

Legislative Analysis



BACKGROUND CHECK PROGRAM

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House Bill 4840 (H-2)

Sponsor: Representative Kathleen Law

Complete to May 28, 2008

A SUMMARY OF HOUSE BILL 4840 (H-2)

House Bill 4840 (H-2), as reported out of the House Appropriations Committee, would amend Section 20161 (12) of the Public Health Code to allow the Department of Community Health to use unreserved balances realized from licensing fees and assessments for health facilities and agencies for the Background Check Program. Section 20161 (9) of the Public Health Code currently mandates that license fees support the cost of licensure activities.

FISCAL IMPACT:

In the current fiscal year, \$4.5 million has been appropriated for the Background Check Program line item. A May 9, 2008 transfer request from the State Budget Office approved by the House and Senate Appropriations Committees transfers \$2,047,900 to the noted line item to cover projected program expenditures. In the current fiscal year, the Health Policy, Regulation, and Professions Administration line item is also supported by a \$2.6 million federal pilot grant for the Background Check Program although it had been anticipated that the grant would end.

Senate Bill 1094, the FY 2008-09 appropriations bill acted upon by the House Appropriations Subcommittee on Community Health on May 20, 2008, eliminates the \$2.6 million federal pilot grant. Funding for the Background Check Program line item is reduced by \$519,600 anticipating less federal Medicaid revenue and health systems fees and collections. Economic adjustments for salaries and wages, defined benefit and contribution retirement and insurance costs are also included in the budget for the Background Check Program resulting in a \$3,956,400 appropriation. Senate Bill 1094, as passed by the Senate, concurs with the House Appropriations Subcommittee recommendation and adds \$1.0 million GF/GP for the costs of background checks for newly hired nursing home employees.

Health systems fees and collections which were carried forward from FY 2004-05 through FY 2006-07 ranged from \$2.8 million to \$7.4 million. This source of revenue is realized from licensing fees and assessments for health facilities and agencies, construction permit fees, licensing fees for emergency medical service vehicles, and inspection fees for radiation machines.

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