

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 250 – HB 228

February 18, 2019

SUMMARY OF BILL: Removes the limitation that emergency medical technician (EMT) and advanced emergency medical technician (AEMT) training centers, authorized as part of the limited pilot project to assess the impact of EMT/AEMT training centers on the provision of emergency medical services in this state, may only operate in Sullivan, Washington, Carter, Hawkins, or Johnson Counties.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

Exceeds \$108,000/FY19-20 and Subsequent Years/General Fund

Increase Local Revenue –

Exceeds \$224,000/FY19-20 and Subsequent Years/Permissive

Exceeds \$144,000/FY20-21 and Subsequent Years/Permissive

Increase Local Expenditures –

Exceeds \$224,000/FY19-20/Permissive

Exceeds \$144,000/FY20-21 and Subsequent Years/Permissive

Other Fiscal Impact – TBR Institutions could realize a significant decrease in student enrollment in future years; however, the immediate fiscal impact to any one institution is considered not significant.

Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The EMS Board had a deficit of \$113,546 in FY16-17 and a deficit of \$149,731 in FY17-18.

Assumptions:

- Removing the limitation on counties authorized to operate EMT/AEMT training centers would result in an increase in ambulance services requesting approval to teach these programs in their services.
- Based on information provided by the Department of Health (DOH), only two of the five counties authorized to operate an EMT/AEMT training center enacted by Public Chapter 998 of the Public Acts of 2018 have established programs at this time.

- It is assumed that opening this program to the remaining 90 counties will result in at least 10 percent, or 9 (90 x 10.0%) ambulance services wanting to establish a program in FY19-20. It is further assumed that there will be no new programs established in FY20-21 and subsequent years.
- In addition, it is assumed that five of the nine counties already have equipment necessary to establish the program. The remaining four counties will need to purchase such equipment. The cost of the equipment is estimated to exceed \$20,000 per program.
- Based on information provided by the DOH on the current program in Johnson County, it is estimated that each program will incur an additional expense of approximately \$4,000 for hourly instructor compensation.
- Each ambulance service will have on average no more than 10 students per class and four classes per year (2 EMT and 2 AEMT).
- The permissive increase in local expenditures associated with establishing and operating new training programs is estimated to exceed \$224,000 [(4 programs x \$20,000 equipment) + (9 programs x \$4,000 instructor compensation x 4 classes)] in FY19-20; and exceed \$144,000 (9 programs x \$4,000 instructor compensation x 4 classes) in FY20-21 and subsequent years.
- The extent to which ambulance services will charge a fee to collect fee revenue in an amount to cover ambulance service costs is unknown. However, for the purposes of this fiscal analysis, it is assumed that, at a minimum, fees sufficient to offset the recurring costs of operating programs will be charged. Therefore, the increase in local revenue is estimated to exceed \$224,000 in FY19-20. Fees are assumed to be adjusted accordingly in subsequent years such that recurring costs will be covered; as a result, the recurring increase in local revenue is estimated to exceed \$144,000 in FY20-21 and subsequent years.
- Ambulance services charge a special enrollment fee of \$175 to each student to be paid directly to the General Fund. Additionally, each student will pay a state licensure fee of \$75 and a state application fee of \$50. The total cost in fees per student per class is \$300 (\$175 + \$75 + \$50).
- The recurring increase in state revenue to the General Fund is estimated to exceed \$108,000 (9 programs x 10 students each x \$300 fee x 4 classes).
- EMS education was moved to the Board of Regents in the 1980s to formalize EMS education and to become more aligned with other healthcare professional education.
- Based on information provided by the Tennessee Board of Regents (TBR), removing the limitation on where EMT/AEMT training centers can operate will impact the enrollment in EMT/AEMT programs at TBR community colleges and the EMT program at the Tennessee College of Applied Technology (TCAT).
- There were 499 students enrolled in either an EMT or an AEMT program at TBR community colleges in the fall of 2018.
- The full-time equivalent (FTE) enrollment based on a 15 credit hour enrollment is 479 students.
- There were 40 FTE students enrolled in the EMT program at TCAT in FY17-18.
- It is estimated that there would be a five percent decrease, equivalent to 26 FTE student enrollments for the EMT program, at both TBR community colleges and TCATs each year [(479 FTE students + 40 FTE students) x 5% decrease)].

- There are currently 13 TBR community colleges and 27 TCATs throughout the state. It is assumed that within the first few years of the implementation and opening of these additional EMT/AEMT training programs, each TBR community college and TCAT will on average realize the loss of less than one enrollment annually. This is assumed to be within the normal fluctuation of enrollment for these institutions and will not result in an immediate significant fiscal impact per institution.
- However, as these new EMT/AEMT training programs continue to grow across the state, TBR community colleges and TCATs will continue experiencing decreases in enrollments to the point of deciding the feasibility to continue offering these programs. The exact timing and extent to which this will occur cannot be reasonably quantified.
- The EMS Board is required to collect fees in an amount sufficient to pay the costs of operating the Board. All fees collected by the Board are deposited by the Department of Health with the State Treasurer to the credit of the General Fund and shall be expended by the Department and included in the appropriation made for the Board in the *General Appropriations Act*.
- Any change in expenditures of the Board is estimated to be not significant.
- The EMS Board had a deficit of \$113,546 in FY16-17 and a deficit of \$149,731 in FY17-18.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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