

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0539-01
Bill No.: HB 103
Subject: Health and Senior Services, Department of; Drugs and Controlled Substances
Type: Original
Date: January 30, 2017

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$726,463)	(\$871,755)	(\$871,755)
Total Estimated Net Effect on General Revenue	(\$726,463)	(\$871,755)	(\$871,755)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Controlled Substance Abuse Prevention	\$100,855	\$132,263	\$123,706
Total Estimated Net Effect on <u>Other</u> State Funds	\$100,855	\$132,263	\$123,706

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Controlled Substance Abuse Prevention	10 FTE	10 FTE	10 FTE
Total Estimated Net Effect on FTE	10 FTE	10 FTE	10 FTE

☒ 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 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Treasurer** and the **Department of Revenue** each assume the proposal will have no fiscal impact on their respective organizations.

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. DHSS assumes this proposal would require all BNDD fees collected to be deposited into the newly created Controlled Substance Abuse Prevention Fund. In FY'16 the total fees collected by BNDD was \$871,755.

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 one Band I Investigator Manager and two Investigator II FTE and would need the following additional staff:

One Investigator III (\$41,184) to assist and conduct on-site inspections of the 30,000 registrants. This position will also provide the basic supervision and oversight of the 8 Investigators II.

Eight Investigators II (\$38,304) 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.

Investigative staff within BNDD have higher than normal travel expenditures as they travel extensively. Travel cost for the nine investigators is estimated to be \$10,000 per FTE annually.

One Senior Office Support Assistant (\$26,340) to provide support to BNDD investigative staff.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE FUND			
<u>Loss - Fees</u>			
BNDD - Controlled Substance Registrant Fees	<u>(\$726,463)</u>	<u>(\$871,755)</u>	<u>(\$871,755)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$726,463)</u>	<u>(\$871,755)</u>	<u>(\$871,755)</u>
 CONTROLLED SUBSTANCE ABUSE PREVENTION FUND			
<u>Revenue - Controlled Substance Registrant Fees</u>	\$726,463	\$871,755	\$871,755
<u>Cost- DHSS</u>			
Salaries	(\$311,630)	(\$377,696)	(\$381,473)
Fringe Benefits	(\$178,703)	(\$215,558)	(\$216,683)
Equipment and Expenses	<u>(\$135,275)</u>	<u>(\$146,238)</u>	<u>(\$149,893)</u>
<u>Total Cost - DHSS</u>	<u>(\$625,608)</u>	<u>(\$739,492)</u>	<u>(\$748,049)</u>
FTE Change - DHSS	10 FTE	10 FTE	10 FTE
ESTIMATED NET EFFECT ON THE CONTROLLED SUBSTANCE ABUSE PREVENTION FUND	<u>\$100,855</u>	<u>\$132,263</u>	<u>\$123,706</u>
Estimated Net FTE Change on the Controlled Substance Abuse Prevention Fund	10 FTE	10 FTE	10 FTE
 <u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<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.

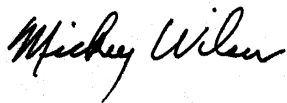
FISCAL DESCRIPTION

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

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



Mickey Wilson, CPA
Director
January 30, 2017

Ross Strobe
Assistant Director
January 30, 2017