

March 7, 2011

The Honorable Steve Brunk, Chairperson
House Committee on Federal and State Affairs
Statehouse, Room 149-S
Topeka, Kansas 66612

Dear Representative Brunk:

SUBJECT: Fiscal Note for HB 2337 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2337 is respectfully submitted to your committee.

HB 2337 would provide for the licensing of abortion clinics by the Kansas Department of Health and Environment (KDHE). Any facility that performs any second or third trimester abortion, or five or more first trimester abortions within a month would have to be licensed. KDHE would be required to adopt and enforce regulations and would collect an initial and subsequent annual fee of \$500 from each licensee. The Department would also establish classes of violations and corresponding fines for those violations. Inspections would be required twice per year.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	\$35,000	\$35,000
Expenditure	--	--	\$1,259,481	\$1,259,481
FTE Pos.	--	--	--	12.50

The Department of Health and Environment indicates that passage of the bill would increase State General Fund expenditures by \$1,259,481 and require the addition of 12.50 FTE positions. The estimate is based on the fact that it is possible every general or special hospital or ambulatory surgery center in the state could perform abortions, and would have to be licensed. Currently, there are 67 general or special hospitals, one ambulatory surgery center known to perform abortions, and two other locations that performed abortions in FY 2010. Revenue from licensing fees is calculated by the number of facilities (70) multiplied by the fee of \$500, for a total of \$35,000.

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According to the Department, implementation would require the services of a physician consultant for an initial six-month period to develop regulations, and a birthing expert consultant for an initial six-month period to develop regulations and work to get them through the approval process. The one-time contractual costs for the two consultants in FY 2012 would be \$286,000. The following table details the expenditures for implementation of the bill in FY 2012:

Health Facility Surveyor I (10.00)	\$613,710
Health Facility Surveyor II (1.00)	69,709
Public Service Administrator (1.00)	52,412
Attorney II (0.50)	37,215
Medical Consultants (one-time)	286,000
Communications, Printing, Travel	157,460
Stationery & Office Supplies	19,575
Capital Outlay (one-time)	<u>23,400</u>
Total	\$1,259,481

The Department estimates out-year costs for FY 2013 to be less than FY 2012 because one-time costs for the start-up year are not included. The FY 2013 amount would be \$1,010,502. The fiscal effect of HB 2337 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,



Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Pat Kuester, Health & Environment
Cathy Brown, Healing Arts