

FISCAL NOTE

H.B. 497 2nd Sub. (Gray)

SHORT TITLE: Clearance for Direct Patient Access

SPONSOR: Last, B.

2012 GENERAL SESSION

STATE GOVERNMENT (UCA 36-12-13(2)(b))

This bill will reduce the revenue stream to the General Fund from background checks by \$8,600 in FY2012 and \$59,400 ongoing in FY2013. Additionally, the bill redirects \$105,000 ongoing in FY2013 from the General Fund to the Department of Health as a Dedicated Credit.

To establish the new clearance system the Department of Health will spend federal funds of \$500,000 in FY2012, \$1,000,000 in FY2013, and \$1,500,000 in FY2014.

The administrative costs of processing health care facility licenses and background checks will shift from the General Fund, saving \$130,000 annually beginning in FY2013, to Dedicated Credits, costing \$105,000 annually beginning in FY2013. The \$25,000 reduction in costs comes from a 19.4% reduction in workload for processing background checks. The Department of Health will have increased costs of \$15,200 one-time in FY2012 and \$105,000 ongoing beginning in FY2013 for 0.5 FTE and data maintenance contracts for a new system for administering background checks. In FY2013 and FY2014 these administrative increases will be paid for with the federal funds mentioned above. Beginning in FY2015 these ongoing costs would be paid for with General Fund.

The bill costs the Department of Human Services \$4,700 ongoing General Fund in FY2013 and \$10,900 federal funds to pay for 375 national background checks annually.

The Department of Health will collect \$788,500 in Dedicated Credits annually beginning in FY2013 for the Department of Public Safety to conduct national background checks. The Department of Public Safety will use all of the \$788,500 annually in Dedicated Credits to hire 4 FTEs and pay the Federal Bureau of Investigation for their part of the national background checks.

The net impact on the General Fund is a cost of \$8,600 one-time in FY2012 and \$39,100 ongoing in FY2013. The ongoing impact increases to \$144,100 beginning in FY2015.

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STATE BUDGET DETAIL TABLE

| | FY 2012 | FY 2013 | FY 2014 |
|--|--------------------|----------------------|----------------------|
| Revenue: | | | |
| General Fund | \$0 | (\$105,000) | (\$105,000) |
| General Fund | \$0 | (\$59,400) | (\$59,400) |
| General Fund, One-Time | (\$8,600) | \$0 | \$0 |
| Dedicated Credits | \$0 | \$788,500 | \$788,500 |
| Total Revenue | (\$8,600) | \$624,100 | \$624,100 |
| Expenditure: | | | |
| General Fund | \$0 | (\$130,000) | (\$130,000) |
| General Fund | \$0 | \$4,700 | \$4,700 |
| Federal Funds | \$0 | \$10,900 | \$10,900 |
| Federal Funds | \$500,000 | \$1,000,000 | \$1,500,000 |
| Dedicated Credits | \$0 | \$788,500 | \$788,500 |
| Dedicated Credits | \$0 | \$105,000 | \$105,000 |
| Total Expenditure | \$500,000 | \$1,779,100 | \$2,279,100 |
| Net Impact, All Funds (Rev.-Exp.) | (\$508,600) | (\$1,155,000) | (\$1,655,000) |
| Net Impact, General/Education Funds | (\$8,600) | (\$39,100) | (\$39,100) |

LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

Enactment of this bill likely will not result in direct, measurable costs for local governments.

DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

Individuals and businesses will pay less for Department of Health background checks in the amount of \$8,600 in FY2012 and \$59,400 ongoing beginning in FY2013. Individuals and businesses will pay more for national background checks in the amount of \$772,900 ongoing beginning in FY2013. Some of the national background checks costs may be offset with federal funds from the Department of Health.