

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4838-02
Bill No.: HCS for HB 1608
Subject: Department of Health and Senior Services; Drugs and Controlled Substances
Type: Original
Date: April 25, 2016

Bill Summary: This proposal establishes the Controlled Substance Abuse Prevention Fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$906,732)	(\$1,086,258)	(\$1,087,686)
Total Estimated Net Effect on General Revenue	(\$906,732)	(\$1,086,258)	(\$1,087,686)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Controlled Substance Abuse Prevention	\$11,716	\$23,297	\$14,120
Total Estimated Net Effect on Other State Funds	\$11,716	\$23,297	\$14,120

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	1.65	1.65	1.65
Controlled Substance Abuse Prevention	9.35	9.35	9.35
Total Estimated Net Effect on FTE	11	11	11

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Treasurer** and the **Department of Revenue** each assume the current proposal would not fiscally impact their respective agencies.

Section 195.430

Officials from the **Department of Health and Senior Services (DHSS)** state that currently under Section 195.030.1, RSMo, all fees collected by the DHSS, Bureau of Narcotics and Dangerous Drugs (BNDD) for the issuance of registrations to manufacture, distribute, or dispense controlled substances are deposited into the General Revenue Fund. DOH assume this proposal would require all BNDD fees collected to be deposited into the newly created Controlled Substance Abuse Prevention Fund. In FY15 the total fees collected by BNDD was \$869,278.

Section 195.435

Officials from **DHSS** assume this proposal requires one investigator for every 2,500 registrants. Currently BNDD processes approximately 30,000 controlled substance registrants per year (30,000 registrants/2,500 registrants per investigator = 12 total investigators needed). BNDD currently has two Investigator II FTE and would need the following additional staff:

One Band I Investigator Manager (\$55,416 annually) to assist in the overall management and direction of the unit under the supervision of the unit chief. Assists in the management of 100 open cases on average and prepares necessary disciplinary actions. This position will also travel throughout the state to conduct on-site inspections of the 30,000 registrants.

One Investigator III (\$40,380) to assist and conduct on-site inspections of the 30,000 registrants. This position will also provide the basic supervision and oversight of the 10 Investigator IIs.

Eight Investigators II (\$37,548) to travel throughout the state to conduct on-site inspections of the 30,000 registrants. Upon discovery of a violation, they can correct the issue on-site or refer it to central office for any kind of censure or corrective action. These staff will also respond and investigate complaints received in BNDD.

One Senior Office Support Assistant (\$25,824) to provide support to BNDD investigative staff.

ASSUMPTION (continued)

The fees collected in the Controlled Substance Abuse Prevention Fund would cover approximately 85% of the additional costs. The remaining 15% would require General Revenue funding. These estimates assume no increase in registrant fees or number of registrants.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE FUND			
<u>Costs - DHSS (15% of program costs)</u>			
Salaries	(\$52,751)	(\$63,934)	(\$64,573)
Fringe Benefits	(\$106,922)	(\$128,479)	(\$128,653)
Equipment and Expenses	<u>(\$22,661)</u>	<u>(\$24,567)</u>	<u>(\$25,182)</u>
<u>Total Costs - DHSS</u>	<u>(\$182,334)</u>	<u>(\$216,980)</u>	<u>(\$218,408)</u>
FTE Change - DHSS	1.65 FTE	1.65 FTE	1.65 FTE
<u>Loss - Fees</u>	<u>(\$724,398)</u>	<u>(\$869,278)</u>	<u>(\$869,278)</u>
BNDD - Controlled Substance Registrant Fees			
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$906,732)</u>	<u>(\$1,086,258)</u>	<u>(\$1,087,686)</u>
Estimated Net FTE Change on the General Revenue Fund	1.65 FTE	1.65 FTE	1.65 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
CONTROLLED SUBSTANCE ABUSE PREVENTION FUND			
<u>Revenue - Controlled Substance</u>			
Registrant Fees	\$724,398	\$869,278	\$869,278
<u>Costs - DHSS (85% of program costs)</u>			
Salaries	(\$298,920)	(\$362,290)	(\$365,913)
Fringe Benefits	(\$174,175)	(\$209,990)	(\$210,979)
Equipment and Expenses	(\$128,410)	(\$139,215)	(\$142,696)
Other Fund Costs	<u>(\$111,177)</u>	<u>(\$134,486)</u>	<u>(\$135,570)</u>
<u>Total Costs - DHSS (85% of program costs)</u>	<u>(\$712,682)</u>	<u>(\$845,981)</u>	<u>(\$855,158)</u>
FTE Change - DHSS	9.35 FTE	9.35 FTE	9.35 FTE
ESTIMATED NET EFFECT ON CONTROLLED SUBSTANCE ABUSE PREVENTION FUND			
	<u>\$11,716</u>	<u>\$23,297</u>	<u>\$14,120</u>
Estimated Net FTE Change on the Controlled Substance Abuse Prevention Fund	9.35 FTE	9.35 FTE	9.35 FTE
<u>FISCAL IMPACT - Local Government</u>			
	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

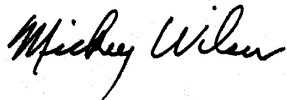
FISCAL DESCRIPTION

This proposal creates a Controlled Substance Abuse Prevention Fund within the state treasury that is funded using fees collected by the Department of Health and Senior Services when issuing registrations to manufacture, distribute, or dispense controlled substances. Any money appropriated, gifted, granted, donated, bequested, or contributed for the purpose of funding the Bureau of Narcotics and Dangerous Drugs within the department must be deposited in the fund. The bureau is required to employ no less than one investigator for every 2,500 controlled substance registrants.

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 the State Treasurer
Department of Revenue
Department of Health and Senior Services



Mickey Wilson, CPA
Director
April 25, 2016

Ross Strobe
Assistant Director
April 25, 2016