

March 17, 2020

The Honorable Julia Lynn, Chairperson  
Senate Committee on Commerce  
Statehouse, Room 445A-S  
Topeka, Kansas 66612

Dear Senator Lynn:

**SUBJECT:** Fiscal Note for SB 391 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 391 is respectfully submitted to your committee.

SB 391 would require every agency to complete a comprehensive review of all occupational regulations and occupational licenses within one year following July 1, 2020. Agencies would be required to identify the public health, safety or welfare objectives of each regulation and indicate the reasons why the regulation is necessary. If an agency finds that a regulation does not meet the standards under SB 391, the agency would be required to repeal or modify the occupational regulation or recommend to the Legislature the actions necessary to repeal or modify the occupational regulation or license.

Any person may petition any agency to repeal or modify any occupational regulation. Agencies would be required to repeal or modify the occupational regulation within 90 days of the filing of the petition. An action may be filed in court to challenge any occupational regulation. Within 15 months after July 1, 2020, agencies would be required to report to the Legislature on all actions taken under the requirements of SB 391. Agencies would be required to report to the Legislature annually on February 1.

The Kansas Insurance Department estimates passage of the bill would require additional expenditures of \$96,448 from special revenue funds in FY 2021. The added costs would include \$91,448 for the salary and wages of 1.00 new attorney FTE position and \$5,000 for a computer and office equipment. The position would be needed to complete the comprehensive review of all Department regulations and licenses.

The Office of the State Bank Commissioner estimates SB 391 would require additional expenditures in the form of staff time. The Office estimates the additional expenditures could be handled within existing staff and resources.

The Board of Healing Arts estimates the bill would require additional expenditures totaling \$219,762 in FY 2021 from the Healing Arts Fee Fund. The amount would include \$90,000 for 1.00 new associate general counsel FTE position; \$66,762 for 1.00 new paralegal FTE position; \$14,000 for computer and office equipment; \$2,400 for communication costs; and \$46,600 for attorney fees. Ongoing costs would total \$66,762 for the salary and wages of the Paralegal position. The Associate General Counsel position would be needed for only FY 2021 to conduct a comprehensive review of all Board regulations and licenses.

The Board of Nursing estimates it would require additional expenditures of \$65,000 for FY 2021 from the Board of Nursing Fee Fund for 1.00 new FTE position to review and evaluate Board regulations.

The Board of Pharmacy estimates passage of SB 391 would require additional expenditures of \$187,450 from the State Board of Pharmacy Fee Fund in FY 2021. This amount includes \$112,500 for 1.50 new attorney FTE positions; \$55,000 for 1.00 new legal support FTE position; \$13,450 for office rent, computers and equipment; \$1,500 for publication costs; and \$5,000 for any additional Board meetings that would be needed to review the regulations.

The Kansas Dental Board indicates the comprehensive review of licenses and regulations could be done with existing staff. However, the provisions of the bill that would allow petitions to be filed could require additional Board meetings to review the petitions. The review of petitions would require the use of the Board's contracted legal counsel. The fiscal effect on the Board's legal costs cannot be estimated because the number of petitions that would be filed is unknown.

The Behavioral Sciences Regulatory Board estimates it would require additional expenditures of \$61,100 from the Behavioral Sciences Regulatory Fee Fund in FY 2021. The costs would include \$58,600 for the salary and wage expenditures of 1.00 new FTE position and \$2,500 for office supplies, a computer, and other equipment. The Board is unable to estimate the fiscal effect from the provisions that would require agencies to respond to petitions.

The Emergency Medical Services Board indicates passage of the bill would require additional expenditures of \$250,000 from special revenue funds for the salary and wage expenditures for 1.00 new legal services FTE position to handle any litigation and 1.00 new FTE position to conduct the comprehensive review and any annual reports.

The Board of Technical Professions indicates the bill would increase agency costs associated with reviewing regulations; pushing any changes through the administrative regulation process; holding Board meetings to review any regulations or petitions; publishing regulations and notices of hearings; providing reports to the Legislature; and responding to petitions. However, the Board is unable to estimate the fiscal effect from SB 391.

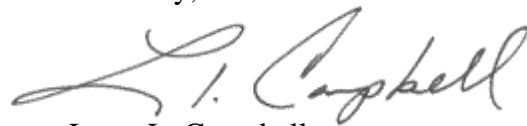
The Board of Barbering estimates it would require additional expenditures of \$18,248 from the Board of Barbering Fee Fund in FY 2021. This amount would include \$14,448 for additional staff time; \$3,000 for attorney fees; and \$800 for postage and office supplies.

The Board of Cosmetology estimates the bill would require additional expenditures of \$115,000 from the Cosmetology Fee Fund in FY 2021. The amount would be for the salary and wages for 2.00 new FTE positions for the comprehensive review of regulations.

The Kansas Real Estate Commission, the Board of Mortuary Arts and the Board of Veterinary Examiners would incur additional expenditures from reviewing regulations; making any necessary revisions to regulations through the administrative rulemaking process; and addressing any petitions that are filed. However, the agencies are unable to estimate the fiscal effect from SB 391.

The Office of Judicial Administration indicates the bill could increase the number of cases filed in district courts from the provision that allows individuals to file petitions challenging occupational regulations. Any additional cases would increase the amount of time spent by court personnel processing, researching and hearing cases. The bill could also result in additional revenue from the collection of docket fees. However, the Office is unable to estimate a fiscal effect because the number of cases that would be filed is unknown. Any fiscal effect associated with SB 391 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,



Larry L. Campbell  
Director of the Budget

cc: Susan Gile, Board of Healing Arts  
Alexandra Blasi, Board of Pharmacy  
Mack Smith, Mortuary Arts  
Lori Ferguson, Board of Barbering  
Aubrie Pryer, Cosmetology  
Jody Johnson, Veterinary Examiners  
Erik Wisner, Real Estate Commission  
Charity Carlat, Dental Board  
Jan Murray, Optometry  
Jill Simons, Board of Nursing  
Larry Karns, Technical Professions  
Joe House, EMS  
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Bobbi Mariani, Insurance  
Zack Miller, Hearing Instruments Examiners  
Max Foster, Behavioral Sciences  
Mary Rinehart, Judiciary