

FISCAL NOTE
Requested by Legislative Council
01/20/2015

Bill/Resolution No.: HB 1455

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$48,000		\$48,000	
Expenditures			\$321,625		\$327,433	
Appropriations			\$321,625		\$327,433	

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill relates to the Department of Health (DoH) licensure of nurse staffing agencies, review of criminal background checks and annual evaluations for travel staff, completion of onsite investigations of agencies as needed, complaint intake and investigation, & enforcement actions.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill requires the DoH to develop rules for licensure of nurse staffing agencies, to license such agencies annually, to complete onsite inspections at least every two years to ensure compliance, to review criminal background checks of travel staff, to ensure appropriate registrations and licensure of travel staff, to review annual performance reviews completed on each travel nurse staff, to have a complaint intake and investigations process, and to take enforcement actions as needed. We are conservatively estimating that we would need one additional staff member to complete this workload along with associated operating costs.

Additionally, the increase in background checks would require additional staff needs and related costs for the Bureau of Criminal Investigations Division of the Attorney General's Office (BCI).

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

An annual fee of \$2,000 per nurse staffing agency is required. It is estimated that there are approximately 12 travel agencies operating in the state. This would result in biennial revenue of \$48,000. The law is unclear if these fees are to be deposited into the general fund or to the Department of Health's operating fund.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

For the 2015-2017 biennium:

DoH costs are \$188,496 and include one new FTE (salary and fringe benefits) estimated to be \$147,196. The operating expenses include rulemaking, one-time computer purchase, travel, communications, attorney fees, and IT support estimated at \$41,300 for the biennium.

Note: It is anticipated that 500 criminal background checks will be completed the first year (state and federal), and 200 criminal background checks the second year at \$42.75 per background check. This translates into a cost of \$29,925 during the biennium. However the law is unclear whether the background checks would be the expense of the nurse staffing agencies or the DoH. They have not been reflected as DoH cost.

BCI costs include one new FTE (salary and fringe benefits) estimated to be \$103,480 with operating costs of \$29,649 for total costs of \$133,129.

For the 2017-2019 biennium:

DoH costs total \$194,335 including salaries of \$153,084 (inflated by 4%), and operating expenses of \$41,252 (inflated by 3%), which includes travel, communications, attorney fees and IT support.

Note – 400 estimated criminal background checks have not been included as part of the DoH costs (\$17,612) due to the law being unclear as to who has responsibility for the costs.

BCI costs total \$133,098 comprising of \$111,758 in salaries and \$21,340 in operating.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

These expenditures are not included in the executive budget for DoH (HB 1004) or The Attorney General's Office-BCI (SB 2003), therefore an appropriation would be needed.

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