



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0838 - Provide for economic mobility and opportunity for professional licensing (Carlson, Jennifer)

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$175,300	\$87,750	\$89,066	\$90,402
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	unknown	unknown	unknown	unknown
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 838 revises occupational licenses regarding the standards for denial for applicants with criminal convictions and requires the Department of Labor & Industry (DLI) to publish a report of such denials. The legislation also provides for a fee, income dependent, payable to the department to recoup costs should an applicant appeal the licensing authority's decision. HB 838 will require additional FTE to administer the requirements set forth in the legislation, will require rulemaking and will require Information Technology (IT) modifications.

FISCAL ANALYSIS

Assumptions:

- HB 838 requires additional reporting requirements and petition processing above and beyond current capacity in the Employment Standards Division of the Department of Labor & Industry (DLI). DLI will require one full-time and one part-time License Permit Technician to perform these tasks. Costs for 1.50 FTE will be \$59,945 in salaries and benefits in FY 2024, pro-rated for an October 1, 2023, effective date, and \$80,137 in salaries and benefits annually for FY 2025 plus a 1.5% inflation factor for FY 2026 and FY 2027.

2. DLI cost allocation plan is applied at 9.5% of personal services for FY 2024-2027. This equates to \$5,695 in FY 2024 and \$7,613 annually for FY 2025 plus a 1.5% inflation factor applied for FY 2026 and FY 2027.
3. One-time-only costs for each new FTE include \$1,600 for office supplies/furniture and \$1,200 for a new computer. This equates to \$5,600 in FY 2024.
4. One-time-only administrative rule-making costs are estimated at \$68,700 and are included in operating expenses in FY 2024. This includes a 40-page rule notice and a five-page adoption notice at \$60 per page and 500 hours of legal work on rules at \$132/hour. It is assumed that the complexity of multi-board rulemaking requires significant legal work.
5. There will be information technology (IT) costs to set up new parameters within the system records to document criminal convictions. IT changes will also have to be made to accommodate for the information to be searchable by the public and the petition process will require the records to be reconfigured to identify an application by petition. DLI assumes this will entail 340 hours of IT work from the agency’s Technology Services Division (TSD). TSD charges each division \$104/hour for work. The total IT costs are estimated to be \$35,360 and will be realized in FY 2024.
6. DLI is unable to determine how many individuals would appeal the license authority’s decision and is therefore unable to determine the number or amount of fees collected to recoup costs of an appeal as required under this legislation.


	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.50	1.50	1.50	1.50
<u>Expenditures:</u>				
Personal Services	\$59,945	\$80,137	\$81,339	\$82,559
Operating Expenses	\$115,355	\$7,613	\$7,727	\$7,843
TOTAL Expenditures	<u>\$175,300</u>	<u>\$87,750</u>	<u>\$89,066</u>	<u>\$90,402</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$175,300	\$87,750	\$89,066	\$90,402
TOTAL Funding of Exp.	<u>\$175,300</u>	<u>\$87,750</u>	<u>\$89,066</u>	<u>\$90,402</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	unknown	unknown	unknown	unknown
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$175,300)	(\$175,300)	(\$175,300)	(\$175,300)

Technical Notes:

1. Section 2(1) sets forth mandatory considerations, a number of which are ambiguous or nonquantifiable, which may make nonarbitrary decision making more difficult.
2. Section 2(2)(d) prohibits use of “good moral character” in licensing decisions. This directly conflicts with other provisions of law, which require boards to consider that as a factor. *See, e.g.* 37-11-303, 37-37-205, 37-50-330, 37-54-202, 37-31-304, et al. This results in an ambiguity as to the appropriate licensing standard.
3. By prohibiting consideration of “moral turpitude,” the section conflicts with the Interstate Medical Licensure Compact at Section 2.

Sponsor's Initials

Date



Budget Director's Initials



Date