSS for fiscal note purposes.

Oversight notes, in response to similar legislation (HB 2093), the **Department of Social Services** 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 in the fiscal note for this organization.

Sections 198.610 - 198.632 - Electronic Monitoring in Long-Term Care Facilities

In response to similar legislation (Perfected HCS HBs 1387 & 1482), officials from the **Department of Health and Senior Services (DHSS)** stated this legislation requires the Division of Regulation and Licensure (DRL), Section for Long-Term Care Regulation (SLCR) to create a notification and consent form for authorization of electronic monitoring to be conducted in a Skilled Nursing Facility/Intermediate Care Facility (SNF/ICF) and Residential Care Facility/Assisted Living Facility (RCF/ALF) resident's room, and to promulgate rules to adopt the form.

ASSUMPTION (continued)

It is assumed it will take a Health and Senior Services Manager (\$65,694 based on equivalent level managers in the division) approximately 200 hours to promulgate state rules, policies and procedures, and forms. Based on 2,080 working hours per year, this would require 0.1 FTE to assume these duties (200 hours / 2,080 hours per year = 0.1) for a total personal service cost of \$6,569 ($\$65,694 \times 0.1$) in FY21. The DHSS anticipates being able to absorb these costs. However, until the FY21 budget is final, the department cannot identify specific funding sources.

There are 520 SNF/ICF and 653 RCF/ALF in Missouri. It is assumed it will take a Facility Advisory Nurse II (\$49,329 based on the average starting salary of a Facility Advisory Nurse II) approximately one-half hour per facility to include the additional survey process changes of ensuring facilities comply with the provisions of this legislation for a total of 587 hours ($520 + 653 \times 0.5 = 587$). Based on 2,080 working hours per year, this would require 0.28 FTE ($587 \text{ hours} / 2,080 \text{ hours per year} = 0.28$) to assume these duties for a total personal service annual cost of \$13,812 ($\$49,329 \times 0.28$). DRL, SLCR employs approximately 200 survey staff. The DHSS anticipates being able to absorb these costs. However, until the FY21 budget is final, the department cannot identify specific funding sources.

SLCR is unable to determine the number of electronic monitoring notification and consent forms that may be completed and signed by residents or tapes and recordings submitted under a complaint investigation. It is estimated the number could range from zero to more than 2,000. At the higher range, one Health and Senior Services Manager and one Health Program Representative II would be needed to handle the requirements of this legislation.

One Health and Senior Services Manager (\$65,694 based on equivalent level managers in the division with pay plan) will be needed to coordinate receipt of tapes or recordings and provide technical assistance to facilities concerning forms and electronic monitoring.

One Health Program Representative II (\$37,070 based on the average starting salary in the division with pay plan) will be responsible for the collection of notification and consent data.

DHSS estimates a fiscal impact to the General Revenue Fund of (\$196,748) for FY 21; (\$199,586) for FY22; and (\$201,675) for FY23.

Oversight notes the DHSS, SLCR is unable to determine the number of electronic monitoring notification and consent forms that may be completed and signed by residents or tapes and recordings submitted under a complaint investigation. It has been assumed that at the higher range estimated (up to 2,000), DHSS will need 2 additional FTE. Oversight assumes the DHSS could meet the requirements of this proposal with 1 FTE Health and Senior Services Manager

ASSUMPTION (continued)

until better information is obtained. Therefore, for fiscal note purposes, Oversight will range DHSS personal service costs from 1 FTE Senior Services Manager to the personal service costs estimated for 2 FTE.

Oversight notes DHSS assumes it will need a total of 2 new FTE as a result of the provisions of this proposal. Based on DHSS' response that new FTE would be located in Jefferson City, it is assumed the additional FTE can be housed within current DHSS locations. However, if multiple proposals pass during the legislative session requiring additional FTE, cumulatively the effect of all proposals passed may result in the DSS needing additional rental space.

In addition, **Oversight** notes the additional partial FTE expenses calculated by DHSS are assumed to be absorbable by the department.

In response to similar legislation (Perfect HCS HBs 1387 & 1482), officials from the **Department of Public Safety (DPS), Missouri Veterans Commission (VET)** assumed the provisions of this proposal will require:

\$80,000 for hardware for a 150-bed home (4 homes); \$106,400 in hardware for a 200-bed home (2 homes; 33% increase from 150-bed home); and \$127,680 for hardware for the home in St. Louis (25% increase from 200-bed home) for a total of \$660,480 for hardware costs to update veterans homes.

It is estimated an average cost per home for inside wiring of \$20,000 or \$140,000 (7 homes total).

In addition, maintenance and upkeep is assumed to require 1 additional FTE Maintenance Worker II per home (7 FTE; \$30,000 annually each). Fringe benefits are assumed to be \$15,000 per FTE.

Additional electric costs are estimated to be \$300 annually per resident at 1,238 beds or approximately \$371,400 annually.

Finally, the VET estimates if infrastructure is not in place, it will cost an additional \$60,000 per home for infrastructure upgrades.

The VET estimates a fiscal impact for this proposal of approximately \$2.1 million to the Veterans Commission Capital Improvement Trust Fund for FY21; \$585,000 for FY22; and \$589,000 for FY23.

ASSUMPTION (continued)

Oversight notes the provisions of §198.622.6 provide that the resident or the resident's guardian/legal representative shall pay all costs associated with conducting electronic monitoring, including equipment installation and equipment maintenance, except for the costs of electricity. In addition, §198.622.9 provides that a facility shall not be required to provide internet service or network access for any electronic monitoring device.

Oversight assumes the DPS, VET would not be required to update its facilities to provide internet service/WiFi for residents as all costs (including buying WiFi hot spot services) is to be borne by the resident or the resident's guardian/legal representative, except electricity. Therefore, Oversight assumes the DPS, VET would not incur any costs associated with this proposal.

Oversight notes the stated responsibilities of the facility (in §198.622.5) include:

1. Providing a reasonable secure place to mount the monitoring device; and
2. Providing access to power sources

Oversight assumes the facilities would not have to provide the mounting brackets, only a reasonably secure place for the monitoring device to be monitored. Oversight also assumes the additional electricity costs from these devices would be minimal.

Section 198.630 - Sanctions/Penalties

Oversight notes the provisions of §198.630.1 allow the department to impose sanctions against an administrator of a facility who knowingly violates provisions of the proposal. In addition, provisions of §198.630.2 provide that the department may (permissive) impose administrative penalties against a facility that violates provisions of the proposal. The amount of the sanctions/administrative penalties is not provided. Oversight further notes that penalties are distributed to school districts. Since it is unknown whether the department will impose sanctions/administrative penalties or the amount that may be collected, Oversight will not present penalties for fiscal note purposes.

Section 198.632 - Class B Misdemeanor

For the purpose of this proposed legislation, officials from the **Office of State Public Defender (SPD)** stated, in response to similar legislation (Perfected HCS HBs 1387 & 1482), they cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crimes where indigent persons are charged with the proposed new crime of intentionally hampering, obstructing, tampering with, or

ASSUMPTION (continued)

destroying a monitoring device or a recording made by a monitoring device installed in a facility would be a new class B Misdemeanor. The Missouri State Public Defender System is currently providing legal representation in caseloads in excess of recognized standards.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation in all cases where the right to counsel attaches.

Oversight notes over the last three fiscal years, the SPD has lapsed a total of \$153 of General Revenue appropriations (\$2 out of \$28.0 million in FY 2017; \$150 out of \$42.5 million in FY 2018; and \$1 out of \$46.0 million in FY 2019). Therefore, **Oversight** assumes the SPD is at maximum capacity and the increase in workload resulting from this bill cannot be absorbed within SPD's current resources.

Adding one additional Assistant Public Defender 1 (APD) with a starting salary of \$47,000, will cost approximately \$74,500 per year in personal service and fringe benefit costs. One additional APD II (\$52,000 per year; eligible for consideration after 1 year of successful performance at APD I) will cost the state approximately \$81,000 per year in personal service and fringe benefit costs. When expense and equipment costs such as travel, training, furniture, equipment and supplies are included, **Oversight** assumes the cost for a new APD could approach \$100,000 per year.

Oversight assumes the SPD cannot absorb the additional caseload that may result from this proposal within their existing resources and, therefore, will reflect a potential additional cost of (Less than \$100,000) per year to the General Revenue Fund.

Oversight notes, in response to similar legislation (Perfectured HCS HBs 1387 & 1482), the **Missouri Office of Prosecution Services** stated the proposal would not have a measurable fiscal impact on their organization. The creation of additional responsibilities for county prosecutors may result in additional costs which are difficult to determine at the present time. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note for this organization.

Oversight notes, in response to similar legislation (Perfectured HCS HBs 1387 & 1482), the **Missouri Attorney General's Office**, the **Department of Corrections**, the **DPS**, **Missouri State Highway Patrol** and the **Office of State Courts Administrator** stated the proposal would not have a direct fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note for these organizations.

ASSUMPTION (continued)

Section 208.175 - Drug Utilization Review Board

In response to similar legislation (HB 2305), officials from the **Governor's Office** stated, §208.175 describing the Drug Utilization Review Board and its membership made up of gubernatorial appointments, is amended.

There should be no added cost to the Governor's Office as a result of these measures.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the no fiscal impact assumed by the Governor's Office for fiscal note purposes.

Oversight notes, in response to similar legislation (HCS HB 2305), the **Department of Commerce and Insurance**, the **Department of Social Services** and the **Missouri Senate** each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

Section 208.895 - Home- and Community-Based Assessments

Oversight notes the provisions of this proposal removes "face-to-face" from the definition of "Assessment". Oversight assume no fiscal impact.

Section 302.205 - Medical Alert Notifications on Driver's Licensed/Non-Drivers Identification Card

In response to similar legislation (Perfected HCS HB 1334), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

Administrative Impact

The proposed legislation would require the Department to work with our license issuance vendor to modify the card design for driver license and nondriver identification card printing to include a medical notation for specific medical conditions, illnesses, and disorders. The current card format does not have the available space to allow for a string of information as it appears to be required by the proposed language. Redesigning the card to allow this additional notation may require reduction of important license restriction information or the card may not comply with the 2016 Card Design Standards. DOR would need to:

ASSUMPTION (continued)

- Work with the driver license issuance vendor to modify driver license and nondriver license card design to allow for placement of the proposed data string detailing the requested medical notation;
- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) issuance system, the Central Driver Information System (CDIS), and the Missouri Driver License System (MODL) in relation to the medical alert notation;
- Complete programming and user acceptance testing of the Missouri Electronic Driver License (MEDL) issuance system and supporting applications;
- Submit a change request to the current license vendor to modify the fillable donor information section on the back of the driver license and nondriver identification card and request a placeholder for a medical information notations;
- Complete testing with factory print facility for data changes and card design changes for the new medical alert notation;
- Update forms, manuals, correspondence letters, and the Department website;
- Create a new application form for applicants to request a medical notation, including the waiver and space for the physician's sworn statement;
- Update the mail-in application forms for military renewal application;
- Update the on-line and printed versions of the Missouri Driver Guide, Missouri Motorcycle Guide and Commercial Driver License Manual;
- Update policies, procedures, and the Uniform License Issuance Manual (ULIM); and
- Train staff.

Administrative Impact (continued)

FY 2021 - Driver License Bureau

Administrative Analyst II	1,192 hrs. @ \$17.13 per hr.	= \$20,419
Management Analysis Spec II	2,032 hrs. @ \$20.57 per hr.	= \$41,798
Revenue Manager	240 hrs. @ \$20.59 per hr.	= \$ 4,942
Total		= \$67,159

FY 2021 - Personnel Services Bureau

Administrative Analyst III	120 hrs. @ \$19.80 per hr.	= \$2,376
Management Analysis Spec I	120 hrs. @ \$18.42 per hr.	= \$2,210
Total		= \$4,586

FY 2022 - Driver License Bureau

Administrative Analyst II	40 hrs. @ \$17.13 per hr.	= \$ 685
Management Analysis Spec II	40 hrs. @ \$20.57 per hr.	= \$ 823
Revenue Manager	20 hrs. @ \$20.59 per hr.	= \$ 412
Total		= \$1,920

Total Costs = **\$73,665**

ASSUMPTION (continued)

Oversight assumes DOR may hire additional staff due to the amount of hours required to implement this proposal. However, DOR also may handle this internal work without seeking additional appropriation authority. Oversight assumes DOR may hire two additional FTE to staff for the two positions listed above that are anticipated to need over 1,080 hours of work. Therefore, Oversight will range the fiscal impact to DOR from \$0 (work hours specified above will be handled by existing staff with no actual additional state expenditures) to an additional 2 FTE for FY 2021 (\$110,089 when including fringe benefits) only.

DOR notes:

License Vendor Cost FY 2021

Due to the extensive changes that may be required to add this variable notation, the estimated one-time cost for the vendor card redesign development, testing, and implementation is **\$75,000**.

Oversight does not have any information to the contrary in regards to DOR's assumptions regarding vendor costs; therefore, Oversight will reflect DOR's vendor costs on the fiscal note.

DOR notes OA-ITSD states services will be required at a cost of **\$91,125** (959 hours x \$95 per hour) in FY 2021 to implement these changes.

Oversight notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed to the MEDL, MODL, and CDIS systems. ITSD estimates the project would take 959 hours at a contract rate of \$95 per hour for a total cost to the state of \$91,125. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill. However, for fiscal note purposes, Oversight will reflect the cost of **\$91,125** as indicated by OA-ITSD and DOR.

In response to similar legislation (Perfecting HCS HB 1334), officials from the **Department of Transportation** and **Department of Public Safety, Missouri Highway Patrol (MHP)** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to similar legislation (HB 1334), officials from the **Department of Health and Senior Services** assumed the proposal would have no fiscal impact on their organization.

Oversight notes that the agencies mentioned above 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.

ASSUMPTION (continued)

Sections 332.181, 332.261, 334.036, 334.075, 334.150, 334.507, 336.080, and 337.050 - Continuing Education Requirements for Certain Professionals

In response to similar legislation (HCS HB 1995), officials from the **Department of Commerce and Insurance** and the **Department of Health and Senior Services** each assumed the proposal will have no fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Section 334.1000 - Radiologic Licensing

In response to similar legislation (HB 2431), officials from the **Department of Commerce and Insurance (DCI)** assumed the following:

Licensee/Revenue

29,000	Estimated Licensees (US Labor census)
\$80.00	Initial License Fee
\$80.00	Renewal License Fee
Biennial	Renewal Cycle

- In the current language of this proposed legislation, Professional Registration assumes radiologists will register with the department according to the provisions of section 334.1000.
- Projected revenue reflects fees collected for all categories of licensure
- A 3% growth rate has been estimated (870 additional initial licensees)
- It is estimated that the collection of initial license fees will begin in FY 2022 and renewal fees will not be collected until FY 2024
- If the number of licensees largely vary from the number estimated above, the licensure fees will be adjusted accordingly

DCI estimates a total revenue of \$2,320,000 (29,000 licensees * \$80 fee) in FY 2022 and \$69,600 (870 licensees * \$80 fee) in FY 2023.

The following board-specific expenses are being calculated to determine the additional appropriation needed by the division to support the board and to assist in calculating the anticipated license and renewal fees.

ASSUMPTION (continued)

Staffing

1 Legal counsel (\$68,610/annually) is needed to work with establishing rules for licensure and enforcement and as well as answering questions regarding applications and litigating cases before the board and the administrative hearing commission (AHC).

1 Paralegal (\$39,246/annually) is needed to assist legal counsel with litigation preparation and drafting rules.

4 Processing Technician II (\$30,089/annually) needed to provide technical support, process applications for licensure, and respond to inquiries related to the licensure law and/or rules and regulations.

1 Investigator II (\$39,246/annually) needed to conduct investigations and inspections, serve notices, and gather information required by the board.

7 Board Member Per Diem. Board members receive a \$70 per diem and board meeting are for 1 day and occur 4 times a year. ($70 \times 1 \times 4 = \$280$) ($280 \times 7 = \$1,960$.)

Complaints and Investigations

It is estimated the board will receive approximately 126 complaints. The division does not anticipate receiving any complaints until FY 2022. It is estimated 30% of the complaints filed will require field investigations with 50% requiring overnight travel. A car is needed to conduct investigations and will need to be eventually replaced based upon usage. Therefore, the vehicle cost is considered an ongoing expense and appropriation need.

In summary, DCI assumes a cost of \$1,080,702 in FY 2021, \$823,251 in FY 2022 and \$836,299 in FY 2023 to the Board of Regulation for Healing Arts Fund to provide for the implementation of the changes in this proposal.

Oversight assumes revenue generated as a result of this proposal will be deposited into the Radiologic Imaging and Radiation Therapy Fund. Oversight also assumes any cost to the Board of Regulation for Healing Arts Fund will be reimbursed by the Radiologic Imaging and Radiation Therapy Fund. Since the Radiologic Imaging and Radiation Therapy Fund is a newly created fund, Oversight will not reflect a transfer of cost to the Regulation for Healing Arts Fund in FY 2021.

ASSUMPTION (continued)

Oversight notes that the Board of Registration for the Healing Arts Fund has a balance of \$10,331,634 as of March 31, 2020. Oversight assumes the fund balance will be sufficient to cover the cost of this proposal in FY 2021 (as no fees will be collected until FY 2022).

In response to a similar proposal from this year (HB 2431), officials from the **Department of Health and Senior Services** assumed the proposal will have no 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.

Section 334.1005 - Radiologic Imaging Procedures

Oversight notes, in response to similar legislation (SB 1032), the **Department of Commerce and Insurance** 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 in the fiscal note for this organization.

Sections 338.013 and 338.200 - Pharmacy Technicians From Other States to Practice During State of Emergency

Oversight assumes the provisions of these sections will have no fiscal impact.

Section 376.455 - Opt-Out Patient Consent

In response to similar legislation (HB 2464), officials from the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Department of Social Services**, the **Attorney General's Office**, the **Office of the State Courts Administrator**, the **Office of Administration**, the **Department of Transportation**, the **Missouri Department of Conservation** and the **Missouri Consolidated Health Care Plan** each assumed 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.

Section 376.1345 - Withhold/Recoupment of Insurance Overpayments

In response to similar legislation (HCS HB 1697), officials from the **Department of Commerce and Insurance**, the **Missouri Consolidated Health Care Plan**, the **Department of Transportation**, the **Office of Administration** and the **Missouri Department of Conservation** each assumed the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

In response to previous legislation (HB 1697), officials from the **Department of Social Services** assumed the proposal would have no fiscal impact on their organization.

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.

In response to similar legislation (HCS HB 1697), officials from the **Department of Public Safety, Missouri Highway Patrol** deferred to the Department of Transportation to estimate the fiscal impact of the proposed legislation on their organization.

Section 376.1590 - Insurance for Living Organ Donors

In response to similar legislation (HCS HB 1709), officials from the **Department of Health and Senior Services (DHSS)** stated that this proposal requires the Department of Health and Senior Services to make materials provided to it by a "recognized live organ donation organization" available to the public. The department assumes that the materials being made available to the public under Section 376.1600.3 would be made available electronically on the Organ and Tissue Donor Program web pages. Placing educational materials on the Organ and Tissue Donor Program web pages is a part of the normal ebb and flow of current work by staff.

Therefore, the Department anticipates being able to absorb these costs. However, until the FY21 budget is final, the Department cannot identify specific funding sources.

Oversight notes that the DHSS has stated their agency anticipates being able to absorb cost related to the proposal. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

In response to similar legislation (HCS HB 1709), officials from the **Department of Commerce and Insurance (DCI)** assumed the proposal will have no fiscal impact on their organization.

Oversight notes that the DCI has 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.

ASSUMPTION (continued)

Sections 579.040 and 579.076 - Entities exempted from unlawful delivery/manufacture of drug paraphernalia

In response to similar legislation (Perfected HB 1486), officials from the **Department of Health and Senior Services (DHSS)** stated the proposed legislation would require any entity that possesses, distributes, or delivers hypodermic needles or syringes for the purpose of operating a syringe exchange program or mitigating health risks that are associated with unsterile drug use to register with the DHSS. The proposed legislation would also not allow a registered entity to be within five hundred feet of any school building, unless it was in operation prior to the school building. DHSS would be responsible for registering entities, and it is assumed that DHSS would also be responsible for ensuring that the entity was not within five hundred feet of a school as part of the registration process. The duties associated with the registration of entities would require an additional 50 hours per year by a Health Program Representative, which would be a total cost of \$1,025.50 annually. (HPR average salary \$42,665 and average hourly salary of \$20.51 X 50 hours = \$1,025.50).

The department anticipates being able to absorb these costs. However, until the FY21 budget is final, the department cannot identify specific funding sources.

Oversight does not have any information to the contrary. Oversight assumes the DHSS has sufficient staff and resources to perform the additional work required by this proposal and will reflect no fiscal impact for the DHSS for fiscal note purposes.

Oversight notes, in response to similar legislation (Perfected HB 1486), the **Missouri Office of Prosecution Services** stated the proposal would not have a measurable fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

In response to similar legislation (HB 1486), officials from the **Cooper County Public Health Center** assumed unknown revenues and savings, as well as unknown costs and potential losses, related to this proposal.

Oversight notes the Cooper County Public Health Center did not elaborate on the unknown fiscal impact of this proposal and did not provide any additional follow-up information. Therefore, Oversight assumes the Cooper County Public Health Center's unknown revenues/savings and unknown costs/losses will be minimal and absorbable within current funding levels and no fiscal impact will be assumed for fiscal note purposes.

ASSUMPTION (continued)

Oversight notes, in response to similar legislation (Perfecting HB 1486), the **Department of Public Safety, Director's Office** and the **Office of State Courts Administrator** each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these organizations.

In response to similar legislation from the current session (SB 668), officials from the **Columbia/Boone County Department of Public Health and Human Services** stated the proposal would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this organization.

Bill as a Whole

In response to legislation with similar rules language, officials from the **Joint Committee on Administrative Rules (JCAR)** have stated the legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

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

In response to legislation with similar rules language, officials from the **Office of Secretary of State (SOS)** have stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 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, 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, 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.

FISCAL IMPACT -
State Government

Fully
 Implemented
 (FY 2024)

GENERAL
REVENUE FUND

Revenue Reduction -
 Transfer Out - Tax
 credits to physicians
 providing
 preceptorships
 (§135.690) p. 12

	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
	\$0	\$0 to (\$59,000)	\$0 to (\$74,000)	\$0 to (\$74,000)

Revenue Reduction -
 Tax deduction for
 contributions made
 to Long-Term
 Dignity Savings
 Account
 (§143.1160)
 p. 16 & 19

	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
	\$0	Less than or More than (\$5,410,876)	Less than or More than (\$5,308,784)	Less than or More than (\$5,206,692)

Revenue Gain -
 Transfer In -
 Reimbursement of
 tax credit cost from
 the Medical
 Preceptor Fund
 (§135.690) p. 12

	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
	\$0	\$0 to \$59,000	\$0 to \$74,000	\$0 to \$74,000

Cost - DESE -
 revising Health
 Learning Standards
 (§160.514) p. 20

	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
	(\$33,000)	\$0	\$0	\$0

Costs - DHSS - H&I
 employee and
 benefits for
 Alzheimer's State
 Plan Task Force
 (§191.116) p. 24

	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
	(\$14,778)	\$0	\$0	\$0

FISCAL IMPACT -
State Government

Fully
 Implemented
 (FY 2024)

**GENERAL
 REVENUE FUND**
 (continued)

Costs - DHSS

(§192.2000) p.25

	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
Personal service	(\$238,728)	(\$272,700)	(\$275,427)	(\$278,181)
Fringe benefits	(\$191,430)	(\$159,684)	(\$160,589)	(\$161,504)
Expense and equipment	<u>(\$32,623)</u>	<u>(\$31,734)</u>	<u>(\$32,527)</u>	<u>(\$33,340)</u>
Total <u>Costs - DHSS</u>	<u>(\$462,781)</u>	<u>(\$464,118)</u>	<u>(\$468,543)</u>	<u>(\$473,025)</u>
FTE Change - DHSS	6 FTE	6 FTE	6 FTE	6 FTE

Costs - SPD -

Increase in personal
 service, fringe
 benefits and other
 costs from new
 crime (§196.1170)
 p. 32

(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
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Costs - DHSS

(§§198.610 -
 198.632) p. 34 & 35

Personal service	(\$54,745 to \$85,637)	(\$66,351 to \$103,792)	(\$67,014 to \$104,830)	(\$67,685 to \$105,878)
Fringe benefits	(\$27,781 to \$47,640)	(\$31,635 to \$53,669)	(\$31,855 to \$54,014)	(\$32,078 to \$54,362)
Expense and equipment	<u>(\$7,287 to \$19,588)</u>	<u>(\$6,183 to \$12,367)</u>	<u>(\$6,339 to \$12,676)</u>	(\$6,497 to \$12,993)
Total <u>Costs - DHSS</u>	<u>(\$89,813 to \$152,865)</u>	<u>(\$104,169 to \$169,828)</u>	<u>(\$105,208 to \$171,520)</u>	<u>(\$106,260 to \$173,233)</u>
FTE Change - DHSS	1 to 2 FTE	1 to 2 FTE	1 to 2 FTE	1 to 2 FTE

FISCAL IMPACT -
State Government

Fully
 Implemented
 (FY 2024)

**GENERAL
 REVENUE FUND**
 (continued)

Costs - SPD -

Personnel services,
 fringe benefits and
 equipment and
 expense (§198.632)
 p. 37

(Less than
 \$100,000)

(Less than
 \$100,000)

(Less than
 \$100,000)

(Less than
 \$100,000)

Cost - DOR -

(§302.205) p. 40
 Administrative costs
 (ranged from using
 existing staff to
 hiring two (2)
 additional FTE for
 FY 2021)

\$0 to (\$110,089)

\$0

\$0

\$0

FTE Change -
 DOR

0 or 2 FTE

0 FTE

0 FTE

0 FTE

Cost - DOR -

Vendor cost for card
 redesign (§302.205)
 p. 40

(\$75,000)

\$0

\$0

\$0

Cost - DOR - OA-

ITSD costs
 (§302.205) p. 40

(\$91,125)

\$0

\$0

\$0

**ESTIMATED NET
 EFFECT ON THE
 GENERAL
 REVENUE FUND**

Could be less
 than or exceed
(\$766,497 to
\$1,139,638)

Could be less
 than or exceed
(\$5,979,163 to
\$6,244,822)

Could be less
 than or exceed
(\$5,882,535 to
\$6,148,847)

Could be less
 than or exceed
(\$5,785,977 to
\$6,052,950)

Estimated Net FTE
 Change on the
 General Revenue
 Fund

7 to 10 FTE

7 to 8 FTE

7 to 8 FTE

7 to 8 FTE

FISCAL IMPACT -
State Government

Fully
 Implemented
 (FY 2024)

**VETERANS
 COMMISSION
 CAPITAL
 IMPROVEMENTS
 TRUST FUND
 (0304)**

FY 2021 FY 2022 FY 2023

Cost - VET
 (§42.145) Issuance
 of residential care
 vouchers p. 7

<u>Up to or could</u> <u>exceed</u> <u>(\$10,914,960)</u>	<u>Up to or could</u> <u>exceed</u> <u>(\$10,914,960)</u>	<u>Up to or could</u> <u>exceed</u> <u>(\$10,914,960)</u>	<u>Up to or could</u> <u>exceed</u> <u>(\$10,914,960)</u>
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**ESTIMATED NET
 EFFECT ON THE
 VETERANS
 COMMISSION
 CAPITAL
 IMPROVEMENTS
 TRUST FUND**

<u><u>Up to or could</u></u> <u><u>exceed</u></u> <u><u>(\$10,914,960)</u></u>	<u><u>Up to or could</u></u> <u><u>exceed</u></u> <u><u>(\$10,914,960)</u></u>	<u><u>Up to or could</u></u> <u><u>exceed</u></u> <u><u>(\$10,914,960)</u></u>	<u><u>Up to or could</u></u> <u><u>exceed</u></u> <u><u>(\$10,914,960)</u></u>
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FISCAL IMPACT -
State Government

Fully
 Implemented
 (FY 2024)

	FY 2021	FY 2022	FY 2023	
MEDICAL PRECEPTOR FUND				
<u>Revenue Gain -</u> (§135.690) p. 12				
Transfer In - Increase in license fee for physicians, surgeons and physician assistants	\$0	Up to \$203,051	Up to \$203,051	Up to \$203,051
<u>Cost -DCI -</u> Administration of tax credit program (§135.690) p. 8 & 9				
Personal Services	\$0	\$0 to (\$73,626)	\$0 to (\$75,106)	\$0 to (\$75,857)
Fringe Benefits	\$0	\$0 to (\$47,491)	\$0 to (\$47,983)	\$0 to (\$48,232)
Equipment and Expense	<u>\$0</u>	<u>\$0 to (\$22,930)</u>	<u>\$0 to (\$5,110)</u>	<u>\$0 to (\$5,238)</u>
Total <u>Cost - DCI</u>	<u>\$0</u>	<u>\$0 to (\$144,047)</u>	<u>\$0 to (\$128,199)</u>	<u>\$0 to (\$129,327)</u>
FTE Change - DCI	0 FTE	0 to 2 FTE	0 to 2 FTE	0 to 2 FTE
<u>Revenue Reduction -</u> Transfer Out - Reimbursement of GR for cost of tax credits to physicians providing preceptorships (§135.690) p. 12	\$0	\$0 to (\$59,000)	\$0 to (\$74,000)	\$0 to (\$74,000)
ESTIMATED NET EFFECT ON MEDICAL PRECEPTOR FUND	<u>\$0</u>	<u>\$4 to \$203,051</u>	<u>\$852 to \$203,051</u>	<u>(\$276) to \$203,051</u>
Estimated Net FTE Change on the Medical Preceptor Fund	0 FTE	0 to 2 FTE	0 to 2 FTE	0 to 2 FTE

FISCAL IMPACT -
State Government

Fully
 Implemented
 (FY 2024)

FY 2021 FY 2022 FY 2023

**COLLEGES AND
 UNIVERSITIES**

Costs - Colleges and
 Universities
 (§190.092) - AED
 maintenance and
 upkeep p. 22

\$0 or (Unknown) \$0 or (Unknown) \$0 or (Unknown) \$0 or (Unknown)

**ESTIMATED NET
 EFFECT ON
 COLLEGES AND
 UNIVERSITIES**

\$0 or
(Unknown) \$0 or
(Unknown) \$0 or
(Unknown) \$0 or
(Unknown)

**CRIMINAL
 RECORD
 SYSTEM FUND
 (0671)**

Income - DPS, MHP
 (§195.815) -
 Increase in
 background check
 fees p. 28

\$76,560 \$43,472 to
\$85,800 \$43,472 to
\$85,800 \$43,472 to
\$85,800

**ESTIMATED NET
 EFFECT ON THE
 CRIMINAL
 RECORD
 SYSTEM FUND**

\$76,560 \$43,472 to
\$85,800 \$43,472 to
\$85,800 \$43,472 to
\$85,800

FISCAL IMPACT -
State Government

Fully
 Implemented
 (FY 2024)

**BOARD OF
 REGULATION
 FOR HEALING
 ARTS FUND
 (0634)**

Transfer In - from
 the Radiologic
 Imaging and
 Radiation Therapy
 Fund (§334.1000) p.
 41 & 42

	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
	\$0	\$823,251	\$836,299	\$861,388

Cost - DCI
 (§334.1000)
 p. 41 & 42

Salaries	(\$227,427)	(\$275,641)	(\$278,398)	(\$281,182)
Fringe benefits	(\$142,729)	(\$172,180)	(\$173,096)	(\$174,021)
Expense and equipment	(\$425,005)	(\$82,751)	(\$84,810)	(\$86,930)
Other fund cost	(\$285,541)	(\$292,679)	(\$299,995)	(\$307,495)
Total Cost - DCI	(\$1,080,702)	(\$823,251)	(\$836,299)	(\$849,628)
FTE Change - DCI	7 FTE	7 FTE	7 FTE	7 FTE

**ESTIMATED NET
 EFFECT ON THE
 BOARD OF
 REGULATION
 FOR THE
 HEALING ARTS
 FUND**

	<u>(\$1,080,702)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$11,760</u>
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Estimated Net FTE
 Change on the Board
 of Regulation for the
 Healing Arts Fund

	7 FTE	7 FTE	7 FTE	7 FTE
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FISCAL IMPACT -
State Government

	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
RADIOLOGIC IMAGING AND RADIATION THERAPY FUND				
<u>Revenue - DIFP</u> §334.1000 - \$80 License & Renewal Fee (biennial) p. 41 & 42	\$0	\$2,320,000	\$69,600	\$2,320,000
<u>Transfer Out - to the Board of Regulation for Healing Arts Fund (§334.1000) p. 41 & 42</u>	<u>\$0</u>	<u>(\$823,251)</u>	<u>(\$836,299)</u>	<u>(\$861,388)</u>
ESTIMATED NET EFFECT TO THE RADIOLOGIC IMAGING AND RADIATION THERAPY FUND	<u>\$0</u>	<u>\$1,496,749</u>	<u>(\$766,699)</u>	<u>\$1,458,612</u>

FISCAL IMPACT -
Local Government

	FY 2021	FY 2022	FY 2023	Fully Implemented (FY 2024)
LOCAL GOVERNMENTS				
<u>Income - School Districts</u> (\$196.1170) - Fine income p. 33	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL IMPACT -
 Local Government

Fully
 Implemented
 (FY 2024)

FY 2021 FY 2022 FY 2023

**LOCAL
 GOVERNMENTS**
 (continued)

Cost - Teaching
 materials and/or
 training (§160.514)
 p. 20

\$0 \$0 to (Unknown) \$0 to (Unknown) \$0 to (Unknown)

Costs - All Local
 Governments
 (§190.092) - AED
 maintenance and
 upkeep p. 21

(Unknown) (Unknown) (Unknown) (Unknown)

Reduction in
 Revenue - Cities
 (§196.1170) -
 Reduction of
 licensing fees p. 32

\$0 or
 (Unknown) \$0 or
 (Unknown) \$0 or
 (Unknown) \$0 or
 (Unknown)

**ESTIMATED NET
 EFFECT ON
 LOCAL
 GOVERNMENTS**

(Unknown) to (Unknown) to (Unknown) to (Unknown) to
Unknown Unknown Unknown Unknown

FISCAL IMPACT - Small Business

Small business residential care facilities could be positively impacted by this proposal. (Section 42.145)

This proposal may have a fiscal impact on small business deciding to have an AED on the premises. (Section 190.092)

This proposal will negatively impact small businesses in the medical marijuana industry if they pay the background check fees for potential employees. (Section 195.815)

FISCAL IMPACT - Small Business (continued)

This proposal could have a negative fiscal impact for small businesses that sell kratom products. In addition, small businesses who violate provisions of this bill may be subject to fines. (Section 196.1170)

This proposal may impact small business long-term care facilities as they may incur additional work related to gathering/maintaining the additional forms/authorizations required, making facility modifications to accommodate equipment and incur increased electricity costs resulting from the additional equipment. (Sections 198.610 - 198.632)

This proposal could have a fiscal impact on Radiologic Imaging and radiation therapy small businesses. (Section 334.1000)

FISCAL DESCRIPTION

This bill authorizes any veteran who is approved for admission into a Missouri veterans home, but has not been admitted due to a lack of vacancy, to receive a voucher from the state for an amount that is equal to the average cost to the state to house one veteran for one month in a Missouri veterans home.

The voucher will be used to pay for the costs of being housed at a skilled nursing facility. The voucher will be issued on a monthly basis by the Missouri Veterans Commission as long as the veteran can pay for room and board at a facility in a timely manner.

Issuance of a voucher will not affect any eligible veteran's position for placement in a Missouri veterans home. (Section 42.145)

Beginning January 1, 2021, this bill creates a tax credit for any community-based faculty preceptor, as defined in the bill, who serves as the community-based faculty preceptor for a medical student core preceptorship or a physician assistant student core preceptorship, as defined in the bill. The amount of the tax credit will be worth \$1000 for each preceptorship, up to a maximum of \$3000 per tax year, if he or she completes up to three preceptorship rotations during the tax year and did not receive any direct compensation for the preceptorships. To receive the credit, a community-based faculty preceptor must claim the credit on his or her return for the tax year in which he or she completes the preceptorship rotations and must submit supporting documentation as prescribed by the Division of Professional Registration within the Department of Commerce and Insurance.

FISCAL DESCRIPTION (continued)

This tax credit is nonrefundable, cannot be carried forward or carried back, transferred, assigned or sold. No more than 200 preceptorship tax credits will be authorized for any one calendar year and will be awarded on a first-come, first-served basis, capped at a total amount of \$200,000 per year. However, to the greatest extent possible, community-based faculty preceptors who provide preceptorships in rural areas of Missouri will be given first priority for awards of the tax credit.

Additionally, this bill creates a "Medical Preceptor Fund" which is funded from a license fee increase of \$7 per license for physicians and surgeons and from a license fee increase of \$3 per license for physician assistants. This will be a dedicated fund designed to fund additional tax credits that may exceed the established cap of \$200,000 per year.

The Division of Professional Registration will administer the tax credit and each taxpayer claiming a tax credit must file an affidavit with his or her income tax return, affirming that he or she is eligible for the tax credit. Additionally, the Department of Commerce and Insurance and the Department of Revenue will jointly promulgate rules to implement the provisions of this bill. (Section 135.690)

This act establishes the "Long-Term Dignity Act". Beginning January 1, 2021, an individual may open a long-term dignity savings account and designate the account to be used to pay a designated qualified beneficiary's eligible long-term care expenses. This act creates an income tax deduction for contributions to a long-term dignity savings account in the amount of 100% of the contribution, not to exceed the taxpayer's Missouri adjusted gross income for the tax year the deduction is claimed and not to exceed \$4,000 for an individual or \$8,000 for married individuals filing jointly. Moneys withdrawn from the account shall be subject to recapture and the account holder subject to a penalty if it has been less than one year since the first deposit in the account or the moneys have been used for any purpose not specified in the act. (Section 143.1160 and 191.1604)

The income tax deduction created by this act shall sunset December 31, 2024, unless reauthorized by the General Assembly. (Section 143.1160)

This bill requires the State Board of Education to amend the existing health or physical education academic performance standards, learning standards, and curriculum frameworks to include instruction on the use and effect of vapor products as defined in Section 407.925 RSMo. (Section 160.514)

The bill states that a person or entity that acquires an automated external defibrillator (AED) shall: (1) Comply with regulations regarding the placement of the AED; (2) Notify an agent of the local EMS agency of the AED and the AED's location; (3) Ensure that the AED is maintained

FISCAL DESCRIPTION (continued)

and tested according to the guidelines set forth by the manufacturer; (4) Ensure that the AED is tested at least biannually and after each use; and (5) Ensure that an inspection is made of all AEDs at least every 90 days. (§190.092)

Any training or course in cardiopulmonary resuscitation shall also include instruction in the proper use of automated external defibrillators. The training or course shall follow the standards created by the America Red Cross or the American Heart Association, or equivalent.
(§190.1005)

This bill establishes the "Alzheimer's State Plan Task Force" in the Department of Health and Senior Services which will assess all state programs that address Alzheimer's and update and maintain an integrated state plan to overcome Alzheimer's. The task force shall deliver a report of recommendations to the Governor and the General Assembly no later than June 1, 2021.
(Section 191.116)

The Department of Health and Senior Services is to provide information and support to persons with Alzheimer's disease and related dementias by establishing a family support group in every county of the state. (Section 192.2000)

This bill creates a class E felony when a state agency, including employees, discloses to the federal government or any federal employee, or any unauthorized third party, the statewide list of persons who have obtained a medical marijuana card. (Section 191.255)

Under the provisions of this bill, the Department of Health and Senior Services (DHSS) shall require all employees, officers, managers, staff, and owners of marijuana facilities to submit fingerprints for criminal background checks to the State Highway Patrol. The fingerprint submissions must be a part of the medical marijuana facility application. All fingerprint cards and fees must be sent to the State Highway Patrol. The fingerprints will also be forwarded to the FBI for a federal criminal background check. (Section 195.815)

This bill establishes the "Kratom Consumer Protection Act", which requires dealers who prepare, distribute, sell, or expose for sale a food that is represented to be a kratom product to disclose on the product label the basis on which this representation is made. A dealer is prohibited from preparing, distributing, selling, or exposing for sale a kratom product that does not conform to these labeling requirements.

A dealer may not prepare, distribute, sell or expose for sale a kratom product that is adulterated or contaminated with a dangerous non-kratom substance, contains a level of 7-hydroxymitragynine in the alkaloid fraction that is greater than 2% composition of the product,

FISCAL DESCRIPTION (continued)

containing any synthetic alkaloids, or does not include on its package or label the amount of mitragynine, 7-hydroxymitragynine, or other synthetically derived compounds of the plant *Mitragyna speciosa*.

A dealer may not distribute, sell or expose for sale a kratom product to anyone under 18 years of age. The bill specifies penalties for a violation of the labeling requirements and allows for a person who is aggrieved by a violation of the labeling requirements to bring a cause of action for damages resulting from the violation. (Section 196.1170)

This bill establishes the "Authorized Electronic Monitoring in Long-Term Care Facilities Act", which specifies the parameters of electronic monitoring by residents of long-term care facilities (Section 198.610, RSMo).

The bill requires the department to promulgate rules that prescribe a form to be completed and signed by every resident that explains the liabilities and rights for residents who place covert or authorized electronic monitoring devices, and the procedures to request authorized monitoring (Section 198.616).

The bill also describes who may consent to electronic monitoring (Section 198.618) and how that monitoring shall be requested, including the form, with the consent of any other residents in the room and the conditions of their consent (Section 198.620).

The bill requires the facility and any resident conducting electronic monitoring to post a conspicuous sign indicating that rooms, or the room of the resident is being monitored. It also states that facilities must accommodate requests for monitoring and shall not refuse to admit an individual that requests electronic monitoring. For purposes of abuse and neglect, the bill outlines time lines and reporting requirements for people who might view footage on behalf of a resident and specifies when a video recording may be used as evidence. Finally, the bill specifies when the department may sanction facilities or their administrators who violate these provisions (Sections 198.622 to 198.628).

The bill also makes it a class B misdemeanor to intentionally hamper, obstruct, tamper with, or destroy devices installed or data collected under these provisions, or to conduct unauthorized monitoring after a written warning to cease and desist from that conduct (Section 198.632).

This bill allows a resident of Missouri to have a medical alert notation placed on his or her driver's license or nondriver's identification card. The bill specifies the medical conditions that may be listed on the license or identification card. The applicant must sign a waiver for the release of medical information and provide a sworn statement with the applicant's diagnosis from a physician or psychologist. Parental consent is required for anyone under 18 years of age.

This bill has a delayed effective date of July 31, 2021. (Section 302.205)

FISCAL DESCRIPTION (continued)

After January 1, 2021, no person in the state shall perform radiologic imaging or radiation therapy procedures on humans for diagnostic or therapeutic purposes except the specified licensed individuals. (Section 334.1000)

This proposal has an emergency clause for section 195.815.

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

Missouri Attorney General's Office
Department of Commerce and Insurance
Department of Higher Education & Workforce Development
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety -
 Director's Office
 Missouri State Highway Patrol
 Missouri Veterans' Commission
Department of Social Services
Office of the Governor
Joint Committee on Administrative Rules
Legislative Research
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Department of Transportation
Missouri House of Representatives
Lieutenant Governor's Office
Missouri Office of Prosecution Services
Office of Administration -
 Budget & Planning
 Facilities Management, Design and Construction

SOURCES OF INFORMATION (continued)

Office of State Courts Administrator
Oversight Division
Missouri Senate
Office of Secretary of State
Office of State Public Defender
Missouri State Treasurer's Office
University of Missouri's Economic and Policy Analysis Research Center
City of Brentwood
City of Hazelwood
City of Kansas City
City of Riverside
City of Springfield
Adair County Health Department
Columbia/Boone County Department of Public Health and Human Services
Cooper County Public Health Center
St. Louis County Department of Health
Boone County Sheriff's Department
Joplin Police Department
St. Louis County Department of Justice Services
St. Louis County Police Department
Springfield Police Department
Brentwood Fire Department
Smithville School District
North Kansas City Schools
Hurley R-1 School District
Special School District of St. Louis
State Technical College of Missouri
St. Charles Community College
University of Central Missouri
University of Missouri Health Care System



Julie Morff
Director
May 4, 2020



Ross Strope
Assistant Director
May 4, 2020