

February 10, 2020

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 151D-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2506 by Representative Croft

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2506 is respectfully submitted to your committee.

HB 2506 would amend the occupational and professional licensing standards for regulatory agencies to receive and review applications from military spouses, military service members (on active duty or honorably discharged), or any individual who has established or plans to establish residency in Kansas. Effectively, the bill would apply to any individual applicant for licensure, reciprocity, or reinstatement. The bill would allow agencies to maintain their current processes if reciprocity standards contained within existing law are more favorable. However, if current processes are less favorable to an applicant or there are no current processes, the agency would be required to issue a license if the applicant has a valid license in another state with substantially similar licensing requirements or if the applicant has met work or experience requirements if no similar license is issued by the other state.

The bill would amend the authority of the agency to consider a disqualifying criminal record, solvency, or an applicant who has not been in active practice within the previous two-year period. The bill would require the agency to issue a temporary registration while an applicant completes additional licensure requirements if doing so would not jeopardize the safety of the public.

The bill would also require the regulatory agency to provide a determination and response to any applicant within ten calendar days. Determinations must be specific and not general. The bill would include a provision stating nothing in the bill is designed to interfere with federal requirements or a multistate compact, and the determination regarding favorability rests with the licensing body. The bill would require each regulatory agency to adopt rules and regulations consistent with these requirements.

The Board of Healing Arts indicates that HB 2506 would require additional expenditures of \$606,695 from the Healing Arts Fee Fund and 8.00 FTE positions for FY 2021 and would have ongoing expenditures of \$550,695. The ongoing costs would be associated with hiring 2.00 Litigation Attorney FTE positions, 1.00 Para-Legal FTE position, 2.00 Licensing Analyst FTE positions, 2.00 Licensing Specialist FTE position, 1.00 Licensing Supervisor FTE position, communication costs and additional rent. The total amount for FY 2021 includes ongoing costs plus one-time costs of \$56,000 for purchase of chairs, computer equipment, telephones, software and miscellaneous office supplies. The Board may receive increased revenue from some additional applicants requesting Kansas licensure, however the number of requests is expected to be negligible.

The Board of Pharmacy indicates that HB 2506 would increase the amount of staff time and resources associated with reviewing applications. The Board estimates it would require additional expenditures of \$111,750 from the Board of Pharmacy Fee Fund per year starting in FY 2021. The total amount includes an increase of contractual attorney services of \$22,500 and \$70,750 to hire 1.50 licensing FTE positions. The total also includes \$12,000 of operating costs associated with the additional positions for communications, publications, rent and office supplies. Since many applications are also required to be reviewed by a designated Board member and attorney, additional meetings and per diem reimbursements could be necessary. Additional meetings cost between \$500 and \$5,000 per meeting, depending on the duration. The Board would have \$1,500 publishing costs for changes related to rules and regulation updates.

The Real Estate Commission indicates it would need to hire a temporary position to review eligibility requirements for the applicants as they pertain to HB 2506. The Commission estimates that expenditures from the Real Estate Commission Fee Fund would need to be increased by a minimum of \$15,000.

The Board of Veterinary Examiners indicates it would need to hire a temporary position to review statutes and rules and regulations as they pertain to HB 2506. The Board estimates that expenditures from the Veterinary Examiners Fee Fund would need to be increased by \$30,000 for FY 2021.

The Board of Nursing indicates that the Board already meets the requirements of HB 2506 through the Nurse Licensure Compact (NLC) other than the ten-day processing of applications and investigations into the applicant's background. If it is determined the Board cannot follow the NLC, the Board estimates that the additional expenditures would be \$110,000 from the Board of Nursing Fee Fund. The expenditures would be for the salaries and wages of 2.00 additional FTE positions for licensing and investigative staff and for increased travel expenses for investigative committee members.

The Behavioral Sciences Regulatory Board indicates that HB 2506 would require the hiring of 2.00 additional FTE Credentialing Specialist positions in order to complete applications within ten days. The total administrative costs to the Board would be \$86,400 from the Behavioral Sciences Regulatory Board Fee Fund in FY 2021. Of the total, \$81,400 would be for salary and benefits and \$5,000 would be for operating costs.

The Kansas Dental Board, the Board of Technical Professions, the Board of Mortuary Arts, the Board of Examiners in Optometry, and the Real Estate Appraisal Board each indicate that HB 2506 could have a fiscal effect on the respective agencies but that it is not possible to estimate the number of potential licensees that this could affect or the number of additional board meetings needed. Therefore, they are unable to estimate what the fiscal effect would be.

The Board of Accountancy, the Board of Barbering, the Board of Cosmetology, the Board of Examiners in Fitting and Dispensing of Hearing Instruments, the Department of Education, the Department for Aging and Disability Services, the Kansas Insurance Department, and the Department of Health and Environment each indicate that HB 2506 would not have a fiscal effect on the respective agencies. Any fiscal effect associated with HB 2506 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Shawn Herrick, Abstracters Board
Susan Somers, Board of Accountancy
Connie Hubbell, Aging & Disability Services
Lori Ferguson, Board of Barbering
Max Foster, Behavioral Sciences
Aubrie Pryer, Cosmetology
Charity Carlat, Dental Board
Dale Dennis, Education
Zack Miller, Hearing Instruments Examiners
Jan Murray, Optometry
Susan Gile, Board of Healing Arts
Dan Thimmesch, Health & Environment
Bobbi Mariani, Insurance
Mack Smith, Mortuary Arts
Jill Simons, Board of Nursing
Alexandra Blasi, Board of Pharmacy
Erik Wisner, Real Estate Commission
Sally Pritchett, Real Estate Appraisal
Larry Karns, Technical Professions
Jody Johnson, Veterinary Examiners