

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6762-01  
Bill No.: HB 2708  
Subject: State Treasurer; Dentists; Nurses; Health and Senior Services Department;  
Architects; Funerals and Funeral Directors; Accountants; Pharmacy  
Type: Original  
Date: April 10, 2018

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Bill Summary: This proposal changes the law regarding the balance of certain state funds by changing the amount of such funds that is required to revert to general revenue at the end of each biennium.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
General Revenue	\$0	\$0	\$0	\$0 or Unknown
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 or Unknown</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
Various State Funds	\$0	\$0	\$0	\$0 or (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 or (Unknown)</b>

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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 2019	FY 2020	FY 2021	Fully Implemented (FY 2022)
<b>Local Government</b>	<b>\$0</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)** assume the fiscal impact is unknown since the amount could vary depending on any new licensing boards assigned to the Division of Professional Registration or any unknown information technology expenses related to the Division's licensure system or mobile inspections.

For all fund balances for the boards within the Division of Professional Registration, expenditures can vary from year to year due to:

- Complexity and number of disciplinary cases
- Changes in the number of complaints that require investigation
- Increase in licensee count
- Decrease in licensee count can cause an unexpected increase in fees by that profession. For example, economics, technology changes, changes to the licensing structure in surrounding states or through compact actions, and retirement of current licensees all impact license counts.
- Increase in licensee activity and interaction with the board due to high profile cases or to address specific public health issues such as the Opioid epidemic.
- Variances in investigative and legal expenses

Officials from the **Office of the State Treasurer** and **Department of Revenue** both assume the proposal will have no fiscal impact on their respective organizations.

**Oversight** notes that no moneys in the funds shall be transferred and placed to the credit of general revenue in FY2020. Since this is done on the biennium the next available transfer would be FY2022. Therefore, there will be no fiscal impact reflected until FY2022.

The below table shows the ending balance as of 6-30-17, 6-30-16, and 6-30-15 for funds affected by this legislation.

ASSUMPTION (continued)

	<b>FUND BALANCES</b>			
Section	FUND	6-30-2017	6-30-2016	6-30-2015
<b>326.319</b>	<b>Board of Accountancy (0627)</b>	\$2,453,391	\$2,315,486	\$2,269,743
<b>327.081</b>	<b>Board of Architects (0678)</b>	\$3,238,732	\$3,371,561	\$3,469,472
<b>332.061</b>	<b>Missouri Dental Board (0677)</b>	\$2,697,621	\$2,314,730	\$2,730,388
<b>333.231</b>	<b>Board of Embalmers &amp; Funeral Directors (0633)</b>	\$2,892,599	\$3,031,777	\$2,934,077
<b>334.050</b>	<b>Board of Reg for Healing Arts (0634)</b>	\$10,524,021	\$10,545,971	\$9,314,668
<b>335.036</b>	<b>Board of Nursing (0635)</b>	\$9,953,206	\$9,147,352	\$10,074,070
<b>338.070</b>	<b>Board of Pharmacy (0637)</b>	\$6,461,266	\$7,249,524	\$7,581,654

Source: Office of the State Treasurer Fund Activity reports

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021	Fully Implemented (FY 2022)
<b>GENERAL REVENUE FUND</b>				
<u>Transfer In</u> -from Professional Registration funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or Unknown</u>
<b>ESTIMATED EFFECT ON GENERAL REVENUE FUND</b>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0 or Unknown</b></u>
<b>VARIOUS STATE FUNDS</b>				
<u>Transfer Out</u> - DIFP to the General Revenue Fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or (Unknown)</u>
<b>ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS</b>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0 or (Unknown)</b></u>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021	Fully Implemented (FY 2022)
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>

FISCAL IMPACT - Small Business

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

### FISCAL DESCRIPTION

This bill changes the amount of funds that is required to revert to General Revenue at the end of each biennium for the following professional registration funds: Dental, Nursing, Healing Arts, Architects, Embalmers Funeral, Accountancy, and Pharmacy. A transfer to the General Revenue Fund can occur once such fund balance exceeds two times the average amount of expenses from the board's funds for the preceding three completed fiscal years.

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 the State Treasurer  
Department of Revenue

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