

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1393-01  
Bill No.: HB 550  
Subject: Economic Development Dept.; Health, Public; Licenses - Professional  
Type: Original  
Date: May 3, 2005

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Clinical Laboratory Science	\$0	\$311,238	(\$214,869)
PR Fees	(\$3,652)	\$3,652	\$0
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(\$3,652)</b>	<b>\$314,890</b>	<b>(\$214,869)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of State Courts Administrator, Office of State Public Defender** and **Office of the Governor** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Prosecution Services** state the proposal will not have a significant direct fiscal impact on county prosecutors.

Officials from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offenses(s) outlined in this proposal. An increase in commitment depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost through either incarceration (FY 04 average of \$38.37 per inmate per day or an annual cost of \$14,005 per inmate) or through supervision provided by the Board of Probation and Parole (FY 03 average of \$3.15 per offender, per day or an annual cost of \$1,150 per offender per year).

DOC assumes the narrow scope of the crime will not encompass a large number of offenders. The low felony status of the crime enhances the possibility of plea-bargaining or the imposition  
ASSUMPTION (continued)

of a probation sentence. The probability also exists that offenders would be charged with a similar but more serious offence of that sentences may run concurrent to one another.

Supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials from the **Department of Health and Senior Services (DOH)** state the proposal would not be expected to fiscally impact the operations of the DOH. If an impact were to result, funds to support the program would be sought through the appropriations process. State Public Health Lab scientists would be required to maintain a state license as a condition of employment. However, the responsibility for obtaining and maintaining a license would fall to each individual employee.

Officials from the **Office of Secretary of State (SOS)** state the proposal creates licensing provisions for certain clinical lab workers. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Economic Development could require as many as 14 pages in the Code of State Regulations. For any given rule, roughly one-half again as many pages are published in the Missouri Register as are published in the Code because of cost statements, fiscal notes and notices that are not published in the Code. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded, and withdrawn. The SOS estimates the cost of the proposal to be \$861 [(14 pgs. X \$27) + (21 pgs. X \$23)] for FY 06.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Economic Development (DED) - Division of Professional Registration (PR)** state based on information from the Missouri Economic Development Research and Information Center for medical and clinical laboratory technicians/technologists, it is estimated that there will be approximately 7,860 individuals in the state of Missouri that will be required to be licensed. DED-PR assumes a fee of \$75 will be paid for licensure with biennial renewal. DED-PR estimates a 3% growth rate and assumes licensure begins in FY 2007. As no fund has been established for this proposal, the DED-PR assumes the Clinical Laboratory  
ASSUMPTION (continued)

Science Board Fund will be used for the collection of fees and payment of expenses. The DED-PR assumes fees paid will result in revenue to the Clinical Laboratory Science Board Fund of \$589,500 in FY 2007 and \$8,843 in FY 2008.

DED-PR assumes implementation of the proposal will require utilizing an additional 2.0 FTE in FY 2007, as follows: Principal Assistant (0.5 FTE at \$59,532) to serve as the senior executive officer of the licensing agency; Licensure Technician II (1.0 FTE at \$26,292) to process applications for licensure and respond to any inquiries related to the licensure law or rules and regulations; and Account Clerk II (0.5 FTE at \$24,984) to provide support for DED-PR Central Accounting and Central Cash Receiving Room. The DED-PR assumes rental space will be needed for these additional FTE at an annual cost of approximately \$5,540. DED-PR assumes equipment cost for the additional FTE will be \$10,223 in FY 2007.

DED-PR assumes the seven (7) member board would meet four (4) times per year for two (2) days per meeting, in Jefferson City. DED-PR notes the Principal Assistant, Licensure Technician and an Attorney General representative will also attend the meeting. DED-PR assumes there would be four (4) meetings, beginning in FY 2006 to promulgate rules and regulations. The proposal does not establish reimbursement of expenses or per diem for the board members.

DED-PR assumes 220 complaints (2.8% of licensees) would be received each year. DED-PR estimates the average complaint will require five (5) hours to complete. It is estimated that 30% of these complaints (66) will require field investigations, each needing 30 hours of field work and one night's lodging. Travel expenses for the investigations are estimated at \$22,110 annually. DED-PR assumes complaints and investigations would start in FY 2008.

DED-PR assumes there will be a cost associated with needing the services of the Attorney General's Office (AGO). DED-PR estimates 25% of investigations (17) would be forwarded to the AGO for further action. Assuming \$5,400 cost per case, DED-PR estimates \$91,800 annually beginning in FY 2008. DED-PR also estimates the AGO would provide approximately 60 hours of assistance with rules, opinions and meetings per year. Assuming an hourly rate of \$60.87, these costs are estimated at \$3,652 yearly beginning in FY 2006.

DED-PR assumes printing and postage costs will be incurred in the first year for statute and rule mailings and for startup printing of rules, applications, letterhead and envelopes. DED-PR estimates printing and postage costs at \$6.25 per licensee in the first year, for a total cost of \$49,125. Subsequent years' printing and postage costs of \$5,000 are based on the estimated costs for a board of similar size.

ASSUMPTION (continued)

HW-C:LR:OD (12/02)

DED-PR assumes existing staff would design, program and implement a computer licensure program. The DED-PR assumes licensed laboratory technicians/technologists will represent 0.50% of DED-PR's overhead. As such, the board will be required to reimburse the Division and the Department of Economic Development for its share of administrative overhead costs, \$14,054 per annum. The DED-PR assumes these costs will begin in FY 06.

**Oversight** provides the following assumptions used to calculate the fiscal impact of this proposal:

- (1) Fees have been adjusted to reflect an amount needed to cover operations of the board. Biennial fees of \$60 result in revenue of \$471,600 for the Clinical Laboratory Science Fund for FY 07 and \$7,074 for the fund for FY 08. Sufficient fee income should be generated during each biennial fee cycle to cover expenses of operations during the second year of the cycle;
- (2) Assumed additional rental space would not be required. Additional furniture and equipment should be not required for the two part-time FTE positions;
- (3) Changed the starting salary for the Licensure Technician II and Account Clerk II to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.
- (4) The \$14,054 in administrative costs will generally offset the required reimbursement of other funds, and will not be used for the new FTE.

Officials from the **Office of Attorney General (AGO)** state the proposal creates a new licensing board within the Division of Professional Registration. The Board has the power to license, discipline, and hear grievances and violations. The AGO assumes it would need 0.5 FTE Assistant Attorney General (AAG) I to assist the Board in the rule-making process, licensing and investigating matters, petitioning for injunctions and orders for violations, and appearances before the Administrative Hearing Commission. The AGO assumes total costs for FY 06 of \$27,890; FY 07 costs of \$33,569; and FY 08 costs of \$34,458.

**Oversight** assumes the AGO would not hire 0.5 FTE AAG I and would assign any additional duties to existing staff. **Oversight** also assumes costs incurred by the AGO's office will be reimbursed by the Clinical Laboratory Science Fund.

**This proposal will result in an increase in total state revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
<b>CLINICAL LABORATORY SCIENCE FUND</b>			
<u>Transfer-In - DED-PR</u>			
Transfer from PR Fees Fund	\$3,652	\$0	\$0
<u>Income - DED-PR</u>			
Licensure Fees/Renewals	\$0	\$471,600	\$7,074
<u>Costs - DED-PR</u>			
Personal Service (2.0 FTE)	\$0	(\$66,542)	(\$68,206)
Fringe Benefits	\$0	(\$28,387)	(\$29,097)
Expense and Equipment	\$0	(\$58,129)	(\$29,188)
AGO Costs	(\$3,652)	(\$3,652)	(\$95,452)
Total <u>Costs</u> - DED-PR	(\$3,652)	(\$156,710)	(\$221,943)
<u>Transfer-Out - DED-PR</u>			
Transfer to PR Fees Fund	<u>\$0</u>	<u>(\$3,652)</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON CLINICAL LABORATORY SCIENCE FUND</b>			
	<b><u>\$0</u></b>	<b><u>\$311,238</u></b>	<b><u>(\$214,869)</u></b>
<b>PR FEES FUND</b>			
<u>Transfer-In - DED-PR</u>			
Transfer from Clinical Laboratory Board Fund	\$0	\$3,652	\$0
<u>Transfer-Out - DED-PR</u>			
Transfer to Clinical Laboratory Board Fund	<u>(\$3,652)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON PR FEES FUND</b>			
	<b><u>(\$3,652)</u></b>	<b><u>\$3,652</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Local Government

FY 2006  
(10 Mo.)

FY 2007

FY 2008

\$0

\$0

\$0

FISCAL IMPACT - Small Business

This proposal may fiscally impact small businesses that employ clinical laboratory technician personnel if they pay licensure fees.

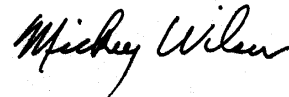
DESCRIPTION

This proposal changes the laws regarding clinical laboratory technicians. The proposal: (1) Establishes the Clinical Laboratory Science Board under the Department of Economic Development within the Division of Professional Registration; (2) Requires all persons performing, interpreting, reporting, or consulting on laboratory tests to be licensed; (3) Establishes a grace period for existing practitioners who are certified or eligible for certification by any agency acceptable to the department; (4) Provides qualification exemptions for persons which have been providing acceptable experience at the professional level for at least three years; (5) Authorizes the board to promulgate rules to establish standards and criteria for licensure, professional conduct, and discipline; (6) Allows for the creation of categorical licenses; (7) Authorizes the department to issue temporary and reciprocal licenses, issue inactive licenses, collect fees, and suspend and revoke licenses; and (8) Allows the department to petition the court to enjoin certain person from practicing as laboratory technicians if he or she is found to be in violation of any provision of the proposal.

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 Attorney General  
Office of the Governor  
Office of State Courts Administrator  
Department of Economic Development -  
    Division of Professional Registration  
Department of Corrections  
Department of Health and Senior Services  
Office of Prosecution Services  
Office of Secretary of State  
Office of State Public Defender



Mickey Wilson, CPA  
Director  
May 3, 2005