

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6904

BILL NUMBER: HB 1242

NOTE PREPARED: Feb 12, 2013

BILL AMENDED: Feb 12, 2013

SUBJECT: Licensing of Diabetes Educators.

FIRST AUTHOR: Rep. Frizzell

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: GENERAL
 DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill creates the Diabetes Educators Board (DEB), and provides for the licensure of diabetes educators. It makes a technical correction.

Effective Date: July 1, 2013.

Explanation of State Expenditures: (Revised) The Professional Licensing Agency (PLA) would require additional expenditures to carry out the bill's provisions. The table shows the annual estimated costs that could be incurred by a seven-member board meeting two times per year. (The bill requires the board to meet at least twice a year.)

Expenditure	Estimated Cost
Board Member Compensation*	\$1,932
Packet Preparation	\$100
Postage	\$77
Administrative Costs**	\$1,940
TOTAL ONE YEAR	\$4,049
*Includes: mileage, per diem/subsistence. Does not include lodging reimbursement. **Includes PLA license processing, staff time with board meetings, printing, and signage.	

The bill does not specify if the members of the DEB would be compensated for their duty. If the members were not compensated for their service, the impact to PLA expenditures would be about \$2,117 per fiscal year.

The bill does not provide an appropriation to cover the costs to implement the DEB. However, existing statutes require all professional boards to generate enough revenue through licensing fees to equal board expenditures.

Explanation of State Revenues: (Revised) The bill would require the establishment of a fee for licensure. The fee would be determined by the DEB. Fee revenue would be deposited in the state General Fund. The American Association of Diabetes Educators (AAODE) reports a membership of over 13,000 persons nationwide during 2011. A two-percent estimate for Indiana would yield approximately 260 members.

Assuming approximately 260 persons were licensed, a biannual fee of about \$31.10 would produce enough revenue to breakeven with the estimated expenditures to fund the proposed board and administer licenses. However, the actual amount of revenue generated would depend on the number of persons applying for licensure and the fee set by the DEB.

Civil Penalties- Under current law, professional boards have the power to impose civil penalties of not more than \$1,000 per violation on practitioners in violation of the licensure law under which they conduct their scope of licensed employment. Revenue from civil penalties assessed on a practitioner is deposited into the state General Fund.

Criminal Penalty Provision: A person violating a provision of the bill would commit a Class A misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. However, any additional revenue would likely be small.

Explanation of Local Expenditures: *Criminal Penalty Provision:* A Class A misdemeanor is punishable by up to one year in jail.

Explanation of Local Revenues: *Criminal Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: Professional Licensing Agency.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Professional Licensing Agency; American Association of Diabetes Educators.

Fiscal Analyst: Chris Baker, 317-232-9851.