

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4004-01
Bill No.: HB 1150
Subject: Economic Development Dept.; Health Care Professionals; Interstate Cooperation;
Licenses - Professional; Nurses
Type: Original
Date: February 28, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Corrections, and Office of State Public Defender** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Administration - Administrative Hearing Commission** state the proposal will not significantly alter its caseload. However, if other similar proposals also pass, there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Office of Prosecution Services** state the proposal will not have a significant direct fiscal impact on county prosecutors.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal to the SOS for administrative rules is less than \$1,500. The SOS does not expect additional funding would be required to meet these costs. However, 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 what the office can sustain with 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 Economic Development - Division of Professional Registration** state having reviewed the proposed legislation and having sought the conclusion of

ASSUMPTION (continued)

the appropriate board(s), they are of the opinion the proposal, in its present form, will have no fiscal impact on their organization unless certain border states would become party states to the compact.

A nurse would only be required to hold a license in his/her state of residence and then would be able to practice in other states that are part of the nurse licensure compact. Currently, 1,332 nurses have a Missouri license but reside in a compact state and 1,466 nurses licensed in compact states have a Missouri address (in states other than Kansas and Illinois). Implementation of the compact would mean a gain of 134 licensees. However, it is anticipated that the increase would be a wash as other licensees may not renew or go inactive.

When, or if, Kansas and Illinois join the nurse licensure compact, there could be a greater fiscal impact on revenue received for nurse licenses. Currently, there are 5,986 licensed nurses in Illinois and Kansas that have a Missouri address and 12,160 Missouri licensed nurses that have a Kansas or Illinois address. There could be a net loss of 6,174 licenses (12,160 - 5,986). Based on the number of nurse licenses that are renewed in odd-numbered years, this could result in a net loss of \$384,860 in the odd years. The loss of revenue for licenses renewed in even numbered years could be \$43,120 and there is a nurse license compact administrator's fee of \$3,000. The revenue loss with the nurse licensure compact implemented was figured into the revenue projections through fiscal year 2010. Implementation of the nurse licensure compact will not require a license renewal fee increase, assuming the revenue projections are accurate.

Officials from the **Department of Health and Senior Services (DOH)** state under current law, for a nurse to practice in Missouri they must be licensed by the State Board of Nursing. At that time a surcharge is collected (\$5 for an RN and \$1 per year) and those funds are deposited into a DOH fund to support nursing student loans and loan repayments. Nurses could be licensed in another compact state, especially a contiguous state, rather than Missouri, thereby reducing the funds available to the state program. It is unknown how many nurses would seek to engage in the compact and any corresponding fiscal impact is unknown.

Oversight assumes there could be an indirect effect on the Missouri Professional and Practical Nursing Student Loan and Loan Repayment Funds/Programs. However, there would not be a direct effect on any state funds.

FISCAL IMPACT - State Government

FY 2007
(10 Mo.)

FY 2008

FY 2009

\$0

\$0

\$0

FISCAL IMPACT - Local Government

FY 2007
(10 Mo.)

FY 2008

FY 2009

\$0

\$0

\$0

FISCAL IMPACT - Small Business

This proposal could result in a cost savings to individual nurses who currently maintain licenses in more than one state, including Missouri.

DESCRIPTION

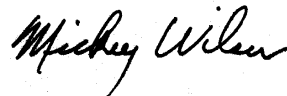
This proposal adopts the Nurse Licensure Compact. The compact allows licensed registered nurses to practice in states which participate in the compact. All states wishing to participate must adopt the following articles of authorization:

- (1) Article I - Finding and Declaration of Purpose
- (2) Article II - Definitions
- (3) Article III - General Provisions and Jurisdiction
- (4) Article IV - Applications for Licensure in a Party State
- (5) Article V - Adverse Actions
- (6) Article VI - Additional Authorities Invested in Party State Nurse Licensing Boards
- (7) Article VII - Coordinated Licensure Information Systems
- (8) Article VIII - Compact Administration and Interchange of Information
- (9) Article IX - Immunity
- (10) Article X - Entry into Force, Withdrawal and Amendment; and
- (11) Article XI - Construction and Severability.

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 Administration -
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Economic Development -
 Division of Professional Registration
Department of Corrections
Department of Health and Senior Services
Office of Prosecution Services
Office of Secretary of State
Office of State Public Defender

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 28, 2006