

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5646-01  
Bill No.: HB 1641  
Subject: Nurses; Licenses - Professional; Fees  
Type: Original  
Date: February 26, 2014

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Bill Summary: This proposal creates the “Nursing Workforce Analysis Fund” and modifies responsibilities of the state board of nursing.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Nursing Workforce Analysis*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Fees and contract costs net to \$0

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state there will be minimal costs to the state agency as they are in the midst of transitioning to a new system and data collection is a component of the new system.

The proposal requires the Board of Nursing to collect \$1 per year on licenses and applicants for two professional groups - Registered Nurses (RNs) and Licensed Practical Nurses (LPNs). This would be a \$2 per renewal cycle (renewal for 2 years) surcharge on licensees; on applicants, the fee is a flat \$1.

The DIFP estimates the number of applications per year at 8,700; therefore, annual applicant revenues will be approximately \$8,700 (8,700 applicants X \$1 fee). The current number of LPNs that renew in even-numbered years is 25,570; therefore, additional licensing revenue for LPNs, in even numbered years is \$51,140 (25,570 licenses X \$2). The current number of RNs that renew in odd-numbered years is 96,989; therefore, additional licensing revenue for RNs, in odd-numbered years is \$193,978 (96,989 licenses X \$2). In total, DIFP estimates even numbered year revenue to be \$ 59,840 [\$8,700 (applicants) + \$51,140 (LPN licenses)]; odd numbered year revenue is estimated to be \$202,678 [\$8,700 (applicants) + \$193,978 (RN licenses)].

DIFP assumes an unknown fiscal impact for the contractual agreement to analyze the workforce data. DIFP estimates it will collect the surcharge and would spend a correspondingly similar amount to contract with a public institution of higher education or nonprofit corporation or association. Therefore, no large net increase or decrease in cost is anticipated.

**Oversight** assumes contract analysis costs will equal the surcharge fees received from RN and LPN licenses and applicants for licensing and will net to \$0.

Officials from the **Office of Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 \$2,500. The SOS recognizes this is a small amount and does not expect that additional funding would be required to meet these costs. However, it is also recognized 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 within 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.

ASSUMPTION (continued)

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

Officials from the **Department of Higher Education (DHE)** state the proposal authorizes the state board of nursing to contract with an external entity to conduct a workforce analysis of licensed nursing and provides a funding mechanism for the analysis. The proposal would have no direct fiscal impact on the DHE.

Officials from the **Office of State Treasurer, Linn State Technical College, Missouri Southern State University, Missouri State University, Missouri Western State University, Northwest Missouri State University, the University of Central Missouri, and the University of Missouri** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>NURSING WORKFORCE ANALYSIS FUND</b>			
<u>Income</u> - DIFP			
License surcharge fees	\$202,678	\$59,840	\$202,678
<u>Costs</u> - DIFP			
Contract costs for analysis of workforce data	<u>(\$202,678)</u>	<u>(\$59,840)</u>	<u>(\$202,678)</u>
<b>ESTIMATED NET EFFECT ON THE NURSING WORKFORCE ANALYSIS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

### FISCAL IMPACT - Small Business

The proposal may negatively impact small business healthcare providers if they pay the licensing fees of employees that are RNs or LPNs.

### FISCAL DESCRIPTION

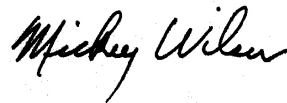
This proposal authorizes the State Board of Nursing within the Department of Insurance, Financial Institutions and Professional Registration to enter into a contractual agreement with a public institution of higher education or a nonprofit corporation or association for the purpose of collecting and analyzing workforce data from its licensees for future workforce planning.

The proposal creates the Nursing Workforce Analysis Fund to be managed by the state board. The board must collect at the time of licensure or licensure renewal a \$1 per year surcharge from each registered professional nurse and licensed practical nurse that must be deposited in the fund in addition to appropriated moneys, contributions, grants, and federal funds to pay all administrative costs and expenses incurred from the implementation of the provisions of the proposal.

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 Higher Education  
Department of Insurance, Financial Institutions and Professional Registration  
Joint Commission on Administrative Rules  
Office of Secretary of State  
Office of State Treasurer  
Linn State Technical College  
Missouri Southern State University  
Missouri State University  
Missouri Western State University  
Northwest Missouri State University  
University of Central Missouri  
University of Missouri



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