



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill # HB0115

Title: Generally revise board of nursing laws

Primary Sponsor: Funk, Moffie

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$71,923	\$63,156	\$63,634	\$64,120
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$79,013	\$79,013	\$79,013	\$79,013
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: The fiscal impact of this legislation to the Board of Nursing would be to implement rules requiring fingerprint and background checks for all future applicants, update rules to include Medication Aides under the board's impaired practitioner program, and for the board to implement rules regarding the collection and use of workforce data. The Department of Justice would need to add 0.50 FTE who would be dedicated to processing state/federal background checks for new nursing license applicants.

FISCAL ANALYSIS

Assumptions:

Department of Labor and Industry - Board of Nursing

- The board will require all licensing applicants to submit to fingerprint and background checks through the Department of Justice as part of the application process for licensure in Montana. Applicants will be responsible to cover the associated fees which will be paid directly to the Department of Justice. There will be a cost for rulemaking for the board; there will be no increased revenue to the board. See assumption 5 regarding cost of rules.
- Currently, the board provides a medical assistance program to licensed nurses with impairment issues. This legislation directs the board to include all licensees. At present, the only non-nursing licensees the board

- has jurisdiction over, are Medication Aides. There will be an expense to the board to write and adopt rules to include the current 72 medication aides and any future license types. See assumption 5.
3. The legislation requires the board to write and adopt rules regarding the collection of workforce data that will be used to develop a statewide strategy for promoting an optimal nursing workforce to meet health care needs. The board will have an expense to write rules to enforce this requirement. See assumption 5.
 4. It is not known whether the board can gather workforce data using a simple survey instrument during the license renewal period, or if the gathering of data will require a more robust system for various reporting purposes. The method the board presently uses to gather data may not provide sufficient filtering and reporting tools. The actual cost of collecting workforce data is unknown.
 5. If the board includes rule proposals for all three sections of this legislation in one combined rule notice, the total cost is estimated to be \$5,367, which includes a minimum of a 15 page rule notice and five page adoption notice at \$1,000; a two hour rule hearing for public participation and comments, with a hearing officer presiding and a court reporter to transcribe comments, \$440; additional legal time needed for review of the rule package, to assist the board in addressing comments, and in preparing the adoption notice, \$3,800; and notice to interested parties that will be notified by post card and directed to the board’s website to view the proposed rules, \$127.

Department of Justice – Division of Criminal Investigation

6. The Montana Board of Nursing estimated that 2,450 state/federal fingerprint-based background checks will be conducted each year, commencing as soon as the legislation would go into effect. These background checks would be additional work volume for the Criminal Record and Identification Services Section of the Department of Justice (DOJ). The Division of Criminal Investigations anticipates needing a half-time fingerprint technician for these additional duties. The personal services costs at \$30,918 in FY 2016 for salary and benefits.
7. One-time-only costs for a new employee office package, a laptop, printer and software would add an additional \$4,400 in FY 2016. Phone and network expenses are anticipated to be \$1,000 annually.
8. A 1.5% inflation factor is applied to FY 2018 and FY 2019.
9. Only nursing license applicants would be required to undergo these background checks. Nurses who currently have licenses will not be required to undergo these background checks.
10. The Federal Bureau of Investigation currently charges \$12.75 per federal background check. Additional expenditures at the current rate would be \$31,238 (2,450 x \$12.75).
11. The federal fingerprint-based background check and the fingerprinting fee currently charged by DOJ are assumed for this revenue estimate.

HB 115 requirement	Fee	Applicants	Total
Fingerprinting Service	\$5.00	2,450	\$ 12,250.00
Federal Fingerprint-Based Check	\$27.25	2,450	\$ 66,762.50
Total estimated fees to be collected annually			\$ 79,012.50

Fiscal Note Request – As Introduced

(continued)

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.50	0.50	0.50	0.50
<u>Expenditures:</u>				
Personal Services	\$30,918	\$30,918	\$31,382	\$31,852
Operating Expenses	\$41,005	\$32,238	\$32,253	\$32,268
TOTAL Expenditures	\$71,923	\$63,156	\$63,635	\$64,120
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$71,923	\$63,156	\$63,635	\$64,120
TOTAL Funding of Exp.	\$71,923	\$63,156	\$63,635	\$64,120
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$79,013	\$79,013	\$79,013	\$79,013
TOTAL Revenues	\$79,013	\$79,013	\$79,013	\$79,013
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$7,090	\$15,857	\$15,378	\$14,893

Moffitt-funk
Sponsor's Initials

8 January 2015
Date

[Signature] 1/8/15
Budget Director's Initials Date