

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 269 (Senator Hollinger)
 (Chairman, Education, Health, and Environmental Affairs Committee)
 Education, Health, and Environmental Affairs Health and Government Operations

Sunset Review - State Board of Nursing - Electrology Practice Committee

This bill repeals the State Board of Electrologists and creates the Electrology Practice Committee within the State Board of Nursing. It specifies application procedures, licensure requirements, committee duties and responsibilities to the board, and regulatory powers of the board.

The bill takes effect July 1, 2003 and transfers all functions, powers, duties, equipment, revenues, assets, liabilities, fund balances, and records of the State Board of Electrologists to the Electrology Practice Committee within the State Board of Nursing.

Fiscal Summary

State Effect: Special fund revenues would decrease by \$16,600 in FY 2004 due to reduced licensure renewal fees and special fund expenditures would decrease by \$22,100. Out-year estimates reflect declining licensure renewals and inflation on expenditures.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
SF Revenue	(\$16,600)	(\$16,000)	(\$15,400)	(\$14,800)	(\$14,100)
SF Expenditure	(22,100)	(22,400)	(22,600)	(22,900)	(23,100)
Net Effect	\$5,500	\$6,400	\$7,200	\$8,100	\$9,000

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

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Bill Summary: This bill requires the State Board of Nursing to adopt regulations for the licensure of electrologists and for the practice of electrology. The Electrology Practice Committee (the committee) will review and make recommendations regarding regulations promulgated by the board and make recommendations and perform inspections related to the practice and licensure of electrologists at the request of the board. The board will appoint members to the committee. The board is required to set reasonable fees that generate revenues to approximate the expenditures required of the board and the committee related to the licensure and regulation of electrologists.

The committee will have five members, four licensed electrologists and one consumer member. Members serve four-year, staggered terms and may not serve more than two consecutive, full terms.

The board must license individuals before they may practice electrology in the State. Requirements for licensure include specified theoretical and clinical education and examinations. Electrologist instructors are also required to be licensed electrologists who have practiced for five years, and passed a specified examination.

Any individual who holds a valid license issued by the State Board of Electrologists on June 30, 2003, in all respects, shall be considered licensed by the State Board of Nursing. The State Board of Nursing must issue a license to an individual who holds a valid license issued by the State Board of Electrologists if the individual is of good moral character and has submitted to the State Board of Nursing on or before June 30, 2004: (1) an application on the form that the State Board of Nursing requires; (2) evidence of the prior license; and (3) a license fee set by the State Board of Nursing.

The committee will terminate on July 1, 2013. This bill requires a sunset evaluation be performed on or before July 1, 2012.

Current Law: The State Board of Electrologists is subject to the Maryland Program Evaluation Act, also known as the “Sunset Law,” which provides a system of periodic legislative review of the regulatory, licensing, and other activities of various units of State government. “Sunset review” determines the need for certain programs, services, and other governmental functions and is intended to make governmental activities responsive to the public interest.

Background: This bill arises out of the sunset evaluation of the State Board of Electrologists performed by the Department of Legislative Services (DLS) during the

2002 interim. In its report, DLS recommended that the board be repealed and its functions consolidated under the State Board of Nursing.

State Fiscal Effect: There are currently 127 licensed electrologists in the State. Annual renewal fees are \$250. No schools offer electrology courses in Maryland. Other health care professionals, such as licensed practical nurses, can perform similar and more modern procedures including use of laser technology.

The State Electrology Board estimates a net annual loss of five licensees.

State Board of Electrology

Special fund revenues will decline by \$32,500 in fiscal 2004 due to the repeal of the board. Special fund expenditures will decline by \$33,483. Out-year estimates reflect the annual loss of five licensees 1% inflation on expenses.

Electrology Practice Committee Within the State Nursing Board

The State Board of Nursing indicates that it expects a decline in electrologist renewals of three annually. DLS does not concur with that estimate. The estimated net decline of five licensees provided by the State Electrology Board has been utilized to calculate out-year revenues based on the State Board of Nursing's indication that it will reduce renewal fees to \$150 annually. Expenditures will significantly decrease as the nursing board takes over the administrative functions of regulating electrologists.

Special fund expenditures for the Electrology Practice Committee within the State Board of Nursing are estimated at \$11,380 in fiscal 2004, which accounts for the bill's October 1, 2003 effective date. This estimate reflects ongoing operating expenses including meal and transportation reimbursement for committee members, annual training for two members, contractual costs for offering licensure examinations, printing materials, and web site development. Ongoing operating expenses for the committee reflect 1% annual increases in ongoing operating expenses.

Exhibit 1 shows the revenue and expenditure reductions for the State Board of Electrology, the revenue and expenditure increases for the Electrology Practice Committee within the State Board of Nursing, and the net fiscal effect. The exhibit includes the transfer of \$15,938 in fund balance to the State Board of Nursing in fiscal 2004.

Exhibit 1

FY 2004 FY 2005 FY 2006 FY 2007 FY 2008

State Board of Electrologists

Revenues	(\$48,438)	(\$31,250)	(\$30,000)	(\$28,750)	(\$27,500)
Expenditures	(33,483)	(33,818)	(34,156)	(34,498)	(34,843)
Net Effect	(\$14,955)	\$2,568	\$4,156	\$5,748	\$7,343

Electrology Practice Committee

Revenues	\$31,813	\$15,250	\$14,625	\$14,000	\$13,375
Expenditures	11,380	11,467	11,554	11,642	11,730
Net Effect	\$20,433	\$3,783	\$3,071	\$2,358	\$1,645

Total Revenue Effect	(\$16,625)	(\$16,000)	(\$15,375)	(\$14,750)	(\$14,125)
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Total Expenditure Effect	(\$22,103)	(\$22,351)	(\$22,602)	(\$22,856)	(\$23,113)
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Total Net Effect	\$5,478	\$6,351	\$7,227	\$8,106	\$8,988
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Additional Information

Prior Introductions: None.

Cross File: HB 376 (Delegate Hurson) – Health and Government Operations.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

Fiscal Note History: First Reader - February 24, 2003
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