

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0884S.01I
Bill No.: SB 88
Subject: Professional Registration and Licensing; Licenses - Miscellaneous
Type: Original
Date: February 8, 2023

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Other State Funds*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Transfers-in and cost net to zero.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
DWSRF Capitalization Grant*	\$0 or (\$4,700,000)	\$0 or (\$4,700,000)	\$0 or (\$4,700,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or (\$4,700,000)	\$0 or (\$4,700,000)	\$0 or (\$4,700,000)

*Potential fiscal impact if the Environmental Protection Agency deems Missouri to be out of compliance with the changes in the bill.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Local Government*	\$0 or (\$3,500,000)	\$0 or (\$3,500,000)	\$0 or (\$3,500,000)

*Potential fiscal impact if the Environmental Protection Agency deems Missouri to be out of compliance with the changes in the bill.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Natural Resources (DNR)** state pertaining to drinking water operator certification, new section 324.009.3 will conflict with the final guidelines for the Certification and Recertification of the Operators of Community and Nontransient Noncommunity Public Water Systems as published by the Environmental Protection Agency (EPA). The Safe Drinking Water Act Amendments of 1996 required that these final guidelines be published in the Federal Register by February 6, 1999. These guidelines provide States with the minimum standards for the development, implementation, and enforcement of operator certification programs for community and nontransient noncommunity public water systems.

Within EPA's minimum standards, states must require public water system operators to take and pass an exam that demonstrates the operator has the necessary skills, knowledge, ability, and judgement as appropriate for the classification. 324.009.3, as proposed, allows experience to count for license reciprocity. While all states meeting EPA guidelines would have an exam requirement, 324.009.3 would allow for experience in other states, branches of the military, or territories of the United States to count towards license reciprocity in Missouri. In certain circumstances, there may be an experienced operator that would be eligible to operate under new section 324.009.3, but would not be eligible to operate by the EPA's minimum standards.

Per Title 42, Subchapter XII, Part A, Section 300g-8(b) of the Safe Drinking Water Act Amendments of 1996, the EPA can withhold 20% of the funds a State is entitled to receive under section 300j-12 unless the State has adopted and is implementing a program for the certification of operators of community and nontransient noncommunity public water systems that meets the requirements of the guidelines published pursuant to subsection (a) or that has been submitted in compliance with subsection (c) and that has not been disapproved. The Department historically receives \$19,394,000 annually in federal funding through the Drinking Water State Revolving Fund (DWSRF) Capitalization Grant. The proposed bill could also impact future funding such as the Bipartisan Infrastructure Law, which is expected to increase base DWSRF allotments and provide additional supplemental DWSRF pots of funding. These funds are expected to be passed through the DWSRF Capitalization Grant and are available for the next five years.

A 20 percent reduction to the DWSRF Capitalization Grant will result in a reduction of approximately \$4.7 million in federal and state match funds, which currently fund drinking water infrastructure projects and other state drinking water compliance assistance and regulatory activities. As state statutes and regulations would still require the Department to implement an Operator Certification Program, it would be necessary to shift \$1.2 million in funding for

approximately 11.5 FTE from the federal DWSRF Capitalization Grant to state fee funds or General Revenue.

DNR would still be required to implement an Operator Certification Program and would need to shift funding (\$775,760 of \$1,200,000) from federal funds to state fee funds or GR. The remaining \$424,240 is other state drinking water compliance assistance and regulatory activities that DNR would lose federal funding for; so DNR would have to cut those activities or shift funding to state fee funds or GR.

The Department would lose millions in infrastructure funding, made up of the federal capitalization grant and state match, which would not be an eligible expense to shift to another state fee fund or General Revenue.

DNR also states political subdivisions, including counties, incorporated cities and towns, and regional water districts could lose \$3.5 million in infrastructure funding as a result of this proposed legislation.

According to DNR, if the EPA makes a finding that DNR is not in compliance with the base line standards the EPA does not have discretion based on the law, to not withhold funds. Any discretion the EPA would have is on making the initial finding that the DNR is not in compliance with the baseline standards.

For fiscal note purposes, **Oversight** will reflect a range of fiscal impact as \$0 (the EPA does not make an initial finding) or a loss of \$3,500,000 to Federal DWSRF Capitalization Grant. Also, Oversight will reflect a \$0 or a transfer of \$1,200,000 of funds to other state funds from the DWSRF Capitalization Grant for a total loss to the DWSRF Capitalization Grant of \$0 or (\$4,700,000).

Oversight assumes DNR will have a cost of \$1,200,000 to implement the Operator Certification Program and therefore, the transfer-in from the Federal DWSRF Capitalization Grant to other state funds, will net to zero.

Oversight will reflect a \$0 or loss of \$3,500,000 to local political subdivisions.

Officials from the **Department of Health and Senior Services (DHSS)** state the following:

Section 324.009 revises the professional licensing reciprocity criteria necessary to legally practice an occupation or profession in the state of Missouri. 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 of Health and Senior Services (DHSS) would be minimal in time and expense required to conduct the requirements of the proposed legislation.

Section 324.009.4.(1): The 45 days stipulation in the subsection 4 (1) would require the Board of

Nursing Home Administrators (BNHA) meetings to be held more often than every two (2) months (60-75 days), which would be a cost to the BNHA office and DHSS to pay the BNHA members' per diem, mileage, lodging and food more often than five (5) times a year. The BNHA has the final say and decision for each applicant that applies for administrator licensure.

Section 324.009.4.(3): The new language in subsections 3 allows a person that does not have current administrator's license in another state to apply for reciprocity in Missouri if applicant can prove that he/she has three (3) years of experience as an administrator in another state. All states/jurisdictions require a licensed administrator for long term care facilities. If person applies to Missouri and shows they have experience and not licensed, DHSS would have to report to the appropriate state of possible unlicensed practices.

This change would require rule revision of existing reciprocity licensing requirements specific to work experience. It is assumed it will take a Principal Assistant (salary \$57,257) approximately 48 hours to make the required changes to state rules. Based on 2,080 working hours per year, this would require 0.02 FTE to assume these duties ($48 \text{ hours} \div 2,080 \text{ hours per year} = 0.02$) for a total personal service cost of \$1,145 ($\$57,257 \times 0.02$).

The department anticipates being able to absorb these costs. However, until the FY24 budget is final, the department cannot identify specific funding sources.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Officials from the **Office of Administration - Administrative Hearing Commission**, the **Department of Commerce and Insurance**, the **Department of Revenue**, the **Department of Public Safety – Missouri Gaming Commission**, the **Department of Social Services**, the **Missouri Department of Agriculture**, the **Missouri Department of Transportation**, the **City of O'Fallon**, the **City of Springfield**, **Kansas City**, **Blackwater Reorganized Common Sewer District**, **Metropolitan St. Louis Sewer District**, **Metropolitan Sewer St. Louis**, **Morgan County Pwsd**, and **South River Drainage District** each assume 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 in the fiscal note for these agencies.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
OTHER STATE FUNDS			
<u>Transfer in</u> – from Federal Funds Operator Certificate Program and state drinking water compliance assistance and regulatory activities	<u>\$0 or</u> <u>\$1,200,000</u>	<u>\$0 or</u> <u>\$1,200,000</u>	<u>\$0 or</u> <u>\$1,200,000</u>
<u>Cost</u> – DNR Operator Certificate Program and state drinking water compliance assistance and regulatory activities	<u>\$0 or</u> <u>(\$1,200,000)</u>	<u>\$0 or</u> <u>(\$1,200,000)</u>	<u>\$0 or</u> <u>(\$1,200,000)</u>
ESTIMATED NET EFFECT TO OTHER STATE FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FEDERAL DWSRF CAPITALIZATION GRANT			
<u>Loss</u> – DNR EPA Withholding infrastructure funding	<u>\$0 or</u> <u>(\$3,500,000)</u>	<u>\$0 or</u> <u>(\$3,500,000)</u>	<u>\$0 or</u> <u>(\$3,500,000)</u>
<u>Transfer Out</u> – to Other State Funds Operator Certificate Program and state drinking water compliance assistance and regulatory activities	<u>\$0 or</u> <u>(\$1,200,000)</u>	<u>\$0 or</u> <u>(\$1,200,000)</u>	<u>\$0 or</u> <u>(\$1,200,000)</u>
ESTIMATED NET EFFECT ON THE FEDERAL DWSRF CAPITALIZATION GRANT	<u>\$0 or</u> <u>(\$4,700,000)</u>	<u>\$0 or</u> <u>(\$4,700,000)</u>	<u>\$0 or</u> <u>(\$4,700,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss – DNR</u> EPA Withholding infrastructure funding	<u>\$0 or</u> <u>(\$3,500,000)</u>	<u>\$0 or</u> <u>(\$3,500,000)</u>	<u>\$0 or</u> <u>(\$3,500,000)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 or</u> <u>(\$3,500,000)</u>	<u>\$0 or</u> <u>(\$3,500,000)</u>	<u>\$0 or</u> <u>(\$3,500,000)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Under this act, any person who has at least 3 years of work experience in an occupation or profession in another state, a branch or unit of the military, a U.S. territory, or the District of Columbia and such jurisdiction does not use a license to regulate that occupation or profession, may submit an application for a license in Missouri, with proof of experience, to the relevant oversight body. Within 45 days of receiving the application, the oversight body shall waive any examination, educational, or experience requirements for licensure if it determines the applicant meets the requirements of this act. The oversight body may require the applicant to take and pass an examination specific to the laws of Missouri if it ordinarily administers an examination on the laws of Missouri as part of its licensing application.

Currently, a licensing oversight body has 60 days following receipt of an application to waive certain examination, educational, or experience requirements for licensure for persons licensed in another state, territory, branch or unit of military, or the District of Columbia who are seeking a license in Missouri. This act changes the 60 days to 45 days.

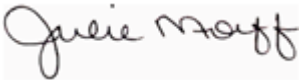
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

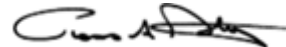
Office of Administration - Administrative Hearing Commission
 Department of Commerce and Insurance
 Department of Health and Senior Services
 Department of Natural Resources

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Department of Revenue
Department of Public Safety
 Missouri Gaming Commission
 Missouri Highway Patrol
Department of Social Services
Missouri Department of Agriculture
Missouri Department of Transportation
Kansas City
City of O'Fallon
City of Springfield
Black water reorganized Common Sewer District
Metropolitan St. Louis Sewer District
Metropolitan Sewer St. Louis
Morgan County
South River Drainage District
Wayne County Pwsd



Julie Morff
Director
February 8, 2023



Ross Strobe
Assistant Director
February 8, 2023