

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3498-01
Bill No.: HB 1188
Subject: Economic Development Dept.; Licenses - Professional; Medical Procedures and Personnel
Type: Original
Date: March 15, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Board of Registration for the Healing Arts	\$0	(\$51,733)	\$0
Registered Surgical Assistant and Registered Surgical Technologist	\$0	\$0	\$172,722
Other PR	\$0	\$0	\$16,064
Total Estimated Net Effect on Other State Funds	\$0	(\$51,733)	\$188,786

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Officials from the **Office of Prosecution Services** assume the proposal will not have a significant direct fiscal impact on county prosecutors although it may lead to an increase in prosecutions/caseloads.

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 05 average of \$39.13 per inmate per day or an annual cost of \$14,282 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).

ASSUMPTION (continued)

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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 Secretary of State (SOS)** state the fiscal impact for this proposal to the SOS for administrative rules is less than \$1,500. The SOS does not expect additional funding would be required to meet these costs. However, the SOS 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 its 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.

Officials with the **Department of Economic Development–Division of Professional Registration (DED-PR)** estimate the proposal will result in the licensing of 1,585 surgical technologists and surgical assistants. DED-PR assumes a biennial registration with an initial registration fee \$160 and a renewal fee of \$155. DED-PR estimates a 3% growth rate and assumes licensure begins in FY 2008, resulting in revenue to the Registered Surgical Assistant and Registered Surgical Technologist Fund of \$253,600 in FY 2008 and \$7,680 in FY 2009.

DED-PR assumes all fees collected and all expenses would be deposited into and paid out of the Registered Surgical Assistant and Registered Surgical Technologist Fund. DED-PR notes expenses occurring prior to an appropriation (FY 2008) would be borrowed from the Board of Healing Arts Fund within Professional Registration, pursuant to 620.106, RSMo. It is estimated payback of any outstanding loans would be made in FY 2010.

DED-PR assumes implementation of the proposal will require hiring an additional 0.5 FTE Licensure Technician I (\$22,992) to provide technical support, process applications for licensure and respond to any inquiries related to the licensure law or rules & regulations. DED-PR assumes office space will be needed for the additional FTE at a cost of \$700 annually beginning in FY 08.

The DED-PR assumes 44 complaints would be received each year and would require, on average, five hours each to complete. The DED-PR estimates 30% of these complaints (13) will ASSUMPTION (continued)

require investigations and 30% of the investigated complaints would require field investigations. The DED-PR estimates that 50% of these field investigation (2), each needing 30 hours of field work, would require one night's lodging. Travel expenses for the investigation are estimated at \$346 annually. The DED-PR assumes complaints and investigations would not start until FY 08. The DED-PR assumes there will be a cost associated with needing the services of the Attorney General's Office (AGO) and the Administrative Hearing Commission (AHC). The AGO will provide assistance with board meetings, opinions, the promulgation of rules and regulations, interpretation of legislation, and litigation. AGO and AHC costs are based on the costs incurred by boards of similar size. AGO costs are estimated to be \$20,276 annually beginning in FY 07 and AHC costs are estimated to be \$3,420 annually beginning in FY 08.

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 \$9,906. Subsequent years' printing and postage costs are expected to cost \$20,667 annually, based on a similarly sized board. DED-PR assumes existing staff would design, program, and implement a computer licensure program.

The DED-PR assumes licensed surgical assistants and 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. These costs are estimated to be \$16,064 for FY 08 and \$58,278 for FY 09.

Oversight notes that the inclusion of rent expense and administrative overhead costs in the total costs to be incurred by the Board of Registration for the Healing Arts on behalf of Registered Surgical Technologists and Surgical Assistants will result in a lower allocation of these expenses to other licensing boards. As a result, **Oversight** has shown a savings to Other Professional Registration (PR) Funds in an amount equal to the expense of the Registered Surgical Technologists and Surgical Assistants.

Oversight notes the effective date of the proposal is July 1, 2007. Therefore, **Oversight** assumes the 0.5 FTE would be hired for the entire FY 08 and the initial licensing of surgical technologists and assistants would not occur until FY 09.

Officials from the **Office of Attorney General (AGO)** state the proposal creates a new registration within the Board of Healing Arts. The AGO assumes it would need 0.5 Assistant Attorney General II (AAG) to assist the Board in the rule-making process and licensing matters. The AGO estimates costs of \$31,876 for FY 07; \$34,404 for FY 08; and \$35,295 for FY 09.
ASSUMPTION (continued)

Oversight assumes the AGO will absorb the duties within current staffing levels and will not

require the equipment and other expenses associated with the 0.5 FTE position. In addition, **Oversight** assumes costs incurred by the AGO's office will be reimbursed by the Registered Surgical Assistant and Registered Surgical Technologist Fund.

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

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
REGISTERED SURGICAL ASSISTANT AND REGISTERED SURGICAL TECHNOLOGIST FUND			
<u>Transfer-In - DED-PR</u>			
Transfer from Board of Registration for the Healing Arts Fund	\$0	\$51,733	\$0
<u>Income - DED-PR</u>			
Licensure Fees/Renewals	\$0	\$0	\$253,600
<u>Costs - DED-PR</u>			
Personal Service (0.5 FTE)	\$0	(\$12,078)	(\$12,380)
Fringe Benefits	\$0	(\$5,322)	(\$5,455)
Expense and Equipment	\$0	(\$13,517)	(\$23,283)
AGO, AHC, and other allocated costs	<u>\$0</u>	<u>(\$20,816)</u>	<u>(\$39,760)</u>
Total <u>Costs</u> - DED-PR	<u>\$0</u>	<u>(\$51,733)</u>	<u>(\$80,878)</u>
ESTIMATED NET EFFECT ON REGISTERED SURGICAL ASSISTANT AND SURGICAL TECHNOLOGIST FUND			
	<u>\$0</u>	<u>\$0</u>	<u>\$172,722</u>

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
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**BOARD OF REGISTRATION FOR
 THE HEALING ARTS FUND**

Transfer-Out - DED-PR

Transfer to Registered Surgical
 Assistant and Surgical Technologist
 Fund

\$0 (\$51,733) \$0

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

\$0 (\$51,733) \$0

OTHER PR FUNDS

Savings - DED-PR

Reduction in rent and overhead costs
 allocated to other licensing boards

\$0 \$0 \$16,064

**ESTIMATED NET EFFECT ON
 OTHER PR FUNDS**

\$0 \$0 \$16,064

FISCAL IMPACT - Local Government

FY 2007
 (10 Mo.)

FY 2008

FY 2009

\$0 \$0 \$0

FISCAL IMPACT - Small Business

The proposal may impact small business that employ for surgical assistants and technologists.

DESCRIPTION

This proposal establishes the Registered Surgical Technologist Title Protection Act. The proposal: (1) Requires persons wishing to practice as registered surgical technologists to be registered with the State Board of Registration for the Healing Arts; (2) Requires applicants to be certified by the Liaison Council on Certification for the Surgical Technologist or complete an accredited surgical technologist program approved by the board; (3) Requires all registered

DESCRIPTION (continued)

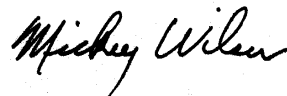
surgical technologists to practice under the direct supervision of a licensed physician, dentist, or podiatrist; (4) Makes it unlawful for any person to hold themselves out as a registered surgical technologist without first being duly registered with the board; (5) Exempts certain licensed health care professionals from registration; (6) Authorizes the board to promulgate rules; set fees; refuse to issue, suspend, or revoke registrations for violations specified in the proposal; and (7) Creates within the state treasury the Registered Surgical Technologist Fund.

The proposal becomes effective July 1, 2007.

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 State Courts Administrator
Department of Economic Development -
 Division of Professional Registration
Department of Corrections
Office of Prosecution Services
Office of Secretary of State
Office of State Public Defender
Office of State Treasurer



Mickey Wilson, CPA
Director
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