

February 17, 2015

The Honorable Ron Ryckman, Jr., Chairperson
House Committee on Appropriations
Statehouse, Room 111-N
Topeka, Kansas 66612

Dear Representative Ryckman:

SUBJECT: Fiscal Note for HB 2205 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2205 is respectfully submitted to your committee.

HB 2205 would require the Board of Nursing and the Board of Healing Arts to work jointly to adopt rules and regulations relating to the role of advanced practice registered nurses. The regulations would include the authority to prescribe medications, sign for and order tests and treatments, and perform other delegated medical acts and functions. The bill would also specify the services or clinical settings that would require a collaborative practice agreement or protocol with a physician.

Fiscal Effect

| Estimated State Fiscal Effect | | | | |
|-------------------------------|----------------|----------------------|----------------|----------------------|
| | FY 2015 SGF | FY 2015 All Funds | FY 2016 SGF | FY 2016 All Funds |
| Revenue | -- | -- | -- | -- |
| Expenditure | -- | -- | -- | \$660,688 |
| FTE Pos. | -- | -- | -- | -- |

The Board of Nursing indicates that the passage of HB 2205 would increase fee fund expenditures by \$12,612 in FY 2016. The estimate assumes that a minimum of six, two-day meetings would be required to develop the rules and regulations. The Board estimates an average reimbursement for travel and lodging expenses for meeting participants of \$642 per meeting. For three members at each meeting, the cost would be \$1,926, and for six meetings the

total meeting cost would be \$11,562. In addition to meeting costs, the Board estimates publication costs for notices of public hearings and the printing of amended regulations to be \$1,050. The position of the Division of the Budget is that the same estimate could be applied for the Board of Healing Arts at a cost of \$12,612 from agency fee funds.

The Board of Healing Arts indicates that the passage of HB 2205 would result in increased complaints, investigations, and caseload activity and would therefore require an increase in FTE positions and operating expenditures. The table below shows the breakdown for the additional cost of \$648,076 and 8.00 FTE positions.

| | |
|---|---------------|
| 2.00 FTE Investigator Positions @ \$49,554 | \$ 99,108 |
| 2.00 FTE Administrative Assistants @ \$38,783 | 77,566 |
| 1.00 FTE Associate Litigation Counsel | 68,500 |
| 1.00 FTE Assistant General Counsel | 68,500 |
| 2.00 FTE Legal Assistant Positions @ 49,555 | <u>99,110</u> |
| Subtotal Salaries & Wages | \$412,784 |
| Office Furniture and Equipment @ \$8,000 per person | 64,000 |
| Telephone, e-mail, and Internet Lines @ \$640 per month | 7,680 |
| Office Space of 1,000 sq. ft. @ \$12.50 per sq. ft. per month | 150,000 |
| Per diem compensation for six meetings | 11,562 |
| Publication of notices, and updates to forms | <u>2,050</u> |
| Total | \$648,076 |

The Division of the Budget considers the fiscal estimate prepared by the Board of Healing Arts to be excessive. Although it is understandable that the agency would want to be prepared for the implementation of HB 2205, it appears that the estimate includes more FTE positions as well as more operating expenditures than would be necessary. Any fiscal effect associated with HB 2205 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Mary Blubaugh, Board of Nursing
Cathy Brown, Board of Healing Arts