

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4874-01
Bill No.: HB 1607
Subject: Health Care; Professional Registration and Licensing
Type: Original
Date: December 30, 2015

Bill Summary: This proposal establishes licensure requirements for music therapists.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$35,576)	(\$39,338)	(\$32,808)
Total Estimated Net Effect on General Revenue	(\$35,576)	(\$39,338)	(\$32,808)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	1	1	1
Total Estimated Net Effect on FTE	1	1	1

☐ 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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** state that this legislation will require a board to license music therapists. There are fees for this licensure in the language, however, it is not indicated how the fee will be determined or who will collect it. The board assumes it will need to receive funding from General Revenue in order to license these individuals.

The department also states that based on information received from a representative of the group seeking legislation, it is estimated that approximately 135 individuals in the State of Missouri will be required to be licensed. In addition, a 3% growth has been estimated. The following board-specific expenses are being calculated to determine the additional appropriation needed by the division to support the board.

- Staffing - Processing Technician I needed to provide technical support, process applications, and respond to inquiries related to the law and/or rules and regulations.
- Printing and Postage - Expenses for the first year include printing of rules, applications, letterhead and envelopes, as well as costs associated with mailings for initial licensure. Subsequent year's printing and postage is based on a board of similar size (Board: Endowed Care).
- Licensure System - During the first year of implementation, costs are calculated for the design, program, and implementation of the licensure program for the new board.
- Complaints and Investigations - Based on the board of similar size, it is estimated the board will receive complaints starting in FY 17, approximately 10 annually.
- Maintenance - Boards within the division incur division-wide expenses based on licensee averages, in addition to the department and Office of Administration cost allocation plans.
- Revenue - There are fees for this licensure in the language, however, it is not indicated how the fee will be determined or who will collect it. The board assumes it will need to receive funding from General Revenue in order to license these individuals.
- Funding - It is assumed that funding would need to come from General Revenue to pay for the expenses related to licensure.

Oversight assumes there will be a fee of \$50 per applicant. At 135 applicants the fee revenue will be approximately \$6,750 in FY17, a 3% growth in FY17 for \$200, and renewal biennially of \$7,150 in FY18.

This proposal could increase total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE FUND			
<u>Revenue - DIFP</u>			
Licensing Fees	\$6,750	\$200	\$7,150
<u>Costs - DIFP</u>			
Personal Service	(\$19,900)	(\$24,119)	(\$24,360)
Fringe Benefits	(\$10,662)	(\$12,923)	(\$13,052)
Equipment and Expenses	(\$10,887)	(\$1,597)	(\$1,625)
Other Fund Costs	<u>(\$877)</u>	<u>(\$899)</u>	<u>(\$921)</u>
<u>Total Costs - DIFP</u>	<u>(\$42,326)</u>	<u>(\$39,538)</u>	<u>(\$39,958)</u>
FTE Changes - DIFP	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$35,576)</u>	<u>(\$39,338)</u>	<u>(\$32,808)</u>
Estimated Net FTE Change on the General Revenue Fund	1 FTE	1 FTE	1 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2017 (10 Mo.)	 FY 2018	 FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Music Therapists could be impacted by this proposal.

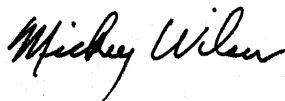
FISCAL DESCRIPTION

This proposal prohibits, after January 1, 2017, any person from using the title "music therapists" or practice music therapy without a license. The Director of the Division of Professional Registration shall issue the license to applicants who hold a degree in music therapy from an approved program, have completed clinical training, passed an examination offered by the Certification Board for Music Therapists, and submit an application. The director shall waive the examination requirement for applicants who are board certified music therapists or a registered music therapist in good standing with the National Music Therapy Registry, until January 1, 2021. A Music Therapy Advisory Group is established consisting of five members appointed by the director who shall serve without compensation. The Advisory Group shall provide an analysis of disciplinary actions at least once a year. The director may investigate allegations and issue sanctions for certain conduct specified in 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 Insurance, Financial Institutions and Professional Registration



Mickey Wilson, CPA
Director
December 30, 2015

Ross Strobe
Assistant Director
December 30, 2015