

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0352-04
Bill No.: HCS for HB 57
Subject: Medical Procedures and Personnel; Licenses - Professional; Insurance Dept.
Type: Original
Date: April 29, 2009

Bill Summary: Establishes the Registered Surgical Technologist Title Protection Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(Unknown exceeding \$83,333)	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown exceeding \$83,333)	(Unknown exceeding \$100,000)	(Unknown exceeding \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Registered Surgical Technologist	\$0	\$141,343	(\$46,536)
PR Fees	(\$24,105)	\$0	\$0
State School Moneys	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$24,105)	\$141,343	(\$46,536)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 10 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	Unknown	Unknown	Unknown
Registered Surgical Technologist	0.5	0.5	0.5
Total Estimated Net Effect on FTE	0.5 to Unknown	0.5 to Unknown	0.5 to Unknown

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	Unknown	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** assume the proposal will not fiscally impact their organization.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources, but the AGO may need to request additional appropriations to handle the increase in workload if multiple cases arise from the proposal.

Officials from the **Department of Higher Education (DHE)** assume the DHE could perform the responsibilities assigned by the proposal without additional FTE or appropriations.

Officials from the **Office of Prosecution Services (OPS)** state the proposal will have no measurable fiscal impact on the OPS or County Prosecutors.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS realizes this is a small amount and does not expect that additional funding would be required to meet these costs. 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 that the office can sustain within 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 from the **Department of Corrections (DOC)** state the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments 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 direct offender costs either through incarceration (FY 08 average annual cost of \$5,709 per inmate) or through supervision provided by the Board of Probation and Parole (FY 08 average annual cost of \$902 per offender).

The 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 imposition of a probation sentence, and the probability exists that offenders would be charged with a similar but more serious offense and that sentences may run concurrent to one another. Therefore, supervision through probation or incarceration would result in some additional costs, but the DOC assumes the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

ASSUMPTION (continued)

Officials from the **Department of Social Services** assume the proposal will impact the number of children that will have access to registered child care providers. However, the Children's Division does not anticipate a fiscal impact.

Officials from the **Department of Health and Senior Services (DOH)** provide the following assumptions for this proposal:

Section 210.211.1(1)

According to the Department of Social Services, from June 2007 through May 2008, there was an average of 2,787 registered unlicensed child care providers. The DOH is unable to estimate the number of unlicensed child care providers that are not registered and, therefore, assumes that an unknown number of child care providers will be required to be licensed as a result of the proposed legislation.

The Division of Regulation and Licensure (DRL) within the DOH is responsible for the inspection, licensure, and regulation of child care programs in Missouri. Inspectors conduct inspections of licensed child care programs semi-annually and complaint investigations as needed.

In addition to the inspections conducted by DRL, the Division of Community and Public Health conducts safety and sanitation inspections for licensed child care providers at the time of licensure and annually thereafter.

The proposed legislation could result in the need for additional inspectors. Due to the uncertain number of child care providers that will be required to be licensed, the DOH estimates an impact of (Unknown > \$100,000). The department further estimates that as a result of an increased number of licensure fees, the proposed legislation will cause an unknown increase in General Revenue.

Section 210.245.1

The proposed legislation in this section imposes a fine of two hundred dollars per day, not to exceed a total of ten thousand dollars for any person that violates the child care licensure provisions set forth in sections 210.201 to 210.245. The DOH assumes an unknown increase in General Revenue as a result of this imposed fine.

ASSUMPTION (continued)

Section 334.1150

The DRL is already conducting surveys/inspections on health care facilities described in the legislation. It is assumed that reviewing the credentials of surgical technicians would be part of the normal survey/inspection review process. This portion of the proposal will have no fiscal impact on DRL.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** estimate the proposal will result in the licensing of 1,780 surgical technologists and surgical assistants. The DIFP assumes a biennial registration with an initial registration fee of \$115 and a renewal fee of \$95, a 3% growth rate, initial licensing beginning in FY 11, and renewals beginning in FY 13. FY 11 registration fee revenue is estimated to be \$204,700. The DIFP assumes all fees collected and all expenses paid would be deposited into and paid out of the Registered Surgical Technologist Fund. It is also assumed that no revenue will be generated prior to FY 11; therefore, expenses incurred by the board prior to FY 11 will be borrowed from and paid back to the PR Fees Fund by a lending board within the division, pursuant to section 324.016, RSMo. It is estimated the payback of any outstanding loans would be made in FY 13. Should the number of licensees vary significantly from the number estimated above, the licensure fees will be adjusted accordingly.

The DIFP assumes implementation of the proposal will require hiring an additional 0.5 FTE Licensure Technician I (\$25,380 annually) to provide technical support, process applications for licensure, and respond to any inquiries related to the licensure law and/or rules and regulations.

Based on a board of similar size, the DIFP assumes 54 complaints would be received each year, beginning in FY 11. It is estimated that 30% of the complaints filed (16) would require field investigations and that 50% of the complaints requiring field investigations (8) would require an investigator to incur overnight expenses. Annual investigative expenses are estimated to be \$2,398.

The DIFP assumes there will be costs associated with needing the services of the Attorney General's Office (AGO) and the Administrative Hearing Commission (AHC). Based on a board of similar size, AGO and AHC costs are estimated to be \$15,076 annually beginning in FY 11.

The DIFP assumes printing and postage costs will be incurred in the first year for statute and rule printings, applications, letterhead and envelopes, and mailings associated with initial licensure. FY 10 printing and postage costs are estimated to be \$22,250; FY 11 and FY 12 costs are estimated at \$8,941 annually.

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ASSUMPTION (continued)

In response to an earlier version of this proposal, the **Office of State Treasurer** and **Office of State Public Defender** assumed the proposal will have no fiscal impact on their organizations.

Oversight notes the effective date for sections 334.1100 to 334.1142 (Surgical Technologists) of the proposal is July 1, 2010.

<u>FISCAL IMPACT - State Government</u>	FY 2010	FY 2011	FY 2012
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GENERAL REVENUE FUND

Savings - Department of Elementary and Secondary Education

Reduced appropriations to the State School Moneys Fund (for deduction of fine revenue from previous year)	\$0	Unknown	Unknown
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Income - DOH

Fines - Section 210.245.1	Unknown	Unknown	Unknown
Daycare licensure fees - Section 210.245.1	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
Total <u>Income</u> - DOH	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

Costs - DOH*

Personal service and related costs for additional investigators - Section 210.211.1(1)	<u>(Unknown greater than \$83,333)</u>	<u>(Unknown greater than \$100,000)</u>	<u>(Unknown greater than \$100,000)</u>
FTE Change - DOH	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*

<u><u>(Unknown greater than \$83,333)</u></u>	<u><u>(Unknown greater than \$100,000)</u></u>	<u><u>(Unknown greater than \$100,000)</u></u>
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Estimated Net FTE Change for General Revenue Fund	Unknown	Unknown	Unknown
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* Oversight assumes costs will exceed income.

<u>FISCAL IMPACT - State Government</u>	FY 2010	FY 2011	FY 2012
REGISTERED SURGICAL TECHNOLOGIST FUND			
<u>Transfer-In - DIFP</u>			
Transfer from PR Fees Fund	\$24,105	\$0	\$0
<u>Revenue - DIFP</u>			
License fees/renewals	\$0	\$204,700	\$6,095
<u>Costs - DIFP</u>			
Personal service (0.5 FTE)	(\$10,839)	(\$13,332)	(\$13,666)
Fringe benefits	(\$5,271)	(\$6,483)	(\$6,646)
Equipment and expense	(\$7,995)	(\$28,466)	(\$16,480)
AGO and AHC	\$0	(\$15,076)	(\$15,839)
Total Costs - DIFP	<u>(\$24,105)</u>	<u>(\$63,357)</u>	<u>(\$52,631)</u>
FTE Change - DIFP	0.5 FTE	0.5 FTE	0.5 FTE
ESTIMATED NET EFFECT ON REGISTERED SURGICAL TECHNOLOGIST FUND	<u>\$0</u>	<u>\$141,343</u>	<u>(\$46,536)</u>
Estimated Net FTE Change for Registered Surgical Technologist Fund	0.5 FTE	0.5 FTE	0.5 FTE
PR FEES FUND			
<u>Transfer-Out - DIFP</u>			
Transfer to Registered Surgical Technologist Fund	<u>(\$24,105)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON PR FEES FUND	<u>(\$24,105)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2010	FY 2011	FY 2012
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STATE SCHOOL MONEYS FUND

Savings - Department of Elementary and
 Secondary Education

Reduced distributions to local school districts	\$0	Unknown	Unknown
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Losses - Department of Elementary and
 Secondary Education

Reduced appropriations from General Revenue Fund	\$0	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2010	FY 2011	FY 2012
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**POLITICAL SUBDIVISIONS -
 SCHOOLS**

Income - School Districts

Income from fines	Unknown	Unknown	Unknown
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Losses - School Districts

Reduced distributions from State School Moneys Fund	\$0	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS - SCHOOLS	<u>Unknown</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
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FISCAL IMPACT - Small Business

The proposal may impact small businesses that employ surgical assistants and technologists if they pay for licensing fees. In addition, the proposal will impact small business daycare providers that do not currently possess licenses; the maximum number of children that can be cared for will be limited to four, including related children not living in the home, if the small business does not want to be licensed.

FISCAL DESCRIPTION

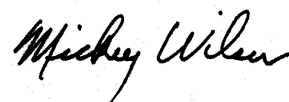
This proposal establishes the Registered Surgical Technologist Title Protection Act. Beginning July 1, 2010, the proposal: (1) Requires persons wishing to practice as registered surgical technologists to be registered with the State Board of Registration for the Healing Arts within the Department of Insurance, Financial Institutions and Professional Registration; (2) Authorizes the board to establish rules; set fees; refuse to issue, renew, or restore a registration; or place a person on probation, censure, reprimand, or take other disciplinary action for violations specified in the proposal; and (3) Creates within the state treasury the Registered Surgical Technologist Fund.

Section 210.211.1(1) requires child care providers to be licensed if they care for more than four children, including related children that do not live in the home. Section 210.245.1 imposes a fine of two hundred dollars per day, not to exceed ten thousand dollars for any person that violates the child care licensure provisions. The Department of Health and Senior Services is given the authority to immediately close any illegally operating unlicensed child care facilities.

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 Higher Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Department of Corrections
Department of Social Services
Office of Prosecution Services
Office of Secretary of State
Office of State Public Defender
Office of State Treasurer



Mickey Wilson, CPA

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