

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1201-01
Bill No.: Perfected HB 470
Subject: Professional Registration and Licensing
Type: Original
Date: March 12, 2019

Bill Summary: This proposal establishes the “Expand Workforce Access Act of 2019.”

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|--------------------------|------------|------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| General Revenue Fund | \$0 or (\$12,133) | \$0 | \$0 |
| Total Estimated Net Effect on General Revenue | \$0 or (\$12,133) | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| Various DIFP Funds | (Unknown) | (Unknown) | (Unknown) |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|-------------------|-------------------|-------------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| Federal Funds | (\$77,951) | (\$84,536) | (\$85,325) |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | (\$77,951) | (\$84,536) | (\$85,325) |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|---------------------|---------------------|---------------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| General Revenue Fund | 0 or 0.1 FTE | 0 or 0.1 FTE | 0 or 0.1 FTE |
| Federal Funds | 1 FTE | 1 FTE | 1 FTE |
| Total Estimated Net Effect on FTE | 1 or 1.1 FTE | 1 or 1.1 FTE | 1 or 1.1 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 2020 | FY 2021 | FY 2022 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Section 324.025

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume this proposal establishes the Expanded Workforce Access Act of 2019. The fiscal impact is unknown to various DIFP funds depending upon the type of apprenticeships developed by state agencies or other licensing authorities and the extent of work that is demanded of the Division of Professional Registration.

Officials from the **Department of Economic Development - Division of Workforce Development (DWD)** assume this proposal creates the "Expanded Workforce Access Act of 2019" stating that, within the parameters established under the federal Labor Standards for the Registration of Apprenticeship Programs, each state licensing authority shall grant a license to applicants that: successfully complete the eighth grade, complete an apprenticeship approved by the Division of Professional Registration or US Department of Labor or otherwise permitted under state or federal law and have passed an examination by the appropriate licensing authority.

While DWD is not the licensing authority, DWD may be required to work with the Division of Professional Registration or other agencies to ensure individuals completing the approved apprenticeships receive their licenses. Therefore, DWD is estimating the need for 1 additional FTE (Workforce Development Specialist IV) at an annual salary of \$51,108. This would be a cost to federal funds.

Oversight will reflect a cost to Federal Funds of \$77,951 in FY 2020, \$84,536 in FY 2021, \$85,325 and FY 2022.

Officials from the **Department of Health and Senior Services - Division of Regulation and Licensure (DHSS)** state that the proposed legislation requires the promulgation of rules and regulations, which include the following duties (but not all inclusive): establish guidelines, implement strategies, make evidence-based system changes, and create policy recommendations. The Department of Health and Senior Services (DHSS), Office of General Counsel will need an additional .1 FTE for an attorney (salary of \$64,500 per year) to perform the research necessary to ensure the new guidelines and information for this proposed legislation has been properly vetted and implementation is completed quickly and with fiscal responsibility. Due to current workload being at maximum limits, these costs cannot be absorbed.

ASSUMPTION (continued)

Oversight assumes DHSS could absorb some of the additional duties without adding .1 FTE in FY 2020; however, DHSS has stated due to current workload being at maximum limits, these cost cannot be absorbed. Therefore, Oversight will range the cost from \$0 (.1 FTE can be absorbed) to \$12,133 (0.1 FTE is not absorbed) in FY 2020 to the General Revenue Fund.

Officials from the **Department of Health and Senior Services - Division of Regulation and Licensure (DHSS)** state that this legislation allows an applicant to receive a license to practice an occupation, profession, or activity in Missouri under specified criteria through an apprenticeship program. The nursing home administrator applicant applying for licensure through apprenticeship would be treated as other applicants through the same application, office process, fee, and Board of Nursing Home Administrators' review to determine if the applicant meets the apprenticeship track for administrator licensure. DHSS does not anticipate an increase in applicants due to nursing home administrators obtaining licensure through an apprenticeship program.

Section 324.025.5

DHSS states that this section references the promulgation of rules and regulations. It is assumed it will take a Principal Assistant Board/Commission (salary \$51,658) approximately 16 hours make the required changes to state rules. Based on 2,080 working hours per year, this would require 0.01 FTE to assume these duties (16 hours ÷ 2,080 hours per year = 0.01) for a total personal service cost of \$517 ($\$51,658 \times 0.01$) for FY20.

DHSS anticipates being able to absorb these costs, resulting in zero fiscal impact. However, until the FY20 budget is final, the department cannot identify specific funding sources.

Oversight notes that the DHSS has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also 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 the core budget.

ASSUMPTION (continued)

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.

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 require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Office of Administration - Administrative Hearing Commission**, the **Department of Transportation**, the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Natural Resources** and the **Department of Agriculture** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

| FISCAL IMPACT - State Government | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|---|--------------------------|-------------------|-------------------|
| GENERAL REVENUE FUND | | | |
| Cost - DHSS p. 4 | | | |
| Salary | \$0 to (\$5,375) | \$0 | \$0 |
| Fringe Benefits | \$0 to (\$2,689) | \$0 | \$0 |
| Equipment and Expense | \$0 to (\$4,069) | \$0 | \$0 |
| Total Cost - DHSS | \$0 to (\$12,133) | \$0 | \$0 |
| FTE Change - DHSS | 0 to 0.1 FTE | 0 FTE | 0 FTE |
| ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND | \$0 to (\$12,133) | \$0 | \$0 |
| Estimated Net FTE to the General Revenue Fund | 0 to 0.1 FTE | 0 FTE | 0 FTE |
| VARIOUS DIFP FUNDS | | | |
| Cost - DIFP p. 3 | (Unknown) | (Unknown) | (Unknown) |
| ESTIMATED NET EFFECT TO VARIOUS DIFP FUNDS | (Unknown) | (Unknown) | (Unknown) |
| FEDERAL FUNDS | | | |
| Cost - DED-DWD p. 3 | | | |
| Salaries | (\$42,590) | (\$51,619) | (\$52,135) |
| Fringe Benefits | (\$23,487) | (\$28,340) | (\$28,498) |
| Equipment and Expense | (\$11,874) | (\$4,577) | (\$4,692) |
| Total Cost - DED-DWD | (\$77,951) | (\$84,536) | (\$85,325) |
| FTE Change - DED-DWD | 1 FTE | 1 FTE | 1 FTE |
| ESTIMATED NET EFFECT TO FEDERAL FUNDS | (\$77,951) | (\$84,536) | (\$85,325) |
| Estimated Net FTE Change to Federal Funds | 1 FTE | 1 FTE | 1 FTE |

| FISCAL IMPACT - Local Government | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|----------------------------------|---------------------|---------|---------|
| | \$0 | \$0 | \$0 |

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill creates the "Expanded Workforce Access Act of 2019." Beginning January 1, 2020, licensing authorities are required to grant a license to any applicant that has completed the 8th grade, completed a federally-approved apprenticeship program, and passed any necessary examination. The passing score for any examination cannot be higher than the passing score required for any nonapprenticeship license, and there cannot be an examination required for an apprenticeship license if there isn't one required for a non-apprenticeship license.


For some types of apprenticeships, the number of working hours required cannot be more than the number of educational hours required for a non-apprenticeship license..

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 Insurance, Financial Institutions and Professional Registration
Office of Administration
 Administrative Hearing Commission
Department of Revenue
Department of Health and Senior Services
Department of Natural Resources
Department of Agriculture
Department of Transportation
Department of Public Safety
 Missouri Highway Patrol
Department of Labor and Industrial Relations
Department of Economic Development
Office of the Secretary of State
Joint Committee on Administrative Rules

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Director
March 12, 2019



Ross Strope
Assistant Director
March 12, 2019