

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 17, 2003

TO: Honorable Kenny Marchant, Chair, House Committee on State Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB15 by Corte (Relating to regulation of abortion; creating an offense.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB15, As Introduced: a negative impact of (\$527,402) through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill relates to the regulation of abortion and creates an offense. The bill would require the Department of Health (TDH): to provide informational materials, as specified in the bill, for a woman seeking abortion to review as part of the consent process; to review the materials annually to determine if changes to the content of the materials is necessary; to adopt rules necessary for considering and making changes to the materials; and to develop and maintain an Internet website to display the information materials.

The bill would require TDH to prepare the information materials and have the materials available for distribution not later that December 1, 2003. Upon enactment, the provisions of the bill would take effect September 1, 2003 and apply only to abortions performed on or after January 1, 2004.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$234,029)
2005	(\$293,373)
2006	(\$293,373)
2007	(\$293,373)
2008	(\$293,373)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1
2004	(\$291,529)	\$57,500
2005	(\$350,873)	\$57,500
2006	(\$350,873)	\$57,500
2007	(\$350,873)	\$57,500
2008	(\$350,873)	\$57,500

Fiscal Analysis

The bill would increase the number of entities licensed as abortion facilities. According to TDH Health, current statute stipulates that the agency set fees to defray administrative costs. TDH estimates that an increase of 23 abortion facilities, as defined by the bill, would be regulated under the provisions of the bill. This number includes 14 additional physician offices and nine additional ambulatory surgical centers. TDH indicates that the regulatory activities would include actual on-site surveys as well as license application reviews for licensing and issuance of the license. The agency assumes a four-month start-up period and therefore expenditures in FY 2004 would be prorated to include only 8 months of expenses. The agency estimates that 125,000 packets of informational materials would be distributed annually.

Methodology

According to TDH, one full-time employee would be needed to implement the provisions of the bill. Salary and employee benefits would total \$66,324 for the 2004-05 biennium. TDH estimates that 15 initial surveys and two complaint investigations would be conducted in FY 2004 and 23 initial surveys and three complaint investigations would be conducted each year in FY 2005-2008. Travel expenditures associated with conducting the surveys and investigations are estimated at \$4,690 in FY 2004 and \$7,140 in each year of FY 2005-08. TDH estimates the production and printing cost for the informational materials would be \$205,000 in FY 2004 and \$200,000 in each year of FY 2005-08. The cost associated with outsourcing the distribution of the informational materials is estimated at \$50,000 in FY 2004 and \$100,000 in each year of FY 2005-08. One time costs include \$2,000 to purchase a personal computer and \$350 for postage and printing associated with the notification of rule changes. TDH estimates total cost of \$291,529 in FY 2004 and \$350,873 each year in FY 2005-08 to implement the provisions of the bill.

TDH indicates that the initial license fee would be set at \$1,000 and the first annual license fee would be set at \$1,500. The annual renewal license fee would be set at \$2,500. TDH estimates that a total \$57,500 each year in FY 2004-08 would be collected in licensing fees from the additional of 23 abortion facilities TDH indicates would be regulated under the bills provisions.

The Office of the Attorney General indicates that any legal work resulting for the passage of the bill would be absorbed within the agency's current resources. The Department of Protective and Regulatory Services anticipates no fiscal implications for the agency associated with implementing the provisions of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office Of The Attorney General, 501 Department Of Health, 530 Department Of Protective And Regulatory Services

LBB Staff: JK, JO, RR, KF, RM