

# Department of Legislative Services

Maryland General Assembly

2001 Session

## FISCAL NOTE

Senate Bill 396 (Senator Teitelbaum, *et al.*)

Economic and Environmental Affairs

### Board of Physician Quality Assurance Fund - Disposition of Interest

This bill provides that any interest earned on the Board of Physician Quality Assurance (BPQA) Fund must remain in the fund and not be used for any distribution to the Health Manpower Shortage Incentive Grant Program or the Loan Assistance Repayment Program.

### Fiscal Summary

**State Effect:** BPQA special fund revenues and expenditures could each increase by \$266,500 and general fund revenues would decrease by the same amount, beginning in FY 2002. Future year estimates reflect BPQA's biennial licensure renewals.

(in dollars)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
GF Revenue	(\$266,500)	(\$347,500)	(\$349,600)	(\$409,100)	(\$384,500)
SF Revenue	266,500	347,500	349,600	409,100	384,500
SF Expenditure	266,600	347,500	349,600	409,100	384,500
Net Effect	(\$266,600)	(\$347,500)	(\$349,600)	(\$409,100)	(\$384,500)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** None.

### Analysis

**Current Law:** The Comptroller must distribute 86% of licensure fees collected by BPQA to the BPQA fund. The remaining 14% of the fees collected by BPQA are

distributed to the State Scholarship Administration. Half of these fees are transferred to the Loan Assistance Repayment Program and half are transferred to the Health Manpower Shortage Incentive Grant Program. Interest earned on the BPQA fund goes to the general fund.

**Background:** *Board of Physician Quality Assurance.* Prior to 1999, revenues from licensure fees collected by BPQA were distributed: (1) 80% to the BPQA fund; (2) 14% to the State Scholarship Administration, half of which was transferred to the Health Manpower Shortage Incentive Grant Program and half to the Loan Assistance Repayment Program; and (3) 6% to the State general fund. Chapter 398 of 1999 changed this fee distribution, repealing the requirement that 6% of the fees be distributed to the State general fund and instead distributed these fees to the BPQA fund.

**State Fiscal Effect:** BPQA special fund revenues and expenditures could each increase by an estimated \$266,530 beginning in fiscal 2002, which accounts for the bill's October 1, 2001 effective date. The Governor's fiscal 2002 budget allowance for the board is \$6,073,568. Absent statutory authority, interest earned on special funds goes to the general fund. Because the bill requires the BPQA fund to retain interest earned on the fund, general fund revenues would decrease by an amount equal to the interest retained in the BPQA fund, which is projected at \$266,530 in fiscal 2002. Future year estimates account for BPQA's biennial licensure renewals.

In addition, the bill specifies that interest cannot be distributed to the State Scholarship Administration to fund the Health Manpower Shortage Incentive Grant Program or the Loan Assistance Repayment Program. Accordingly, the bill's provisions would have no effect on the State Scholarship Administration.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Health and Mental Hygiene (Board of Physician Quality Assurance, Community Public Health Administration), Department of Legislative Services

**Fiscal Note History:** First Reader – February 19, 2001  
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