

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1484-03
Bill No.: Perfected HCS for HB 567
Subject: Licenses—Professional; Economic Development Department
Type: Original
Date: February 23, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Chiropractic Examiners Fund	\$6,250	\$7,725	\$7,950
Respiratory Care Fund	\$1,667	\$2,060	\$2,122
Endowed Care Cemeteries Fund	\$173,417	\$208,100	\$208,100
Healing Arts Fund	(\$16,240)	(\$16,240)	(\$16,240)
Massage Therapy Fund	(\$4,480)	(\$4,480)	(\$4,480)
Geology Fund	(\$4,480)	(\$4,480)	(\$4,480)
Social Work Fund	(\$3,920)	(\$3,920)	(\$3,920)
Architects, et al, Fund	\$17,991	(\$40,710)	(\$7,210)
Professional Registration (PR) Fees Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$170,205	\$148,055	\$181,842

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 11 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Department of Social Services**, the **Office of the State Courts Administrator**, the **Office of Administration–Administrative Hearing Commission** and the **Office of the State Public Defender** assume the current proposal will have minimal or no fiscal impact on their agencies.

In response to previous similar proposals regarding the subjects noted, the following agencies made assumptions as listed; officials with the **Department of Economic Development–Division of Professional Registration (DPR)** assumed the proposal would have the same fiscal impact as noted in their previous responses, with the exception of the section regarding endowed care cemeteries:

Occupational Therapists & Dieticians, Body Piercing, Clinical Social Workers:

Officials with the **Department of Economic Development–Division of Professional Registration** and the **Office of Prosecution Services** assumed the proposal would have no fiscal impact on their agencies.

Termite Inspectors:

Officials with the **Department of Agriculture–Division of Plant Industries**, and the **Department of Economic Development–Division of Professional Registration** assumed the proposal will have no fiscal impact on their agencies.

ASSUMPTION (continued)

Certified Public Accountants:

Officials from the **Office of the State Treasurer**; the **Department of Corrections**; the **Department of Public Safety–Missouri State Highway Patrol**; the **Office of Administration–Division of Accounting and Division of Budget & Planning**; the **Coordinating Board for Higher Education**; and the **Department of Economic Development–Division of Professional Registration** assumed the proposal would have no fiscal impact on their agencies.

Landscape Architects:

Officials with the **Department of Economic Development–Division of Professional Registration (DPR)**, assumed the proposal will result in 150 new licensees. (There were 200 existing licensees under the Landscape Architectural Council.) Projected revenues reflected a \$145 fee for initial licensure, and \$190 for biennial renewal. DPR assumed the Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects Fund will reimburse the Professional Registration Fund for all expenses, and that new licensing will commence in FY 2002.

DPR assumed the proposal will require employment of a Licensure Technician II (1 FTE at \$24,492 per year) to assist the landscape architectural division of the board, beginning in FY 2003. Rent for this 1 FTE is estimated at \$2,700 yearly.

DPR estimates first year mailing expenses to the new licensees at \$929 (\$6.19 per licensee).

The legislative proposal abolishes the Landscape Architectural Council (six members), and adds three members to the Board of Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects. The council met twice yearly for one day (12 days' per diem), while the expanded board will meet four times yearly for three days (36 days' per diem). Each year, \$700 was allocated for the council, while the three new board members will require \$1,800 yearly. Therefore, DPR assumed an additional \$1,100 will be expended yearly on board member's per diem. Travel expenses were estimated by DPR at an additional \$1,730.

Oversight noted that the Landscape Architectural Council Fund currently reimburses approximately \$10,000 to the Department of Economic Development for their share of administrative costs incurred by 3 FTE serving the council, as well as the real estate appraisers and interior design boards. As such, Oversight has adjusted the costs shown in the fiscal note to .75 FTE to more accurately reflect the incremental costs of the proposal. Additionally, Oversight assumed that the new employee will be placed in existing office space, and has therefore eliminated the rent expenditure.

ASSUMPTION (continued)

Officials from the **Office of Administration–Division of Budget & Planning**, and the **Coordinating Board for Higher Education** assumed the proposal would have no fiscal impact on their agencies

Cosmetology:

Officials from the **Department of Economic Development–Division of Professional Registration (DPR)** did not respond regarding the licensure of hair braiders. Other proposed changes were assumed to have no fiscal impact to DPR. **Oversight** assumes any additional workload can be absorbed by existing staff. If not, additional FTE may be requested through the appropriations process. Additional fees for new licensees should be available to offset the cost of any newly necessary FTE.

Chiropractors, Respiratory Care, Various Profession Boards Per Diem:

The **Department of Economic Development–Division of Professional Registration (DPR)** assumed that this legislation will have a net increase to the Chiropractic Examiners Fund and the Respiratory Care Practitioners Fund from the collection of fees for temporary licenses, therefore causing a net increase to total state revenue.

Further, DPR noted the proposal establishes per diem reimbursement for the following boards: Geology, Perfusionists, Massage Therapy, Physical Therapy, Physician Assistants, Speech Pathologists & Audiologists and Social Workers.

DPR assumed there will be 150 applicants for temporary chiropractic licenses at \$50 each, for a total annual revenue increase of \$7,500. Another 40 applicants for temporary respiratory care licenses are expected at \$50 each, for a total annual revenue increase of \$2,000. DPR estimated 3% growth for all new licensees. For FY 2002, DPR assumed only the ten month equivalent of the temporary license revenue estimated. All additional licensees were to be handled with existing staff. DPR noted that if the legislation results in a larger number of licensees than expected, additional appropriations in personnel and/or expense and equipment could be required.

The board member per diem allowance of \$70 per day was expected to break down as follows:

- Board of Healing Arts Advisory Commissions–29 members
- Board of Therapeutic Massage–8 members
- Geology Board–8 members
- Social Work Committee–7 members

Each board was expected to meet four times per year, two days per meeting. The total costs for the per diem allowances was estimated at \$29,120.

ASSUMPTION (continued)

Endowed Care Cemeteries:

The **Department of Economic Development–Division of Professional Registration (DPR)** assumed the provisions regarding certificates of authority for the operation of endowed care cemeteries would generate 162 licensees at an annual fee of \$500 (set by rule), for a total annual revenue increase of \$81,000. DPR assumed all licensees would be processed by existing staff, noting that other proposals could have a cumulative effect of requiring additional appropriations. The current proposed legislation sets a fee of \$50 per year for each licensee, plus a charge of \$10 per disposition of human remains for endowed care cemeteries, and \$6 per disposition for non-endowed cemeteries.

DPR estimates that 25,000 dispositions of human remains occur in licensed Missouri cemeteries. If half are buried in endowed care facilities, and half in non-endowed care facilities, the resulting revenue would approximate \$208,100 (162 x \$50 + 12,500 x \$10 + 12,500 x \$8). **Oversight** notes that the number of deaths in the state of Missouri approximate 54,000 annually, and feels this is a reasonable estimate; also, the estimate for FY 2002 has been adjusted to reflect ten months' revenue.

Officials with the **Office of the Secretary of State** assume that the cumulative effect of proposals regarding the various professions listed above could require the promulgation of rules by **DPR** requiring as many as 78 pages in the Code of State Regulations. For any given rule, approximately half again as many pages are published in the Missouri Register. The estimated cost of a page in the Register is \$23. The estimated cost of a page in the Code is \$27. The actual costs could be more or less than the numbers given. The impact in future years is unknown, and depends upon the frequency and length of rules filed, amended, rescinded, and withdrawn.

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 request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

FISCAL IMPACT - State Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

**CHIROPRACTIC EXAMINERS
FUND**

Revenue–DPR

Temporary License Fees

\$6,250

\$7,725

\$7,950

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
RESPIRATORY CARE FUND			
Revenue–DPR			
Temporary License Fees	<u>\$1,667</u>	<u>\$2,060</u>	<u>\$2,122</u>
ENDOWED CARE CEMETERIES FUND			
Revenue–DPR			
License/Renewal Fees	<u>\$173,417</u>	<u>\$208,100</u>	<u>\$208,100</u>
HEALING ARTS FUND			
Cost–DPR			
Per Diem: 29 Advisory Council Members	<u>(\$16,240)</u>	<u>(\$16,240)</u>	<u>(\$16,240)</u>
MASSAGE THERAPY FUND			
Cost–DPR			
Reimbursement to PR Fees Fund	<u>(\$4,480)</u>	<u>(\$4,480)</u>	<u>(\$4,480)</u>
GEOLOGY FUND			
Cost–DPR			
Reimbursement to PR Fees Fund	<u>(\$4,480)</u>	<u>(\$4,480)</u>	<u>(\$4,480)</u>
SOCIAL WORK FUND			
Cost–DPR			
Reimbursement to PR Fees Fund	<u>(\$3,920)</u>	<u>(\$3,920)</u>	<u>(\$3,920)</u>
ARCHITECTS, PRO. ENGINEERS, PRO. LAND SURVEYORS, AND LANDSCAPE ARCHITECTS FUND			
<u>Income–DPR</u>			
Additional Licenses/Renewals	\$21,750	\$653	\$29,170
<u>Costs–DPR</u>			
Transfers to PR Fees Fund	(\$3,759)	(\$41,363)	(\$36,380)
ESTIMATED NET EFFECT TO ARCHITECTS, ET AL, FUND:	<u>\$17,991</u>	<u>(\$40,710)</u>	<u>(\$7,210)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
PR FEES FUND			
Income—DPR			
Transfer from Architects, et al, Fund	\$3,759	\$41,363	\$36,380
Costs—DPR			
Personal Service (.75 FTE)	(\$1,100)	(\$26,831)	(\$27,474)
Fringe Benefits	\$0	(\$6,432)	(\$6,593)
Expense and Equipment	(\$2,659)	(\$8,100)	(\$2,313)
Revenue—DPR			
Reimbursement from Other Funds	\$12,880	\$12,880	\$12,880
Cost—DPR			
Per Diem: 23 Board Members	<u>(\$12,880)</u>	<u>(\$12,880)</u>	<u>(\$12,880)</u>
ESTIMATED NET EFFECT TO PR FEES FUND:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses engaged in the professions with regulatory changes from this bill may experience a direct fiscal impact as a result of the proposal.

DESCRIPTION

This substitute contains provisions relating to the Division of Professional Registration.

ENDOWED CARE CEMETERIES

The substitute contains provisions regarding certificates of authority for the operation of endowed care cemeteries, including compliance with state, county, and municipal ordinances or regulations; allowing uncertified cemeteries to fulfill prior obligations before certification; establishing provisions relating to application, renewal, suspension, and revocation of certificates; transfer of ownership of endowed care cemeteries; and allowing the Division of Professional Registration to promulgate rules relating to fees and inspections.

DESCRIPTION (continued)

OCCUPATIONAL THERAPISTS AND DIETITIANS

The substitute allows the Missouri Board for Occupational Therapy and the State Committee of Dietitians to refuse to issue or renew certificates of registration and have complaints filed with the Administrative Hearing Commission against licensees for the following reasons: use or possession of controlled substances or alcohol abuse; being found guilty in a criminal prosecution for any offense related to the qualifications, functions, and duties of their profession; the use of fraud or deception in securing a certificate to practice or obtaining permission to sit for a licensure exam; obtaining or attempting to obtain compensation through fraud; incompetency, misconduct, misrepresentation, or gross negligence; violations of rules adopted by the board; and unethical conduct. Terms of suspension, revocation, and renewal are provided in the substitute.

Persons holding themselves out as being a licensed dietitian without being duly licensed are guilty of a class A misdemeanor.

BODY PIERCING

The Director of Professional Registration is given the authority to promulgate rules and regulations regarding hygienic practices and sanitary operations for branding and body piercing.

TERMITE INSPECTORS

The substitute requires persons performing termite inspections for real estate transactions to be licensed with the Department of Agriculture.

ACCOUNTANTS

The substitute contains provisions relating to the Missouri State Board of Accountancy. The substitute specifies the makeup, powers, and duties of the board; establishes minimum education requirements for applicants; requires the use of a uniform examination for licensing purposes; creates a one-tier licensing structure, requiring applicants for licensure to provide proof of practical experience; establishes certain age and residential requirements; requires the board to design conditions for reexamination; sets continuing education requirements; creates an inactive status for licensees; allows the board to set fees; exempts from licensure persons certified prior to September 28, 1997; establishes reciprocity guidelines; sets conditions for renewal, suspension, revocation, or denial of individual licenses or accounting firm permits; prohibits persons or entities from holding themselves out as being certified public accountants (CPAs) or CPA firms without being duly licensed; and creates causes in which complaints may be filed against persons or firms with the Administrative Hearing Commission and provides for remedies for aggrieved parties.

DESCRIPTION (continued)

LANDSCAPE ARCHITECTS

The substitute provides for the licensing of landscape architects with the Division of Professional Registration. Currently, landscape architects are registered with the division. Individuals who meet the criteria established by the substitute are eligible to apply for licensure.

The substitute dissolves the Landscape Architectural Council and establishes the Missouri Board for Architects, Professional Engineers, Professional Land Surveyors, and Landscape Architects. The membership of the board is increased from 11 to 14, with 3 of the members to be landscape architects. The chairman of the landscape architects division of the board will have one vote when voting on actions before the board. If a vacancy occurs within the landscape architects division of the board, the president of the Missouri Association of Landscape Architects will submit a list of 5 landscape architects to fill the position.

The substitute further prohibits persons from holding themselves out as landscape architects without being duly licensed. It does not prohibit persons working in the landscape, nursery, or gardening industry from engaging in their occupations as long as the project scope does not jeopardize public health.

The substitute waives the licensure requirement for those individuals currently registered with the division on or before August 28, 2002.

ARCHITECTS

Prior to January 1, 2012, any person who has a total of 12 years of education beyond the high school level and satisfactory architectural experience may apply to the board for licensure as an architect. Beginning January 1, 2012, all applicants will be required to hold a degree from an accredited school of architecture. Beginning January 1, 2002, each applicant for a license in architecture will be required to complete an intern program as provided by the National Council of Architectural Registration Boards.

CHIROPRACTIC

The substitute gives the State Board of Chiropractic Examiners authority to issue temporary licenses to qualified individuals.

RESPIRATORY CARE

The substitute repeals the 18-month temporary permit for respiratory care practitioners and replaces it with a 6-month educational permit which may be obtained during the course of study or a 6-month temporary permit which may be obtained after graduation.

DESCRIPTION (continued)

CLINICAL SOCIAL WORKERS

The substitute increases the amount of funds that must accumulate in the Clinical Social Workers Fund before transferral to the General Revenue Fund is required when the Committee on Social Workers requires renewal of licenses less frequently than annually.

BOARD PER DIEM

The substitute also increases the per diem amount for members of the following boards and commissions: the Board of Geologist Registration; the Advisory Commission for Clinical Perfusionists; the Board of Therapeutic Massage; the Advisory Commission for Physical Therapists; the Athletic Trainers Advisory Committee; the Advisory Commission for Physician Assistants; the State Committee for Social Workers; and the Advisory Commission for Speech-Language Pathologists and Audiologists.

COSMETOLOGISTS

The substitute revises requirements for board membership and calculation of education credit.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements.

HA 1

Removes change from HCS making wrongful use of “licensed dietician” or “L.D.” a class A misdemeanor; it will instead remain an infraction.

HA 2

Adds licensing requirement to practice of cosmetology for hair braiding.

HA 3

Allows non-profit organizations to employ dentists and dental hygienists to provide dental services for Medicaid recipients and low-income individuals.

HA 4

Allows for governmental accounting, budgeting, or auditing to count towards the experience requirement for licensing as a CPA.

HA 5

Makes technical corrections to various sections; allows for conditional licensure of respiratory care specialists.

HA 6

Revises licensing requirements for land surveyors.

SOURCES OF INFORMATION

Department of Economic Development
 Division of Professional Registration
Department of Social Services
Office of Administration
 Administrative Hearing Commission
Office of State Public Defender
Office of the Secretary of State
Office of State Courts Administrator

NOT RESPONDING

Office of Prosecution Services



Jeanne Jarrett, CPA
Director

February 23, 2001