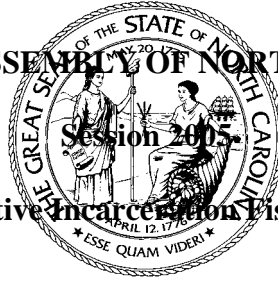


GENERAL ASSEMBLY OF NORTH CAROLINA



Legislative Incarceration Fiscal Note

REVISED

BILL NUMBER: House Bill 613 (Third Edition)

SHORT TITLE: Update Certification/Licensure/Rec. Therapy.

SPONSOR(S): Representatives Harrell and Womble

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES:					
General Fund	*No General Fund Impact*				
Licensing board	\$62,400	\$53,450	\$54,000	\$44,750	\$55,000
EXPENDITURES:					
General Fund					
Dept. of Correction	Exact amount cannot be determined; no substantial impact anticipated.				
Judicial Branch	Exact amount cannot be determined; no substantial impact anticipated.				
POSITIONS	Exact amount cannot be determined; no additional positions anticipated.				
(cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina Recreational Therapy Licensure Board; Department of Correction; Judicial Branch					
EFFECTIVE DATE: October 1, 2005					

BILL SUMMARY: Creates the North Carolina Recreational Therapy Licensure Board and sets a maximum fee schedule for licensure and license renewal of recreational therapists. Elevates the penalty for violations of Chapter 90C from a Class 2 to Class 1 misdemeanor.

The second edition deleted licensing requirements that would have applied to all new applicants for licensure effective January 30, 2006, and applies the licensing requirements applicable to individuals currently practicing as recreational therapists or therapy assistants to any person seeking licensure. It also clarified that it is a Class 1 misdemeanor to practice physical therapy without a license (was, a misdemeanor to violate Article) and removes the minimum penalty of \$100. Provides that individuals currently holding a State certification will be exempt from the new

licensing requirement of act if they apply to the Board for licensure before January 15, 2008 (was, January 30, 2008), and meet other requirements specified in act.

The third edition changed the effective date from October 1, 2005, to October 5, 2005 and included technical changes. *The fiscal impact and incarceration note are unaffected by these changes.*

ASSUMPTIONS AND METHODOLOGY: There are currently 734 national board-certified recreational therapists in North Carolina, 500 of which are also state-certified. Under this bill, all practicing recreational therapists in the state will be required to obtain state licensure. The 500 recreational therapists who already hold state certification will be grandfathered in and will not have to pay an initial licensure fee; however, the licensure board expects most will elect to pay their renewal fee soon after this legislation is enacted. The following table details the number of recreational therapists in North Carolina either required or expected to pay fees over the next five years.

Number of Recreational Therapists Subject to Selected Fees (by FY)					
	2005-06	2006-07	2007-08	2008-09	2009-10
Total initial licenses	269	35	40	40	40
Total renewals	350	185	385	190	390
Record maintenance	0	619	220	425	230
Inactive	10	10	10	10	10

The projection assumes 35 new recreational therapists will seek licensure in North Carolina each year through 2008, after which the projection assumes a slight increase to 40 new recreational therapists per year. Licenses are renewed on a biannual basis. The record maintenance fee is also biannual and is staggered to fall between license renewal years.

The board does not intend to assess fees at the maximum statutory limitation set forth in this bill. Their proposed fee schedule is as follows:

Proposed Fee Schedule		
	Statutory limit	Actual fee
Initial application for licensure	\$200	\$100
Licensure renewal	\$200	\$100
Record maintenance	\$100	\$50
Inactive fee	\$50	\$50

Using the actual fees set forth in the far-right column, the table below shows the board's projected annual revenues. The board will operate entirely on fee revenue and its activities will not have any effect on the General Fund.

Total Projected Fee Revenues 2005-2010					
	2005-06	2006-07	2007-08	2008-09	2009-10
Total initial licenses	\$ 26,900	\$ 3,500	\$ 4,000	\$ 4,000	\$ 4,000
Total renewals	35,000	18,500	38,500	19,000	39,000
Record maintenance	-	30,950	11,000	21,250	11,500
Inactive	500	500	500	500	500
Total fee revenue	\$ 62,400	\$ 53,450	\$ 54,000	\$ 44,750	\$ 55,000

Expenditures

Department of Correction

The Sentencing and Policy Advisory Commission prepares inmate population projections annually. The projections used for incarceration fiscal notes are based on January 2005 projections. These projections are based on historical information on incarceration and release rates under Structured Sentencing, crime rate forecasts by a technical advisory group, probation and revocation rates, and the decline (parole and maxouts) of the stock prison population sentenced under previous sentencing acts. Based on the most recent population projections and estimated available prison bed capacity, *there are no surplus prison beds available for the five-year fiscal note horizon and beyond.*

Violations under this bill are expected to be substantially similar to violations under existing Chapter 90C and, as such, no additional convictions would be expected. Presently, the Administrative Office of the Courts does not maintain an offense code for violations of Chapter 90C, which is some indication that these offenses are infrequently charged and rarely result in convictions. However, convictions would be elevated from Class 2 to Class 1 misdemeanors due to this bill.

- In FY 2003-04, 19 percent of Class 1 as opposed to 15 percent of Class 2 misdemeanors resulted in active sentences and the average estimated time served was 31 days as opposed to 13 days for Class 2.
- Offenders with active sentences of less than ninety days are housed in county jails, and DOC reimburses counties for housing offenders between thirty and ninety days at a rate of \$18 per offender per day. As such, sentences elevated from Class 2 to Class 1 misdemeanors would be expected to increase payments to counties by DOC.
- The remaining 81 percent of Class 1 misdemeanants received non-active sentences. For those offenders sentenced to supervised probation, the Division of Community Corrections (DCC) would incur costs of \$1.87 per offender per day. Offenders sentenced to community service would cost \$0.67 per offender per day, and offenders given unsupervised probation would not impact DCC.

Because most Class 1 misdemeanants serving active time as a result of this bill would be housed in county jails, this legislation is not expected to significantly impact prison population.

Judicial Branch

For most criminal penalty bills, the Administrative Office of the Courts (AOC) provides Fiscal Research with an analysis of the fiscal impact of the specific bill. For these bills, fiscal impact is typically based on the assumption that court time will increase due to an expected increase in trials and a corresponding increase in the hours of work for judges, clerks, and prosecutors. This increased court time is also expected to result in greater expenditures for jury fees and indigent defense.

Because AOC does not maintain an offense code for present violations of Chapter 90C, there is no historical data regarding Class 1 misdemeanor charges for these offenses. However, the lack of an offense code may be some indication that there are few charges for these offenses. As such, the number of charges elevated from Class 2 to Class 1 misdemeanors due to this bill is not expected to be substantial.

Based on the costs of time in court, attorney preparation time, and indigent defense, the average estimated increase in cost to dispose of a single charge via trial that is elevated from a Class 2 to Class 1 misdemeanor is \$891. This cost includes an estimated increase of \$507 for costs of time in court and attorney preparation and an additional \$384 in indigent defense. *However, based on prior-year data, the majority of charges under this bill that are not dismissed are likely to be settled by guilty plea at an estimated increase in cost of \$8 per plea.*

SOURCES OF DATA: North Carolina Therapeutic Recreation Certification Board; Department of Correction; Administrative Office of the Courts

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Brenna Erford

APPROVED BY: James D. Johnson
Director Fiscal Research Division

DATE: August 19, 2005



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