

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3308-09
Bill No.: HCS for SCS for SB Nos. 673 & 560
Subject: Professional Registration and Licensing; Licenses - Miscellaneous; Athletics;
Lobbying; Emergencies
Type: Original
Date: May 4, 2020

Bill Summary: This proposal modifies provisions relating to professional registration.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(Less than \$165,374)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue	(Less than \$165,374)	(Less than \$100,000)	(Less than \$100,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 17 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
PR Fees Fund (0689)	\$0	\$0	\$0
Missouri Mechanical Contractor Licensing Fund	(\$278,568)	\$445,735	(\$235,889)
State Committee of Psychologists Fund (0580)	\$0 to \$2,500	\$0 to \$3,000	\$0 to \$3,000
Missouri State Coroners' Training	\$297,996	\$357,595	\$357,595
Total Estimated Net Effect on <u>Other</u> State Funds	\$19,428 to \$21,928	\$803,330 to \$806,330	\$121,706 to \$124,706

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
PR Fees Fund	3 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 FTE	3 FTE	3 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
Local Government	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (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 information regarding a similar bill(s). 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.

§58.035 - Jayke Minor Act/Coroner standards and training commission

In response to a similar proposal from this year, (HCS/HB 1435), officials from the **Governor's Office (GOV)** stated this section establishes within the Department of Health and Senior Services (DHSS) a "Coroner Standards and Training Commission" which will be composed of eight (8) members appointed by the GOV: two coroners elected from counties of the third classification; one coroner elected from a county of the first, second, or fourth classification; one currently appointed medical examiner; one child death pathologist; one elected prosecuting attorney; one elected sheriff; and the director of the DHSS, or their designee, who will serve as a nonvoting member.

There should be no added cost to the GOV as a result of this measure.

Oversight notes the provisions of §58.035 provide the Coroner Standards and Training Commission is to be established within DHSS. The Commission is to meet at least twice each year. No member of the Commission is to receive any compensation for the performance of official duties. Once the Commission has developed standards, a report will be submitted to the Speaker of the House of Representatives and the President Pro Tempore of the Ssenate and be published on DHSS' website.

Oversight contacted DHSS officials regarding potential costs associated with the Commission. DHSS assumes the Commission will require minimal work and that work will fall within the course of normal duties for the department. Any costs incurred will minimal and absorbable within current funding levels.

ASSUMPTION (continued)

§§58.208 and 193.265 - Death certificate fees and State Coroners' Training Fund

Officials from the **Department of Health and Senior Services (DHSS)** state the Bureau of Vital Records (BVR) and Local Public Health Agencies (LPHAs) issue on average 357,595 death certificates each year. Per 193.265, RSMo, the BVR and LPHAs already collect a thirteen dollar fee for each initial copy and a ten dollar fee for each additional death certificate ordered at the same time. The proposed legislation requires the collection of an additional one dollar fee for each death certificate issued to be deposited into an additional fund, the Missouri State Coroners' Training Fund. This would generate state revenue into the Missouri State Coroners' Training Fund in the amount of \$297,996 for FY2021 and \$357,595 for FY2022 and FY2023.

Collecting the additional dollar at time of issuance and performing accounting procedures to report and submit the fees daily to DHSS Fee Receipts Office would be absorbed within current operations. However, in order to have the additional dollar deposited to the credit of this new fund, an ITSD system change would need to occur.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the fees collected by DHSS and LPHAs that will be deposited into the Missouri State Coroners' Training Fund as provided by DHSS for fiscal note purposes.

Officials from the **Office of Administration (OA), Information Technology Services Division (ITSD)/DHSS** state the provisions of §58.208 will have a fiscal impact on the General Revenue Fund (GR). It is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity. The consultant rate of \$95 per hour is an estimated rate based on current contract(s) pricing.

The provisions of this proposal require modification of existing mainframe programs to accommodate an additional fee of \$1 for any death certificate issued, which will be deposited into the Missouri State Coroners' Training Fund. No additional on-going maintenance is indicated as the changes are to existing programs. Modifications will include a change to the default cost of a death certificate in the issuance application.

Necessary system changes are estimated to require 116.64 hours x \$95/hr = **\$11,081** in GR funding for FY 2021.

ASSUMPTION (continued)

In response to a similar proposal from this year, (HCS/HB 1435), officials from the **OA, Budget & Planning (B&P)** state §58.208, RSMo, establishes the Missouri State Coroners' Training Fund, which would receive one dollar of the death certificate fees collected under §193.265, RSMo, to be used by the Missouri Coroners' and Medical Examiners' Association (MCMEA) for in-state training, equipment, supplies, and aid to MCMEA approved training programs.

§193.265, RSMo, would be amended to increase the fee for a certified copy of a death certificate from \$13 to \$14 for the first copy obtained, and from \$10 to \$11 for subsequent copies. This \$1 fee increase would be distributed to the Missouri State Coroners' Training Fund established in Chapter 58, RSMo. The fee increase applies to certified copies of death certificates issued by the state and by the local registrar.

The Bureau of Vital Records and Local Public Health Agencies issue an average of 355,482 death certificates each year. Therefore, the \$1 fee increase on death certificates may result in a \$355,482 annual increase in total state revenue. This will also impact the calculation under Article X, Section 18(e).

§193.145 - Medical certification and attestation

DHSS stated the proposed legislation requires that the medical certification and attestation be included when filing a certificate of death. The current electronic system used to register death certificates, MoEVR, is not designed to allow medical certification and attestation by funeral directors, any other person in charge of final disposition of the dead body, or a person designated by the medical certifier. In addition to having to update the current system to be able to allow those individuals the ability to enter and attest to medical information, the system may have to be modified to prevent the automatic submission of electronic death certificates to allow the State of Missouri time to verify the medical information on the certificate. To change the system to allow attestation as proposed in this legislation would incur a fiscal impact to the state and will increase the time it would take for the citizens of Missouri to receive a death certificate.

OA, ITSD/DHSS states the provisions of the proposal relating to §193.145 will have an impact on GR. It is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity. The consultant rate of \$95 per hour is an estimated rate based on current contract(s) pricing.

ASSUMPTION (continued)

The system is currently set up to only allow physicians, medical examiners, or coroners the ability to certify the medical portion of the death certificate, specifically being able to certify the cause of death. The proposed legislation would require the MoEVR system be modified to allow a person designated by the physician, medical examiner, or coroner to obtain or verify and enter into the system the medical certification information and attestation of that information for a death certificate.

OA, ITSD services will be required at a cost of **\$54,293**;

- \$8,721 (91.80 hours x \$95 per hour) of IT Consultant
- \$45,572 for Project Assessment Quotation (PAQ) with vendor

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 mainframe system changes and the programming changes needed for the MoEVR system. ITSD estimates the project would take:

§58.208 - mainframe changes	116.64 hours x \$95/hr = \$11,081
§193.145 - MoEVR system modifications	91.8 hours x \$95/hr = \$8,721
Project Assessment Quotation	<u>\$45,572</u>
Total Costs to General Revenue in FY 2021	\$65,374

Oversight notes that an average salary for a current IT Specialist within ITSD is approximately \$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 ITSD estimated cost of \$65,374 in FY 2021.

Bill as a whole

Oversight notes the **Office of State Treasurer**, the **St. Louis County Medical Examiner**, the **Columbia/Boone County Department of Public Health and Human Services**, and the **St. Louis County Department of Public Health** have each stated in a similar proposal that this 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)

In response to a similar proposal from this year, (HCS/HB 1435), officials from the **Department of Revenue (DOR)** assumed the proposal will have no fiscal impact on their organization but they defer to the Department of Health and Senior Services for fiscal impact. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the no fiscal impact provided by DOR for fiscal note purposes.

In response to a similar proposal from this year, (HCS/HB 1435), officials from the **Joint Committee on Administrative Rules (JCAR)** 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 a similar proposal from this year, (HCS/HB 1435), officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other counties, county treasurers, county assessors, county coroners, city treasurers, local public health agencies and sheriffs' departments were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

ASSUMPTION (continued)

Section 324.009- Professional Licensing Reciprocity

Officials from the **Department of Health and Senior Services (DHSS)** assume the proposed legislation revises the professional licensing reciprocity criteria necessary to qualify for a license in the state of Missouri, including nonresident military spouses. Applicants applying for licensure under the proposed legislation would fall under the same reciprocity process, fee, and review as current applicants. Changing regulations and applicant licensure reviews are within the normal ebb and flow for the Department, so minimal time and expense will be required to conduct the requirements of the proposed legislation.

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

In response to a previous version, officials from the **Department of Revenue** and the **Department of Agriculture** 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 324.950 - Missouri Statewide Mechanical Contractor Licensing Act

Officials from the **Department of Commerce and Insurance (DCI)** assume the following:

Licensee/Revenue

2,000	Estimated Licensees (US Labor census & Mechanical Engineers Association)
\$350.00	Initial License Fee
\$350.00	Renewal License Fee
Biennial	Renewal Cycle

ASSUMPTION (continued)

- In the current language of this proposed legislation, the Division of Professional Registrations assumes one license holder per corporation, firm, institution, organization, or company will register with the department according to the provisions of Section 324.953.
- Projected revenue reflects fees collected for all categories of licensure.
- A 3% growth rate has been estimated (568 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.

In summary, DCI assumes a revenue of \$700,000 (2,000 x \$350) in FY 2022 and \$21,000 (2,000 x 3% x \$350) in FY 2023 to the Missouri Mechanical Industry Licensing Fund to provide for the implementation of the changes in this proposal.

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.

Staffing

- 1 Principal Assistant at \$67,000 annually needed to serve as the senior executive officer of the registration agency.
- 1 Processing Technician II at \$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 at \$45,000 annually needed to conduct investigations and inspections, serve notices, and gather information required by the board.

Complaints and Investigations

It is estimated the board will receive approximately 21 complaints. The division does not anticipate receiving any complaints until FY 2022. It is estimated 15% of the complaints filed will require field investigations with 50% requiring overnight travel. A car is needed to conduct investigations and will need to eventually replace based upon usage. Therefore the vehicle cost is considered an ongoing expense and appropriation need.

ASSUMPTION (continued)

In summary, DCI assumes a cost of \$278,568 in FY 2021, \$254,265 in FY 2022 and \$256,889 in FY 2023 to provide for the implementation of the changes in this proposal.

Oversight will reflect the DCI estimated revenues and cost. Oversight will reflect the board-specific expenses to the PR Fees Fund. Oversight assumes the revenue collected from the licensure fees will be deposited into the Missouri Mechanical Contractor Licensing Fund and then will be transferred to the PR Fees Fund resulting in an estimated net effect of zero to the PR Fees Fund.

Officials from the **Office of the State Public Defender (SPD)** cannot assumed existing staff will provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crime of violating the provisions of being a mechanical contractor in Missouri - 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 may be too few or uncertain to request additional funding for this specific bill, the Office of the State Public Defender will continue to request sufficient appropriations to provide competent and 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; and \$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.

ASSUMPTION (continued)

In response to a similar proposal from this year (SCS/SB 559), officials from the **Department of Revenue**, the **Office of the State Treasurer Kansas City** 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 respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

Oversight assumes there could be a potential loss to local municipalities that currently license mechanical contractors as this legislation would require them to recognize a statewide license for the purposes of performing contracting work or obtaining permits to perform work within the political subdivision. Oversight assumes the Department of Revenue shall withhold any moneys the noncompliant political subdivision would otherwise be entitled to from local sales tax, until the director has received notice from the division that the political subdivision is in compliance with this section.

Sections 337.020 and 337.029 - Psychologist Licenses

Officials from the **Department of Commerce and Insurance (DCI)** assume this proposal removes language that was inadvertently left in a bill that passed in 2018. Currently, the State Committee of Psychologists' license processing time is being extended by the inadvertent language. This additional time and effort is increasing the committee's costs.

ASSUMPTION (continued)

DCI estimates 20 applications a year are processed and not approved, which would be a \$3,000 per year loss of income to the State Committee of Psychologist Fund for work done to process applications.

If the proposed legislation does not pass and the increased costs remain, the State Committee of Psychologists will need to increase their fees to correlate with the increased processing time and effort. The proposed legislation itself will cause not fiscal impact to the department, but prevent future costs to committee licensees.

Oversight will assume a range of fiscal impact to the State Committee of Psychologist Fund from \$0 (removing this fee exemption will impact behavior and will result in fewer non-qualified applications from being submitted) to an additional annual revenue of \$3,000 (non-qualified applications will still be submitted but will be charged the application fee regardless of being approved or not).

Bill as a whole:

Officials from the **Office of Prosecution Services**, the **Department of Higher Education & Workforce Development**, the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Natural Resources** and the **Office of Administration - Administrative Hearing Commission** each assume the proposal will have no fiscal impact on their respective organizations.

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

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE			
<u>Costs</u> - OA, ITSD/DHSS (§58.208) - IT consultant costs p. 5	(\$11,081)	\$0	\$0
<u>Costs</u> - OA, ITSD/DHSS (§193.145) - ManTech PAQ and IT consultant costs p.7	<u>(\$54,293)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs</u> - OA, ITSD/DSS p. 7	<u>(\$65,374)</u>	<u>\$0</u>	<u>\$0</u>
<u>Cost</u> - Office of the State Public Defender Potential FTE Cost §324.953 p.11	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	(Less than <u>\$165,374</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
 MISSOURI STATE CORONERS' TRAINING FUND			
<u>Income</u> - DHSS (§§58.208 and 193.265) - Death certificate fee increase p. 5	<u>\$297,966</u>	<u>\$357,595</u>	<u>\$357,595</u>
ESTIMATED NET EFFECT ON THE MISSOURI STATE CORONERS' TRAINING FUND	<u>\$297,966</u>	<u>\$357,595</u>	<u>\$357,595</u>

<u>FISCAL IMPACT - State Government</u> <u>(continued)</u>	<u>FY 2021</u> <u>(10 Mo.)</u>	<u>FY 2022</u>	<u>FY 2023</u>
 PR FEES FUND (0689)			
<u>Transfer In</u> - from Missouri Mechanical Contractor Licensing Fund §324.953 p.10	\$278,568	\$254,265	\$256,889
<u>Cost - DCI §324.953 p. 10</u>			
Salaries	(\$118,408)	(\$143,510)	(\$144,945)
Fringe Benefits	(\$68,123)	(\$82,220)	(\$82,696)
Equipment and Expense	(\$72,793)	(\$8,810)	(\$9,030)
Other Fund Cost	(\$19,244)	(\$19,725)	(\$20,218)
<u>Total Cost - DCI</u>	<u>(\$278,568)</u>	<u>(\$254,265)</u>	<u>(\$256,889)</u>
FTE Change - DCI	3 FTE	3 FTE	3 FTE
 ESTIMATED NET EFFECT TO THE PR FEES FUND	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>
 Estimated Net FTE Change to the PR Fees Fund	 3 FTE	 3 FTE	 3 FTE

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023
MISSOURI MECHANICAL CONTRACTOR LICENSING FUND			
<u>Revenue</u> - DCI §324.953 p. 10 Licensing Fee	\$0	\$700,000	\$21,000
<u>Transfer Out</u> - to PR Fee Fund (0689) p. 10	<u>(\$278,568)</u>	<u>(\$254,265)</u>	<u>(\$256,889)</u>
ESTIMATED NET EFFECT ON THE MISSOURI MECHANICAL CONTRACTOR LICENSING FUND	<u>(\$278,568)</u>	<u>\$445,735</u>	<u>(\$235,889)</u>
STATE COMMITTEE OF PSYCHOLOGISTS FUND			
<u>Revenue</u> - application fee from non- qualified applicants §337.020-337.029 p.13	<u>\$0 to \$2,500</u>	<u>\$0 to \$3,000</u>	<u>\$0 to \$3,000</u>
ESTIMATED NET EFFECT ON THE STATE COMMITTEE OF PSYCHOLOGISTS FUND	<u>\$0 to \$2,500</u>	<u>\$0 to \$3,000</u>	<u>\$0 to \$3,000</u>
FISCAL IMPACT - Local Government			
	FY 2021 (10 Mo.)	FY 2022	FY 2023
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss</u> Potential loss of licensing fees §324.953 p.12	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

FISCAL IMPACT - Small Business

This proposal will have a fiscal impact on certain small businesses who would now be required to pay a fee to be state-licensed.

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

FISCAL DESCRIPTION

The proposed legislation would modify provisions relating to professional registration.

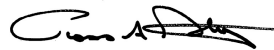
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Commerce and Insurance
Department of Revenue
Department of Health and Senior Services
Department of Natural Resources
Department of Agriculture
Department of Transportation
Department of Public Safety - Missouri Highway Patrol
Office of Administration - Administrative Hearing Commission
Office of the State Treasurer
Office of the State Courts Administrator
Office of the State Public Defender
Office of Prosecution Services
City of Kansas City



Julie Morff
Director
May 4, 2020



Ross Strope
Assistant Director
May 4, 2020