



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

<b>Bill #</b>	HB0624	<b>Title:</b>	Create Board of Denturitry
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<b>Primary Sponsor:</b>	Staffanson, Scott	<b>Status:</b>	As Introduced
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- 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 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$52,398	\$40,729	\$40,775	\$40,820
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$52,398	\$40,729	\$40,775	\$40,820
<b>Net Impact-General Fund Balance:</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Description of fiscal impact:** HB 624 creates costs associated with creation and administration of the Board of Denturitry.

### FISCAL ANALYSIS

#### Assumptions:

1. There will be a six member board that will meet at least quarterly (four in-person meetings per year) and meet an additional two times in the first year by conference call to set up the board and write rules. Meetings in person will be two days in length and will include board member preparation time and travel time. Board members will receive \$50 per diem per meeting day for their time for a total of \$3,000 (10 meeting days x 6 board members x \$50) in FY 2016, and \$2,400 in subsequent years.
2. It is assumed board members will travel an average of 400 miles round trip to attend in person meetings. Total cost for travel is estimated at \$5,520 (six board members x four meetings x 400 miles = 9,600 miles x .575 per mile).

3. Board members will spend one night in overnight lodging per meeting for a total cost of \$2,286 (six board members x four nights lodging x \$95.23 (Helena rate of \$89 + 7% tax)).
4. Board members will receive the state meal allowance for their travel and meeting days for a total of \$768 in FY 2016 (four meeting days x six board members x \$18) + (four meeting days x six board members x \$11) + (two conference call days x six board members x \$6). In subsequent years, board members will receive \$696.
5. Total board member per diem and travel costs = \$11,574 in FY 2016, and \$10,902 the second year of the biennium.
6. The board will propose and adopt rules to implement this legislation. It is estimated that there will be a fifteen page rule notice and five page adoption notice. Total cost \$1,000 to the Secretary of State for notice and publication (20 pages x \$50 per page).
7. Interested parties will be mailed a postcard directing them to the board's website so they may review the full content of the rule proposal. It is estimated there will be an initial list of 100 interested parties including those who will be affected by licensure. Total cost \$100 (\$1 per postcard for printing, labeling, and postage x 100 interested parties).
8. There will be a public hearing for comment on the proposed rules estimated at two hours in duration. The board will have a hearing officer and court reporter present to preside and provide a transcript of comments received. Total estimated cost \$440 (hearing officer two hours x \$95 per hour + court reporter and transcript at \$250).
9. The board will use DLI legal services to assist in rule drafting, responding to comments received, and preparation of the adoption notice. Legal costs for rule making assistance and providing counsel in the set-up of a new licensing board are estimated at a minimum 120 hours at the rate of \$95 per hour for a total in the first year of the biennium of \$11,400.
10. Total estimated costs for rule making and legal assistance in the first year is \$12,940.
11. It is assumed the board's assigned legal counsel, in addition to assisting with board set-up and rulemaking in the first year of the biennium, will spend four hours preparing for each board meeting and eight hours in attendance at each quarterly meeting for a total of 48 billable hours at \$95 per hour. Total is \$4,560 in legal services the second and subsequent years.
12. It is estimated it will take a .20 pay band six FTE to administer the program. The estimated cost for a .20 Administrative Specialist is \$12,996.55 (base salary of \$8,459.19 + benefits of \$3,566.86 + CAP of \$970.50). Reviewing and processing of license applications would be absorbed by existing staff. CAP expenses are recorded as operating expenses.
13. Denturists are currently licensees of the Board of Dentistry. Currently, there are 22 in total. In the past three fiscal years (2012-2014), the board has received four complaints regarding unlicensed individuals practicing Dentistry, and three complaints against licensed Denturists. A single complaint that goes through the process of a board review and is dismissed is estimated to cost the board a minimum of \$1,200. Complaints that have merit and progress further through the system up to, and including a hearing, result in additional expenses. The number received from 2012-2014 averages to 2.33 complaints per year. At a minimum the board can expect additional compliance costs of \$2,796 per fiscal year.
14. Fixed costs and indirect costs for the division are estimated at 30% of total board costs. It is assumed this board would have fixed and indirect costs at a minimum of \$12,092 in FY 2016 and \$9,399 in FY 2017.
15. Total estimated cost for the Board of Dentistry is \$52,397 in FY 2016, and \$40,729 in FY 2017.
16. It is assumed that funds to create and run the board will be received through application and licensing fees as fees are set commensurate with costs.
17. An inflationary factor of 1.5% has been added to the board member lodging costs and fixed costs for FY 2017 and subsequent years.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b><u>Fiscal Impact:</u></b>				
FTE	0.20	0.20	0.20	0.20
<b><u>Expenditures:</u></b>				
Personal Services	\$12,026	\$12,026	\$12,026	\$12,026
Operating Expenses	\$40,372	\$28,703	\$28,749	\$28,794
<b>TOTAL Expenditures</b>	<b>\$52,398</b>	<b>\$40,729</b>	<b>\$40,775</b>	<b>\$40,820</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$52,398	\$40,729	\$40,775	\$40,820
<b>TOTAL Funding of Exp.</b>	<b>\$52,398</b>	<b>\$40,729</b>	<b>\$40,775</b>	<b>\$40,820</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$52,398	\$40,729	\$40,775	\$40,820
<b>TOTAL Revenues</b>	<b>\$52,398</b>	<b>\$40,729</b>	<b>\$40,775</b>	<b>\$40,820</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

**Technical Notes:**

1. Although Section 1 requires that three board members be medical denturists, it appears impossible for an appointee to meet the qualifications until licensed, and no licenses can be granted until the board is properly formed and there is a quorum that can approve a license. Likewise, it appears that a licensed dentist cannot prove 5 years of experience in the medical dentistry field without admitting that the individual had practiced outside the scope of licensure. The bona-fides of that experience requirement is a matter that would have to be considered by the board, but could only happen after the board was duly appointed.

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*Sponsor's Initials*

\_\_\_\_\_  
*Date*

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*Budget Director's Initials*

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*Date*