

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3173-02
Bill No.: HCS for HB 1688
Subject: Labor and Management; Employees - Employers; Licenses - Miscellaneous
Type: Original
Date: February 18, 2020

Bill Summary: This proposal establishes the “Expanded Workforce Access Act of 2020.”

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue Fund	(\$78,102)	(\$84,015)	(\$84,781)
Total Estimated Net Effect on General Revenue	(\$78,102)	(\$84,015)	(\$84,781)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Various DCI Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue Fund	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

☒ 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 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 324.025 - Expanded Workforce Access Act of 2020

Officials from the **Department of Commerce and Insurance (DCI)** assume this proposal establishes the Expanded Workforce Access Act of 2019. The fiscal impact is unknown to various DCI funds depending upon the type of apprenticeships developed by state agencies or other licensing authorities and the extent of work that is demanded of the Division of Professional Registration.

Oversight notes that DCI has stated the proposal would have an unknown direct fiscal impact on their organization depending on the type of apprenticeships developed by state agencies. Oversight does not have any information to the contrary. Therefore, Oversight will reflect an unknown fiscal impact to Various DCI Funds.

In response to a previous version, officials from the **Department of Health and Senior Services (DHSS)** stated the proposed legislation allows an applicant to receive a license to practice an occupation, profession, or activity in Missouri under specified criteria through an apprenticeship program. The nursing home administrator applicant applying for licensure through apprenticeship would be treated as other applicants through the same application, office process, fee, and Board of Nursing Home Administrators' review to determine if the applicant meets the apprenticeship track for administrator licensure. The Division of Regulation does not anticipate an increase in applicants due to nursing home administrators obtaining licensure through an apprenticeship program.

The proposed legislation also references the promulgation of rules and regulations. It is assumed it will take a Principal Assistant Board/Commission (salary \$53,208) approximately 16 hours make the required changes to state rules. Based on 2,080 working hours per year, this would require 0.01 FTE to assume these duties ($16 \text{ hours} \div 2,080 \text{ hours per year} = 0.01$) for a total personal service cost of \$532 ($\$53,208 \times 0.01$).

The department anticipates being able to absorb these costs. However, until the FY21 budget is final, the department cannot identify specific funding sources.

Oversight notes that the DHSS has stated the cost of the proposal could be absorbed with existing resources. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for their agency for this section.

ASSUMPTION (continued)

Officials from the **Department of Higher Education & Workforce Development (DHEWD)** state that although the new Office of Apprenticeship within the DHEWD is not a licensing agency, this act would require the Office of Apprenticeship to work with the Division of Professional Registration and other organizations statewide on education and outreach to effectively implement this apprenticeship program.

DHEWD assumes one Workforce Development Specialist IV budgeted at \$51,808 would be required along with the one-time and ongoing cost per employee based upon OA Budget and Planning per FTE standards.

DHEWD states that the Office of Apprenticeship is funded through a federal grant. Since the proposed legislation would be a state requirement, the cost of the FTE would be funded from the General Revenue Fund.

In summary, DHEWD assumes a cost of \$78,102 in FY 2021, \$84,015 in FY 2022 and \$84,781 in FY 23 to provide for the implementation of the changes in this proposal.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect estimated cost provided by DHEWD to the General Revenue Fund.

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** assumed many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS 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 \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also 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 the 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.

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 require additional resources.

ASSUMPTION (continued)

In response to a previous version, officials from the **Joint Committee on Administrative Rules (JCAR)** stated this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Department of Revenue**, the **Department of Natural Resources**, the **Department of Transportation** and the **Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from the **Office of Administration - Administrative Hearing Commission** and the **Department of Agriculture** each assumed the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Cost - DHEWD (\$324.025)</u>			
Salary	(\$43,173)	(\$52,326)	(\$52,849)
Fringe Benefits	(\$23,938)	(\$28,897)	(\$29,071)
Equipment and Expense	<u>(\$10,991)</u>	<u>(\$2,792)</u>	<u>(\$2,861)</u>
<u>Total Cost - DHEWD</u>	<u>(\$78,102)</u>	<u>(\$84,015)</u>	<u>(\$84,781)</u>
FTE Change - DHEWD (\$324.025)	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$78,102)</u>	<u>(\$84,015)</u>	<u>(\$84,781)</u>
Estimated Net FTE to the General Revenue Fund	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2021 (10 Mo.)	FY 2022	FY 2023
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VARIOUS DCI FUNDS

<u>Cost - DCI (\$324.025)</u> Additional duties as a result of this proposal	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT TO VARIOUS DCI FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</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 creates the "Expanded Workforce Access Act of 2020". Beginning January 1, 2021, licensing authorities are required to grant a license to any applicant that has completed the 8th grade, completed a federally-approved apprenticeship program, and passed any necessary examination. The passing score for any examination cannot be higher than the passing score required for any nonapprenticeship license, and there cannot be an examination required for an apprenticeship license if there isn't one required for a non-apprenticeship license.

For some types of apprenticeships, the number of working hours required cannot be more than the number of educational hours required for a non-apprenticeship license.

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 Commerce and Insurance
Office of Administration
 Administrative Hearing Commission
Department of Revenue
Department of Health and Senior Services
Department of Natural Resources
Department of Agriculture
Department of Transportation
Department of Public Safety
 Missouri Highway Patrol
Department of Labor and Industrial Relations
Office of the Secretary of State
Joint Committee on Administrative Rules
Department of Higher Education & Workforce Development



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February 18, 2020



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