

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 461 (Senator Teitelbaum, et al.)

Economic and Environmental Affairs

Referred to Environmental Matters

State Board of Chiropractic Examiners - Certification of Massage Therapists

This enrolled bill requires the State Board of Chiropractic Examiners to adopt regulations for the certification of massage therapists. An individual must be certified by the board before practicing massage therapy in Maryland. The board may set annual certification fees so as to cover the operating expenses of maintaining the massage therapist certification program. A six-member Massage Therapy Advisory Committee is established within the board. This bill is not intended to establish any mandated reimbursement for certified massage therapists.

The board may impose a penalty not exceeding \$5,000 if it finds grounds to suspend or otherwise discipline a certificate holder. Any person who violates a provision of this bill is guilty of a misdemeanor and on conviction shall be subject to a fine not exceeding \$5,000 or imprisonment for not more than one year, or both.

This bill has various effective dates. Actual certification for the practice of massage therapy is not required until January 1, 1998.

Fiscal Summary

State Effect: State Board of Chiropractic Examiners Fund expenditures would increase by \$102,800 in FY 1997. Future years reflect annualization and inflation. Special fund revenues would increase by \$240,000 in FY 1998. Future years reflect growth of 100 applicants per year and annual certificate renewals.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
SF Revenues	\$0	\$240,000	\$160,000	\$180,000	\$200,000
SF Expenditures	102,800	108,300	111,600	115,100	118,600
Net Effect	(\$102,800)	\$131,700	\$48,400	\$64,900	\$81,400

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: Local revenues and expenditures could increase by a minimal amount as a

result of the bill's monetary and incarceration penalty provision.

Fiscal Analysis

State Revenues: The certification fees will be set by the State Board of Chiropractic Examiners. The bill specifies that the revenues be sufficient to approximate the cost of maintaining the massage therapist certification program. The board anticipates setting initial certification fees at \$400 and annual renewal fees at \$200. It is also anticipated that the growth rate (100 new applicants per year) will drop off at some point in the future. The applicable effective date for the actual collection of certification fees is January 1, 1998.

State special fund revenues are projected to increase by \$240,000 in fiscal 1998 as indicated below. The anticipated certification fee revenue is shown below:

<u>Fiscal</u> <u>Year</u>	<u>Revenues</u>	<u>No. of initial</u> <u>applications</u>	<u>Fee</u>	<u>No. of</u> <u>renewals</u>	<u>Fee</u>
1998	\$240,000	600	\$400	----	----
1999	160,000	100	\$400	600	\$200
2000	180,000	100	\$400	700	\$200
2001	200,000	100	\$400	800	\$200

In addition, general fund revenues could increase under the bill's monetary penalty provision for those cases heard in the District Court, depending upon the number of convictions and fines imposed.

State Expenditures: State special fund expenditures could increase by an estimated \$102,753 in fiscal 1997 due to the costs associated with hiring two people (Administrative Officer and Office Secretary) to assist in certifying massage therapists. This estimate reflects the October 1, 1996 effective date and includes salaries of \$33,383, fringe benefits, one-time start-up costs, operating expenses, and travel expenditures for Massage Therapy Advisory Board members.

Salaries & Fringe Benefits	\$46,681
Overhead/Indirect Costs	20,000
Equipment Purchase	10,000
Travel	3,750
Other Operating Expenses	<u>22,322</u>
Total FY 1997 State Expenditures	\$102,753

Future year expenditures reflect (1) full salaries with 3.5% annual increases and 3% employee turnover; and (2) 2% annual increases in ongoing operating expenses.

General fund expenditures could increase as a result of the bill's incarceration penalty due to increased payments to counties for reimbursement of inmate costs, depending upon the number of convictions and sentences imposed.

Persons serving a sentence of one year or less are sentenced to a local detention facility. The State reimburses counties for part of the per diem rate after a person has served 90 days. State per diem reimbursements are estimated to range from \$10 to \$48 per inmate, depending upon the jurisdiction. Persons sentenced in Baltimore City are incarcerated in the Baltimore City Detention Center (BCDC), a State operated facility. The per diem cost for fiscal 1997 is estimated at \$43 per inmate.

Local Revenues: Revenues could increase under the bill's monetary penalty provision for those cases heard in the circuit courts, depending upon the number of convictions and fines imposed.

Local Expenditures: Expenditures could increase as a result of the bill's incarceration penalty depending upon the number of convictions and sentences imposed. Counties pay the full cost of incarceration for the first 90 days of the sentence, plus part of the per diem cost after 90 days. Per diem operating costs of local detention facilities are expected to range from \$19 to \$96 per inmate in fiscal 1997.

Information Source(s): Department of Health and Mental Hygiene, Insurance Administration, Department of Fiscal Services

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