

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1811-04
Bill No.: SCS for HCS for HB 665
Subject: Administrative Law; Economic Development Dept.; Licenses - Professional
Type: Original
Date: May 11, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(\$258,622 to \$758,622)	(\$250,000 to \$750,000)	(\$250,000 to \$750,000)
Total Estimated Net Effect on General Revenue Fund	(\$258,622 to \$758,622)	(\$250,000 to \$750,000)	(\$250,000 to \$750,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Board of Private Investigator Examiners	\$0	\$189,953	(\$99,221)
Medical Imaging and Radiation Therapy	\$0	\$354,316	(\$199,143)
Nursing	\$0	(\$161,378)	(\$255,647)
Pharmacy	\$0	(\$123,600)	(\$127,308)
PR Fees	(\$37,891)	\$37,891	\$0
Insurance Dedicated	(\$8,900)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$46,791)	\$297,182	(\$681,319)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 24 pages.

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	(Unknown exceeding \$800,000)	(Unknown exceeding \$750,000)	(Unknown exceeding \$750,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Administrative Hearing Commission, Department of Social Services, Missouri Senate, Office of State Courts Administrator, Missouri Department of Transportation, Department of Health and Senior Services, Missouri Department of Conservation, Missouri Consolidated Health Care Plan, Department of Mental Health, Office of the Governor, Office of State Treasurer, Department of Public Safety (DPS) - Director's Office and DPS - Missouri State Highway Patrol** assume the proposal will have no fiscal impact on their organizations.

In response to the previous version of this proposal, officials from the **Office of Prosecution Services** stated the proposal will not have a significant direct fiscal impact on county prosecutors.

In response to the previous version of this proposal, officials from the **Office of State Public Defender** stated the proposal will have no fiscal impact on their organization.

Officials from the **Department of Revenue (DOR)** state the Division of Taxation will have internal costs estimated to be \$23,085 associated with modifying the DOR computer system to allow notice to the taxpayers. However, the division assumes it can absorb these costs with current appropriations unless there is a material change in the division's responsibilities.

ASSUMPTION (continued)

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 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 **Office of Attorney General (AGO)** state with respect to provisions relating to the municipal taxes on veterinarians (Section 71.620), the deletion of certain requirements for physician assistants (Section 334.735), association memberships for bail bond agents and surety recovery agents (Section 374.710 et seq., formerly HB 662), penalties for accepting prescriptions in another patient's name (Section 338.095), a new definition of student athletes (Section 436.218) and requirements for sonographers and vascular technologists (Section 1), the AGO assumes that these provisions will create no costs.

Regarding changes to the collection of delinquent and unpaid taxes from licensees (Section 143.775 et seq., formerly HB 916), exam requirements for licensed geologists (Section 256.468), the distance dental hygienist education program (Section 332.302 et seq.) changes to the process of disciplinary actions for nurses (Section 335.068, formerly HB 785), changes in education requirements for clinical social workers (Section 337.600 et seq.) and the formation of an impaired licensee committee, the AGO assumes that any potential costs associated with these provisions can be absorbed with existing resources

Sections 328.010 et seq. (formerly HB 725) will reduce four sets of professional boards into two. The AGO assumes that because of the changes in this proposal, its staffing requirements would either stay the same or may decrease over time. The AGO assumes that this part of the proposal creates no fiscal impact.

ASSUMPTION (continued)

With regard to provisions relating to private investigators (Sections 324.1100 et seq., formerly found in HB 652 and HB 665), this proposal creates an additional board and an additional category of licensees within the Division of Professional Registration, which would have investigative and subpoena powers. The AGO assumes it would need 0.5 FTE Assistant Attorney General (AAG) II to assist the Board in the rule-making process, licensing and investigative matters, as well as any litigation that might result from the investigations the board undertakes as authorized by the proposal.

The "Medical Imaging and Radiation Therapy Quality Assurance Act of 2005" (Section 334.1000 et seq., formerly HB 61) creates a new licensing board within the Division of Professional Registration. The Board has the power to license, accredit, discipline and hear appeals. The AGO assumes it would need 0.5 AAG I to assist the Board in the rule-making process, licensing and investigating matters.

The AGO assumes total costs related to this proposal would be \$58,979 for FY 06; \$63,200 for FY 07; and \$64,838 for FY 08.

Oversight assumes the AGO would not hire two part-time AAGs and would assign the duties to existing staff. In addition, **Oversight** assumes costs related to the Private Investigators Board and the Medical Imaging and Radiation Therapy Board would be reimbursed by the Department of Economic Development - Division of Professional Registration.

Officials from the **Department of Higher Education (CBH)** state sections 332.302 to 332.305 of this proposal would not have a fiscal impact on the CBH. However, because the Department of Economic Development is required to establish this program, this proposal will result in a negative fiscal impact. The estimated fiscal impact is unknown.

In response to a previous version of this proposal, officials from the **University of Missouri (UM)** state UM would incur additional costs between \$200,000 and \$750,000 if the proposal were enacted. The cost for the Distance Dental Hygienist Education Program would vary according to the number of delivery sites. Estimated start-up costs would involve approximately \$100,000 in salary and wages and approximately \$100,000 in facility upgrades at the sending institution.

In response to a previous version of this proposal, officials from **Missouri Southern State College (Missouri Southern)** stated in June 2003 the Missouri Dental Association (MDA) convened a special meeting of the Dental Hygiene Program educators to discuss their concern

ASSUMPTION (continued)

about access to dental hygiene services throughout the state. Missouri Southern agreed to move forward to develop distance programs and in January 2004, the MDA Foundation donated \$25,000 to assist Missouri Souther in the preliminary development of these programs.

Since this initial commitment, Missouri Southern faculty have been preparing to deliver the dental hygiene curriculum by Instructional TV (ITV) and Internet with the clinical instruction provided at the offsite locations. Missouri Southern secured a Congressional direct grant of approximately \$1 million for the one-time equipment costs for two off-site clinics. This grant must be spent between May 2005 and April 2006. It is critical that Missouri Southern secure appropriations for recurring expenses to operate these two programs on an annual basis beginning with the 2006 fiscal year. If funds are not secured for the recurring costs of the State of Missouri, its citizens will lose the million dollar grant for increasing access to preventative oral health services. If funds are secured, it is feasible to have these two sites accept their first group of qualified students by the Fall 2006.

These two off-site clinics were identified using the 2002 Missouri Dental Board license renewal data to identify areas of the state with the greatest need of preventative oral health services. The two sites being targeted are the Central and Northeast regions of the state.

The recurring costs for operations of these two clinical sites are projected to be around \$500,000 annually.

Oversight assumes that the fiscal note does not reflect a \$250,000 allotment in the Fiscal Year 2006 budget.

Officials from the **Department of Insurance (INS)** state the proposal would require the INS to establish rules for professional associations and verify association membership during the licensing process and provide certain information to the Department of Revenue regarding license applications. Additional staff and expenses are not being requested with this single proposal, but if multiple proposals pass during the legislative session which require additional changes to the licensing process, the INS will need to request additional staff to handle the increase in workload.

The INS estimates one time computer contracting costs of \$8,900 would be required to modify the licensing database to allow for entry, tracking and reporting of association membership of agents.

ASSUMPTION (continued)

The Ins will also be required to make changes to the licensing database to collect information required under 143.779(2). The INS anticipates that the changes can be made in conjunction with the modifications due to association membership tracking. Non-resident applications are currently accepted electronically through the National Association of Insurance Commissioners and making changes to their electronic filing system may be problematic. If the changes would require additional costs, the INS will request additional funding at that time.

Officials from the **SOS - Division of Administrative Rules** state this proposal regulates various professional licenses and will also merge several boards. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Economic Development, the Department of Health and Senior Services, and the Department of Revenue could require as many as 180 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 \$11,070 [(180 pgs. X \$27) + (270 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)** state the DED would have to provide meeting space for the six (6) committee members plus expenses for the Dental Hygienist Distance Learning Committee. Six meetings are projected. Costs would include overnight lodging, mileage, meals, and miscellaneous expenses. The DED estimates approximate costs of \$1,437 for each meeting, or \$8,622 (\$1,437 X 6 meetings) for FY 06. There would also be an unknown cost for a contract with an institution of higher education to establish a distance dental hygienist education program. The contract costs would likely range between \$250,000 and \$750,000 per year, depending on the requirements of the training program.

Officials from the **DED - Division of Professional Registration (DED-PR)** provide the following assumptions related to this proposal:

ASSUMPTION (continued)

Private Investigators - Sections 324.1100 - 324.1148, 571.030 and 621.045

Based on an estimate from an internet search for investigators and private detectives, it is estimated there are approximately 118 individuals and 442 businesses in the state of Missouri that will be required to be licensed (560 total). DED-PR estimates a 3% growth rate and assumes licensure begins in FY 07, resulting in revenue to the Board of Private Investigator Examiners Fund in FY 07 of \$294,000. Revenues for FY 07 are estimated to be \$4,410.

DED-PR assumes all fees collected and all expenses would be deposited into and paid out of the Board of Private Investigator Examiners Fund. DED-PR notes expenses occurring prior to an appropriation (FY 06) would be borrowed from another fund within Professional Registration and paid back in FY 07 or FY 08.

DED-PR assumes implementation of the proposal will require hiring an additional 1.5 FTE in FY 07, as follows: Principal Assistant (0.5 FTE at \$59,532) to serve as the senior executive officer of the agency, Licensure Technician II (0.5 FTE at \$26,292) to provide technical support, process applications for licensure and respond to any inquiries related to the licensure law or rules & regulations, and an Account Clerk II (0.5 FTE at \$24,984) to provide support for DED-PR Central Accounting and Central Cash Receiving Room. DED-PR assumes rental space will be needed for these additional FTE at an annual cost of approximately \$4,155.

DED-PR assumes the five (5) 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 in FY 06 to promulgate rules and regulations. It is estimated that each board member will receive \$70 per diem for each day conducting board business.

DED-PR assumes twelve (12) complaints would be received each year and would require, on average, five hours each to complete. DED-PR estimates 15% of these complaints (2) will require field investigations, each needing 30 hours of field work and one night's lodging. Travel expenses for the investigation are estimated at \$670 annually. DED-PR assumes complaints and investigations would not start until FY 08.

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 (1) would be forwarded to the AGO for further action. Assuming \$5,400 cost per case, DED-PR estimates \$5,400 annually beginning in FY 08. 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 06.

ASSUMPTION (continued)

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 \$3,500. Subsequent years' printing and postage costs are expected to be \$2,500 annually, based on a similarly-sized board.

DED-PR assumes licensed investigators and private detectives 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. DED-PR assumes these costs will begin in FY 06.

For fiscal note purposes only, **Oversight** assumes the following for the Board of Private Investigator Examiners:

- 1) Private investigative businesses may have more than one investigator and have adjusted the total number of potential licensees to 1,000 and assumes DED-PR's request of 1.5 additional FTE should be sufficient to handle the workload;
- 2) Addition rental space would not be required and no additional furniture should be required since requested FTE are all part-time positions;
- 3) The \$14,054 in administrative costs will generally offset the required reimbursement of other funds, and will not be used for the new FTE.
- 5) **Oversight** has, for fiscal note purposes only, changed the starting salary for the part-time Licensure Technician II and the 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.
- 6) Fees have been adjusted to reflect an amount needed to cover operations of the board. Biennial fees of \$300 result in revenue of \$300,000 for the Board of Private Investigator Examiners Fund for FY 07 and \$4,500 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.

ASSUMPTION (continued)

Sections 327.011, 327.076 - 327.078, 327.191, and 327.441

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

Officials from the **Office of Prosecution Services** assume the proposal will have no significant direct fiscal impact on county prosecutors.

Officials from the **Office of Administration - Administrative Hearing Commission** assume the proposal will not significantly alter its caseload. However, if other similar bills also pass, there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** state having reviewed the proposed legislation and having sought the conclusion of the appropriate board(s), they are of the opinion that the proposal, in its present form will have no fiscal impact on the DED-PR. Any civil penalties collected will be deposited in the state general revenue fund. The recovering of expenses will result in a "wash" to the board fund.

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 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.

ASSUMPTION (continued)

Officials from the **Office of Secretary of State (SOS)** state the proposal authorizes the Missouri Board for Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects to impose civil penalties against licensed and unlicensed persons. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Economic Development could require as many as 4 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 \$246 [(4 pgs. X \$27) + (6 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 **Office of Attorney General (AGO)** state the proposal allows the Board for Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects to review and file complaints against licensees with the Administrative Hearing Commission, and issue orders imposing civil penalties. The Board is given investigative powers, including the authority to issue subpoenas.

The AGO assumes that it would need 0.5 FTE Assistant Attorney General II to assist the Board in issuing and enforcing subpoenas, representation at administrative hearings and enforcing and recovering civil penalties. The AGO assumes FY 06 costs of \$31,088; FY 07 costs of \$37,504; and FY 08 costs of \$38,491.

Oversight assumes the AGO would not hire 0.5 FTE and would absorb the additional duties with existing staff. In addition, **Oversight** assumes any additional costs incurred would be reimbursed by the Board for Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects.

The proposal could result in an increase in total state revenue.

ASSUMPTION (continued)

Medical Imaging and Radiation Therapy - Sections 334.1000 - 334.1024 and Section 1.

Based on an estimate of Occupational Projections by the DED, Missouri Works, Labor Market Information for nuclear medical technologists, radiologic technologies, and radiation therapists, it is estimated there are approximately 5,140 individuals in the state of Missouri that will be required to be licensed. The DED-PR assumes a fee of \$125 will be paid for all categories of licensure with biennial renewal. The DED-PR estimates a 3% growth rate and assumes licensure begins in FY 07, resulting in revenue to the Medical Imaging and Radiation Therapy Fund of \$642,500 in FY 07. Revenues for FY 08 are estimated to be \$11,565.

The DED-PR assumes all fees collected and all expenses would be deposited into and paid out of the Medical Imaging and Radiation Therapy Fund. The DED-PR notes expenses occurring prior to an appropriation (FY 06) would be borrowed from another fund within Professional Registration and paid back in FY 07 or FY 08.

The DED-PR assumes implementation of the proposal will require hiring an additional 1.5 FTE in FY 07, as follows: Principal Assistant (0.5 FTE at \$59,532) to serve as the senior executive officer of the agency, Licensure Technician II (0.5 FTE at \$26,292) to provide technical support, process applications for licensure and respond to any inquiries related to the licensure law or rules & regulations, and an 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 \$4,155.

The DED-PR assumes the eleven (11) member board would meet four (4) times per year for two (2) days per meeting, in Jefferson City. The DED-PR notes the Principal Assistant, Licensure Technician and an Attorney General representative will also attend the meeting. The DED-PR assumes there would be four (4) meetings in FY 06 to promulgate rules and regulations. It is estimated that each board member will receive reimbursement for expenses for each day conducting board business. The proposal does not allow members to receive any other compensation.

The DED-PR assumes 182 complaints would be received each year and would require, on average, five hours each to complete. The DED-PR estimates 30% of these complaints (55) will require field investigations, each needing 30 hours of field work and one night's lodging. Travel expenses for the investigation are estimated at \$18,590 annually. The DED-PR assumes complaints and investigations would not start until FY 08.

ASSUMPTION (continued)

The DED-PR assumes there will be a cost associated with needing the services of the Attorney General's Office (AGO). The DED-PR estimates 25% of investigations (14) would be forwarded to the AGO for further action. Assuming \$5,400 cost per case, the DED-PR estimates \$75,600 annually beginning in FY 08. The 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 06.

The 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. The DED-PR estimates printing and postage costs at \$6.25 per licensee in the first year, for a total cost of \$32,125. Subsequent years' printing and postage costs are expected to be \$5,500 annually, based on a similarly-sized board.

The DED-PR assumes licensed medical imaging and radiation therapists will represent 1.49% 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, \$42,503 per annum. The DED-PR assumes these costs will begin in FY 06.

For fiscal note purposes only, **Oversight** assumes the following for the Medical Imaging and Radiation Therapy Board:

- 1) The \$42,503 in administrative costs will generally offset the required reimbursement of other funds, and will not be used for the new FTE.
- 2) Rental space will not be required for three additional part time FTE. Additional furniture and equipment will not be required for the 0.5 FTE positions.
- 3) **Oversight** has, for fiscal note purposes only, changed the starting salary for the Licensure Technician II and the 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) Fees have been adjusted to reflect an amount needed to cover operations of the board. Biennial fees of \$100 result in revenue of \$514,000 for the Medical Imaging and Radiation Therapy Fund for FY 07 and \$14,500 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.

ASSUMPTION (continued)

Complaints against Licensed Nurses - Section 335.068

DED-PR assumes implementation of the legislation will require utilizing an additional 2.0 FTE Investigator II in FY 2007 (\$39,288 annual salary each) to assist the board in conducting investigations as a result of the increase in complaints received. 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, including vehicles, for the additional FTE will be \$38,528 in FY 2007.

The DED-PR assumes the board will have to conduct additional committee conference calls to review investigative reports. Each member of the board (7) receives a \$50 per diem for conducting board business. The DED-PR assumes there will be at least one (1) additional call each year.

The DED-PR states the Board of Nursing (Board) estimates that there will be approximately 326 additional complaints each year. The Board currently receives 800 complaints per year. Thirty-six percent (36%) of nurses currently licensed are not working at a facility that is a mandated reporter. It is estimated that 30% of the complaints (98) will require field investigations, each needing 30 hours of field work and one night's lodging. Travel expenses for the investigations are estimated at \$24,990 annually. DED-PR assumes complaints and investigations would start in FY 2007.

The 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 (24) would be forwarded to the AGO for further action. Assuming \$5,400 cost per case, DED-PR estimates \$129,600 annually in legal costs to the AGO beginning in FY 2008.

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

- (1) Assumed additional rental space would not be required for 2 FTE;
- (2) Changed the starting salary for the Investigators 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.

ASSUMPTION (continued)

Pharmacist “Well-Being” Committee - Section 338.380

DED-PR states, based on a similar program with the Missouri Dental Board, it has estimated that the costs of this program will be \$120,000 annually to cover the operational expenses to enter into a contractual agreement creating, supporting and maintaining a “well-being committee.” It may be necessary to promulgate a fee increase to cover the costs associated with this program. The DED-PR assumes contract costs will not begin until FY 2007.

The DED-PR states having sought the conclusion of the appropriate boards, they are of the opinion the proposal will have no fiscal impact on their organization as it relates to the following sections:

143.775 - 143.778 and 620.1900 - License suspension for failure to pay state income taxes;
228.010 - 228.160, 329.010 - 329.265, and 337.500 - 337.736 - Barbers and Cosmetologist Boards combined and Professional Counselors and Marital and Family Therapists Boards combined;
256.468, 334.735, 436.218, and 621.045 - Geologist Licenses, Student Athletes and other licencing provisions;
332.312 - Distance Dental Hygienist Learning Program;
334.735 - Physician Assistants;
337.603 - 337.653 - Clinical Social Worker Licensing;
338.095 - “Practice of Pharmacy”; and
344.040 - Nursing Home Administrator Licenses

Oversight assumes the loss of business license revenue to cities and towns lost as result of exempting veterinarians in Section 71.620.1 (House Amendment #8) is unknown.

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
GENERAL REVENUE FUND			
<u>Costs - Department of Economic Development</u>			
Board member meeting expenses	(\$8,622)	\$0	\$0
Contract costs	<u>(\$250,000 to \$750,000)</u>	<u>(\$250,000 to \$750,000)</u>	<u>(\$250,000 to \$750,000)</u>
Total <u>Costs</u> - Department of Economic Development	<u>(\$258,622 to \$758,622)</u>	<u>(\$250,000 to \$750,000)</u>	<u>(\$250,000 to \$750,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$258,622 to \$758,622)</u>	<u>(\$250,000 to \$750,000)</u>	<u>(\$250,000 to \$750,000)</u>
BOARD OF PRIVATE INVESTIGATOR EXAMINERS FUND			
<u>Transfer-In - DED-PR</u>			
Transfer from PR Fees Fund	\$13,788	\$0	\$0
<u>Income - DED-PR</u>			
Licensure Fees/Renewals		\$300,000	\$4,500
<u>Costs - DED-PR</u>			
Personal Service (1.5 FTE)	\$0	(\$54,660)	(\$56,027)
Fringe Benefits	\$0	(\$23,318)	(\$23,901)
Expense and Equipment	(\$10,136)	(\$14,629)	(\$14,741)
AGO Costs	<u>(\$3,652)</u>	<u>(\$3,652)</u>	<u>(\$9,052)</u>
Total <u>Costs</u> - DED-PR	(\$13,788)	(\$96,259)	(\$103,721)
<u>Transfer-Out - DED-PR</u>			
Transfer to PR Fees Fund	<u>\$0</u>	<u>(\$13,788)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON BOARD OF PRIVATE INVESTIGATOR EXAMINERS FUND	<u>\$0</u>	<u>\$189,953</u>	<u>(\$99,221)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
 MEDICAL IMAGING AND RADIATION THERAPY FUND			
<u>Transfer-In - DED-PR</u>			
Transfer from PR Fees Fund	\$24,103	\$0	\$0
 <u>Income - DED-PR</u>			
Licensure Fees/Renewals	\$0	\$514,000	\$7,710
 <u>Costs - DED-PR</u>			
Personal Service (1.5 FTE)	\$0	(\$54,660)	(\$56,027)
Fringe Benefits	\$0	(\$23,318)	(\$23,901)
Expense and Equipment	(\$20,451)	(\$53,951)	(\$47,673)
AGO Costs	<u>(\$3,652)</u>	<u>(\$3,652)</u>	<u>(\$79,252)</u>
Total <u>Costs</u> - DED-PR	(\$24,103)	(\$135,581)	(\$206,853)
 <u>Transfer-Out - DED-PR</u>			
Transfer to PR Fees Fund	<u>\$0</u>	<u>(\$24,103)</u>	<u>\$0</u>
 ESTIMATED NET EFFECT ON MEDICAL IMAGING AND RADIATION THERAPY FUND			
	<u>\$0</u>	<u>\$354,316</u>	<u>(\$199,143)</u>
 NURSING FUND			
<u>Costs - Department of Economic Development</u>			
Personal Service Costs (2 FTE)	\$0	(\$67,248)	(\$68,930)
Fringe Benefits	\$0	(\$28,688)	(\$29,406)
Equipment and Expense	\$0	(\$65,092)	(\$27,361)
Board Member Per Diem Costs (7)	\$0	(\$350)	(\$350)
Legal Costs - Attorney General's Office	\$0	<u>\$0</u>	<u>(\$129,600)</u>
Total <u>Costs</u> - Department of Economic Development	<u>\$0</u>	<u>(\$161,378)</u>	<u>(\$255,647)</u>
 ESTIMATED NET EFFECT ON THE NURSING FUND			
	<u>\$0</u>	<u>(\$161,378)</u>	<u>(\$255,647)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
PHARMACY FUND			
<u>Costs - Department of Economic Development</u>			
Well-being committee contract costs	<u>\$0</u>	<u>(\$123,600)</u>	<u>(\$127,308)</u>
ESTIMATED NET EFFECT ON PHARMACY FUND	<u>\$0</u>	<u>(\$123,600)</u>	<u>(\$127,308)</u>
PR FEES FUND			
<u>Transfer-In - DED-PR</u>			
Transfer from Private Investigator Examiners Board Fund	\$0	\$13,788	\$0
Transfer from Medical Imaging and Radiation Therapy Board Fund	<u>\$0</u>	<u>\$24,103</u>	<u>\$0</u>
Total <u>Transfer-In</u> - DED-PR	<u>\$0</u>	<u>\$37,891</u>	<u>\$0</u>
<u>Transfer-Out - DED-PR</u>			
Transfer to Private Investigator Examiners Board Fund	(\$13,788)	\$0	\$0
Transfer to Medical Imaging and Radiation Therapy Board Fund	<u>(\$24,103)</u>	<u>\$0</u>	<u>\$0</u>
Total <u>Transfer-Out</u> - DED-PR	<u>(\$37,891)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON PR FEES FUND	<u>(\$37,891)</u>	<u>\$37,891</u>	<u>\$0</u>
INSURANCE DEDICATED FUND			
<u>Costs - Department of Insurance</u>			
Computer contracting costs	<u>(\$8,900)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON INSURANCE DEDICATED FUND	<u>(\$8,900)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
LOCAL FUNDS			
<u>Costs - Universities and Colleges</u>			
Distance dental hygiene program	(Unknown exceeding \$800,000)	(Unknown exceeding \$750,000)	(Unknown exceeding \$750,000)
<u>Loss - Cities and Towns</u>			
Reduction in business license revenue	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL FUNDS	<u>(Unknown exceeding \$800,000)</u>	<u>(Unknown exceeding \$750,000)</u>	<u>(Unknown exceeding \$750,000)</u>

FISCAL IMPACT - Small Business

Small businesses that employ radiation and medical imaging therapists, private investigators, dental hygienists, social workers, bail bondsmen and surety recovery agents may be impacted by this proposal. Small business pharmacies could be impacted by this proposal if license fees are increased.

DESCRIPTION

This proposal changes the laws regarding the Division of Professional Registration and the Department of Health and Senior Services. The proposal:

- (1) Removes the grandfather provisions regarding the licensing of geologists;
- (2) Establishes the Board of Private Investigator Examiners within the Division of Professional Registration. No person can provide private investigative services without first being licensed. The makeup and duties of the board; exemptions from licensure; requirements for application and licensure; proof of liability insurance; training and written examinations; fees; background checks on applicants; denial, suspension, or revocation of licenses; types and terms of licenses; and reciprocity are specified. Licensees are allowed to disclose to the board, any law enforcement agency, a prosecutor, or the licensee's own representative any information regarding a criminal offense or to instruct their clients to do so if they are victims of a criminal act. Licensees are prohibited from making false reports, presenting themselves as a state or federal officer, or manufacturing false evidence. Certain identifying evidence must be filed with the

DESCRIPTION (continued)

board by licensees. Private investigators or investigator agencies are required to maintain complete records of business transactions. Records may be confidentially examined by the authority of the board under certain circumstances. Licensed private investigators are allowed to carry concealed weapons;

(3) Increases from 750 to 800 the number of hours a manicurist apprentice must complete in order to be licensed. Persons are allowed to make application for the required licensing examination if they are graduates of a foreign cosmetology program and the State Board of Cosmetology determines that the program has educational requirements which are substantially the same as an educational establishment licensed by the board;

(4) Combines the State Board of Barber Examiners and the State Board of Cosmetology to become the State Board of Cosmetology and Barber Examiners. The provisions of this section has an effective date of July 1, 2006;

(5) Combines the State Committee for Professional Counselors and the State Committee of Marital and Family Therapists to become the State Board of Counselors and Therapists;

(6) Establishes the Dental Hygienist Distance Learning Committee and authorizes the Department of Economic Development to contract with an institution of higher education to establish a distant dental hygienist learning program for the purpose of off-site clinical and didactic training. The program must meet all standards established by the Council on Dental Accreditation;

(7) Removes conflicting provisions of law regarding the definition of "physician assistants";

(8) Establishes the Medical Imaging and Radiation Therapy Board of Examiners within the Division of Professional Registration. All persons administering medical imaging and radiation therapy procedures are required to be licensed by the board. Physicians, dentists, chiropractors, podiatrists, registered nurses, certain qualified persons currently practicing medical imaging and radiation therapy are exempt from licensure. Certain criteria is established to be met by applicants for licensure as radiographers, radiation therapists, nuclear medicine technologists, and dental radiographers. The board is authorized to certify programs for medical imaging and radiation therapy in medical facilities, dental facilities, educational institutions, or other public or private institutions; adopt rules; give examinations; waive examination requirements; establish continuing education; issue temporary permits; renew, revoke, and suspend licenses; and investigate charges and allegations brought against licensees, issue subpoenas, hold hearings, render judgments, and hear appeals;

DESCRIPTION (continued)

(9) Requires applicants for licensure as clinical social workers to complete 3,000 hours of supervised clinical experience under a licensed clinical social worker within a specified period of time. The proposal removes the requirement that licensed clinical social workers applying for a Missouri license pass an examination on Missouri laws and regulations governing the practice of social work and be a member in good standing of the Academy of Certified Social Workers. The proposal authorizes the State Committee for Social Workers to require a minimum of 30 hours of continuing education for license renewal, requires the committee to establish ethical standards based on the code of ethics of the National Association of Social Workers, and clarifies the practice of baccalaureate social work;

(10) Authorizes the Board of Pharmacy to prepare an equitable salary schedule for employees attributed to the inspection licensed entities;

(11) Provides for the Missouri State Board for Pharmacy to establish the Well-being Committee to aid pharmacists who suffer from illness, substance abuse, mental illness, or physical impairments. The board will enter into contractual agreements with nonprofit corporations for the purpose of creating, supporting, and maintaining the committee. All communications involving the licensee and the committee are confidential and not considered public records. The committee may disclose information about an impaired licensee when it is necessary to further the intervention, treatment, or rehabilitation of the licensee.

(12) Requires all nursing home administrators licenses to expire on June 30 following the year it was issued and every other year thereafter. An administrator seeking a renewal must file an application during the month of May of the year of their renewal, accompanied by a fee as provided by rule, payable to the Department of Health and Senior Services. All licenses issued or renewed during 2006 can be for either a one- or two-year term as dictated by rule;

(13) Redefines "student athlete" within the provisions regarding athletic contracts;

(14) Requires that any person applying for a license or a license renewal as a bail bond agent, a general bail bond agent, or a surety recovery agent must provide the Director of the Department of Insurance with evidence that they are a member of a statewide professional association established to represent the interests of bail bond agents, general bail bond agents, or surety recovery agents. The director will establish requirements that an association must meet prior to being recognized as a statewide professional association;

(15) Removes the requirement that the division wait 30 days before informing a licensee that they are in violation of their licensing requirements prior to engaging in settlement negotiations

DESCRIPTION (continued)

and shortens the time from 60 to 30 days that the licensee has to consider the settlement offer prior to contacting the respective board to discuss the settlement offer; and

(16) Requires sonographers or vascular technologists which are Medicaid providers to be credentialed by the appropriated accrediting body specified in the proposal.

(17) This proposal requires the State Board of Nursing to file a complaint with the Administrative Hearing Commission before any documentation may appear on file or any disciplinary action is taken against a licensed nurse because of a complaint. If no action is taken by the board, at the request of the licensee, all records regarding the complaint will be expunged. Currently, only records of complaints filed by persons in the custody of the Department of Corrections may be expunged.

(18) This proposal requires the Department of Revenue to send written notice to certain licensees who are delinquent on any state taxes or have failed to file state income tax returns for any of the three years preceding the professional license renewal, stating that the license will be suspended 120 days from the date of the notice unless a tax compliance letter is received by the appropriate licensing authority. The license suspension will only apply to the professional license currently up for renewal. The department must issue a tax compliance letter when the licensee files and pays the delinquent taxes, interest, and additions due or enters into and complies with a payment plan. The review and appeals process are specified. A licensee who continues to engage in the licensed activity while his or her license is suspended is guilty of a class A misdemeanor.

(19) This proposal revises the definition of "practice of pharmacy" to include the implementation of medical or veterinary prescription orders and prohibits any person other than the patient or the patient's authorized representative to accept a dispensed prescription order, unless that person is on the premises.

(20) This proposal authorizes the Missouri Board for Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects to impose civil penalties upon any person practicing these professions without a valid license, subject to an administrative action by the board. Complaints must be filed with the Administrative Hearing Commission. If the commission finds that an unlicensed person has violated the provisions of the proposal, the board may issue a civil penalty not to exceed \$5,000 for each day of violation, with a maximum penalty of \$25,000. The person being fined has the right to appeal to a circuit court. Once the case is finalized, the Attorney General will commence an action to recover the penalty, including court costs, attorney fees, and surcharges. The board is also authorized to assess reasonable costs and expenses incurred in conducting the investigation and administrative hearing and impose a civil penalty against a licensee after the commission has found a cause for discipline.

DESCRIPTION (continued)

(21) This proposal revises the definition of "practice of pharmacy" to include the implementation of medical or veterinary prescription orders and prohibits any person other than the patient or the patient's authorized representative to accept a dispensed prescription order, unless that person is on the premises.

(22) This proposal requires the State Board of Nursing to file a complaint with the Administrative Hearing Commission before any documentation may appear on file or any disciplinary action is taken against a licensed nurse because of a complaint. If no action is taken by the board, at the request of the licensee, all records regarding the complaint will be expunged. Currently, only records of complaints filed by persons in the custody of the Department of Corrections may be expunged. Any employers of registered nurses, including nurse agencies, are required to report to the board any disciplinary action taken against a licensee, including the termination of contracted services due to complaints. Disciplinary action must be deemed final after any licensed nurse has exhausted his or her rights under any existing grievance and arbitration procedure.

(23) This proposal requires the Department of Revenue to send written notice to certain licensees who are delinquent on any state taxes or have failed to file state income tax returns for any of the three years preceding the professional license renewal, stating that the license will be suspended 120 days from the date of the notice unless a tax compliance letter is received by the appropriate licensing authority. The license suspension will only apply to the professional license currently up for renewal. The department must issue a tax compliance letter when the licensee files and pays the delinquent taxes, interest, and additions due or enters into and complies with a payment plan. The review and appeals process are specified. A licensee who continues to engage in the licensed activity while his or her license is suspended is guilty of a class A misdemeanor.

(24) This proposal creates the Medical Imaging and Radiation Therapy Quality Assurance Act. Any person administering medical imaging and radiation therapy procedures is required to be licensed by the newly created Medical Imaging and Radiation Therapy Board of Examiners. Such Board shall be located with the division of professional registration. The proposal exempts certain health care professionals, such as physicians, dentists, chiropractors, podiatrists, registered nurses and certain qualified persons currently practicing medical imaging and radiation therapy from the licensure requirements.

Certain education and experience requirements are enacted for applicants to be licensed as radiographers, radiation therapists, nuclear medicine technologists and dental radiographers. The proposal contains a grandfather provision that authorizes persons who have been practicing in

three of the past five years to waive the required examination if such person demonstrates competency to the board and either passes a board-approved examination covering fundamental principles of radiographic imaging and safety or undergoes a review of medical facility training. If such persons cannot pass the board-approved examination within three attempts, then the person must submit to an on-site competency evaluation conducted by the board.

Medical facilities, dental facilities, educational institutions and other public and private institutions wishing to offer programs in medical imaging and radiation therapy must meet certain requirements of the Board. The Board is granted additional powers to adopt rules, give examinations, issue temporary licenses, require continuing education as part of the renewal of a license renewal, and to discipline licensees. The proposal both requires the board in some instances and gives the board discretion in other instances to waive the examination, depending on the certification an applicant may possess.

The Board shall investigate complaints, file charges, hold hearings, render judgements and hear appeals when warranted to seek discipline of a licensee. Further, the Board is granted subpoena power for the appearance of witnesses.

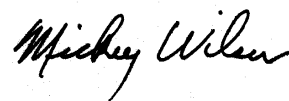
The proposal creates the "Medical Imaging and Radiation Therapy Board of Examiners Fund" which shall receive all fees collected by the board. The proposal provides that none of the licensing requirements will take effect until such time as the board receives a specific appropriation and initial rules have been promulgated.

Any violation of this proposal shall be a Class A misdemeanor.

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
Department of Higher Education
Office of Administration -
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Economic Development -
 Division of Professional Registration
Missouri Department of Transportation
Department of Mental Health
Department of Corrections
Department of Health and Senior Services
Department of Revenue
Department of Social Services
Department of Public Safety -
 Director's Office
 Missouri State Highway Patrol
Missouri Consolidated Health Care Plan
Department of Insurance
Missouri Department of Conservation
Office of Prosecution Services
Missouri Senate
Office of Secretary of State
Office of State Public Defender
Office of State Treasurer
University of Missouri
Missouri Southern State College



Mickey Wilson, CPA
Director
May 11, 2005