

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	43,041	10,140	3,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	43,041	10,140	3,000	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill places the practice of art therapy under the regulation of the Uniform Credentialing Act. A license would be required for the independent practice of art therapy. An Art Therapy Board is created. The effective date of the act is January 1, 2020.

The bill does not have the number of board members. The Department of Health and Human Services assumed there would be six members. There would be startup costs and six board meetings in FY 20. The costs for board meetings, drafting regulations and changes to the licensing computer system would be \$43,041 in FY 20. Ongoing costs for the board meeting are estimated at \$3,000 in FY 21. The costs would be paid from fees.

There is a formula for setting fees under the Uniform Credentialing Act. Based on the formula, the fee would be set at \$195. There are approximately 52 art therapists in the state. Total revenue in FY20 would be approximately \$10,140. The shortfall would be made up from fees from other professions licensed under the Uniform Credentialing Act.

Technical note: The number of board members needs to be designated.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 422 AM:	AGENCY/POLT. SUB: Department of Health and Human Services	
REVIEWED BY: Elton Larson	DATE: 2/8/2019	PHONE: (402) 471-4173
COMMENTS: No basis to disagree with DHHS estimate of fiscal impact to the agency.		

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

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Date Prepared 1-23-19

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	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$43,041	\$10,140	\$3,000	\$0
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$43,041	\$10,140	\$3,000	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 422 would take effect on January 1, 2020. This legislation adds Art Therapy as a professional practice and requires licensing by the state under the Uniform Credentialing Act. LB 0422 also creates the Board of Art Therapy to establish rules and regulations, review applications and provide oversight of those rules and regulations. All costs and revenues would be associated with the Professional and Occupational Credentialing Cash Fund and Program 178.

Estimated costs to implement LB 422 are based upon the following:

Personnel & Board Expense:	<u>FY2019-20</u>	<u>FY2020-21</u>
Board of Art Therapy – 6 member board		
Six (6) meetings for the first fiscal, twice (2) thereafter		
At cost of \$1,500 each	\$ 9,000	\$ 3,000

Board expenses are based on the need to have at least 6 meetings for the 3 months prior to the effective date of January 1, 2020 in order to develop rules and regulations. The number of board members was not stated in LB 422. The estimate is based on having an average sized board to cover the entire State of Nebraska.

Estimate for expenditures and revenue is based on the following:

1. According to the American Art Therapy Association’s website, there is only one (1) current member in Nebraska.
2. The US Bureau of Labor Statistics does not collect data on art therapists as a separate category. This occupation is included with “therapists, all others group”.
3. The general consensus in various online publications believe that most Art Therapists hold a license in a related mental health field. LB 422 states that anyone who practices Art Therapy in Nebraska, must be independently licensed as an Art Therapist. *Psychology Today* publishes an online directory listing of approximately 50 individuals who currently list Art Therapy as one of their treatment approaches in Nebraska. www.networktherapy.com lists 2 individuals who list art therapy as a treatment approach used that are not also included in the *Psychology Today* directory.
4. Estimate is based upon the existing 52 individuals that are known to offer Art Therapy as a treatment option and would be required to apply for an Art Therapy License to continue providing this treatment in their practice.

5. The Department of Health and Human Services (DHHS) would absorb the cost of managing the new credential annually. DHHS expects the new licensing duties added to credential Art Therapists will have a minimal impact on the current workload.

Startup activities are estimated to begin on October 1, 2019 and include FY2019-2020 Board expenses from above and the following existing personnel:

6. An Attorney III to assist with the promulgation of rules and regulations and as legal advisor for three (3) months prior to effective date and until June 30, 2020 as .25 FTE, for a total of 9 months.
7. An IT Business Systems Analyst to add Art Therapy to the electronic credentialing system for eighty (80) hours.
8. A Health Licensing Specialist to create and electronically distribute media regarding the new credentialing requirements for eighty (80) hours.
9. Health Licensing Coordinator to manage the startup project and serve as liaison between the Board and Licensure Unit for eighty (80) hours.

The breakdown of startup costs and annual operating costs are provided below.

Total costs for FY2019-2020 include initial Board expenses and start-up personnel costs:

Board Expenses	\$ 9,000
Personnel Expenses	\$ 19,128
Benefits	\$ 6,544
Operating Costs	<u>\$ 8,369</u>
Total Start Up Cost	\$ 43,041

Ongoing annual operating costs are shown for Board Expenses Only and do not include any labor burden for the Licensure Unit due to the minimal impact on the workload.

Beginning	<u>FY2020-2021</u>
Board Expenses	\$ 3,000

Revenue Estimate

All expenses and revenues would be subject to the Uniform Credentialing Act's specified methodology for establishing fees. The Department pools base costs of credentialing (costs common to all UCA professions) and adds these to variable costs for credentials (e.g. individual board costs) to develop fees. The current base cost for a credential is approximately \$80-90 over two years. Variable costs for this credential are expected to include ongoing board costs of about \$6,000 every two years, or \$115 per credential.

Estimated number of applicants licensed by June 30, 2020	<u>52</u>
Estimate of biennial credentialing fee	<u>\$ 195</u>
Biennial revenue estimate	<u>\$ 10,140</u>

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2019-2020	2020-2021
	19-20	20-21	EXPENDITURES	EXPENDITURES
Health Licensing Specialist	.04	0	\$1,375	\$0
IT Business Systems Analyst	.04	0	\$2,213	\$0
Attorney III	.19	0	\$13,849	\$0
Health Licensing Coordinator	.04	0	\$1,691	\$0

Benefits.....			\$6,544	
Operating.....			\$17,369	\$3,000
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$43,041	\$3,000