

February 8, 2021

The Honorable Robert Olsen, Chairperson
Senate Committee on Commerce
Statehouse, Room 236A-E
Topeka, Kansas 66612

Dear Senator Olsen:

SUBJECT: Fiscal Note for SB 137 by Senate Committee on Commerce

In accordance with KSA 75-3715a, the following fiscal note concerning SB 137 is respectfully submitted to your committee.

SB 137 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), any individual who has established or plans to establish residency in Kansas, or law enforcement. The bill would apply to any individual applicant for licensure, reciprocity, or reinstatement who has provided proof that the applicant has established or intends to establish residency. The application would be considered complete if the licensing body has received all information and fees even if the body has not received the criminal background report from the Kansas Bureau of Investigation. 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 military, veteran, or military spouse applicant within 15 calendar days of receipt of a

complete application, and a response to any other applicant within 45 calendar days of receipt of complete application. 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. Beginning in FY 2022, and by August 31 of each year, the licensing bodies would be required to provide a report to the Director of the Kansas Legislative Research Department that would include any information required by the Director and the bill. The Director would be required to develop a report that would be presented to the Office of the Governor, the House Committee on Commerce, Labor and Economic Development, the Senate Commerce Committee, the House Appropriations Committee, and the Senate Ways and Means Committee by January 15 of the succeeding year.

The Division of the Budget contacted a sample of state agencies regarding the fiscal effect for SB 137 and the responses from these agencies are summarized below.

The Board of Healing Arts indicates that SB 137 would require additional expenditures of \$14,120 from the Healing Arts Fee Fund and 1.00 Licensing Analyst FTE position for FY 2021 and \$48,485 for FY 2022. The expenditures for FY 2022 would be for the full-year costs of the position. 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 Nursing indicates enactment of SB 137 would cost less than \$2,000 from special revenue funds for revising applications and some licensure rules and regulations.

The Behavioral Sciences Regulatory Board indicates that SB 137 would require the hiring of 2.00 additional Credentialing Specialist FTE positions in order to complete applications within fifteen days. The total administrative costs to the Board would be \$86,400 from the Behavioral Sciences Regulatory Board Fee Fund in FY 2022. Of the total, \$81,400 would be for salary and fringe benefits and \$5,000 would be for operating costs.

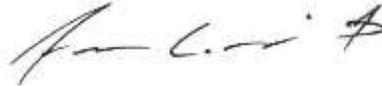
The Board of Pharmacy receives approximately 2,650 initial applications per fiscal year that would meet the criteria of the bill. Therefore, the Board anticipates an increase of \$7,500 for contractual attorney services and \$35,750 for salaries and fringe benefits for 0.50 licensing FTE position for a total cost of \$43,250.

The Department of Education anticipates an increase of \$65,000 from the State General Fund for salaries and fringe benefits for 1.00 FTE position.

The Kansas Insurance Department, the Board of Technical Professions, the Board of Mortuary Arts, the Board of Barbering, and the Real Estate Appraisal Board each indicate that SB 137 could have a fiscal effect, but that it is not possible to estimate the number of potential licensees the bill could affect, or the number of additional board meetings that would be needed. Therefore, they are unable to estimate what the fiscal effect would be for their respective agencies.

The Board of Accountancy, the Board of Cosmetology, and the Department of Health and Environment each indicate the bill would not have a fiscal effect. Any fiscal effect associated with SB 137 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: David Fye, Behavioral Sciences
Susan Somers, Board of Accountancy
Cassiopeia Capps, Board of Barbering
Aubrie Pryer, Cosmetology
Susan Gile, Board of Healing Arts
JW Carey, Mortuary Arts
Jill Simons, Board of Nursing
Alexandra Blasi, Board of Pharmacy
Larry Karns, Technical Professions
Sally Pritchett, Real Estate Appraisal
Dan Thimmesch, Health & Environment
Bobbi Mariani, Insurance
Craig Neuenswander, Education