

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 18, 2005

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB52 by Nelson (Relating to competitive grant programs for certain nursing institutions.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB52, As Introduced: a negative impact of (\$30,000) through the biennium ending August 31, 2007.

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

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$15,000)
2007	(\$15,000)
2008	(\$15,000)
2009	(\$15,000)
2010	(\$15,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GR MATCH FOR MEDICAID 758	Probable Savings/(Cost) from FEDERAL FUNDS 555
2006	(\$15,000)	(\$15,000)
2007	(\$15,000)	(\$15,000)
2008	(\$15,000)	(\$15,000)
2009	(\$15,000)	(\$15,000)
2010	(\$15,000)	(\$15,000)

Fiscal Analysis

The bill would amend Health and Safety Code 242 by adding Section 242.0695 to allow administrative penalty assessments to be appropriated to the Department of Aging and Disability Services (DADS) for competitive grant programs to promulgate quality of life innovations within the nursing facility industry. The bill also amends 242.405 to allow the grant program to pay a portion of the cost of advising other institutions on implementing best practices, that grant proposals be evaluated on academic soundness and quantifiable effectiveness and authorize the department to recoup grant money and impose administrative penalties for failure of recipients to comply with guidelines. In addition, administrative penalties collected by DADS under Section 242.066, including unexpended and unobligated penalty amounts from a previous fiscal biennium, could be used to fund the grant programs established under Section 242.405.

Section 4 of the bill also establishes Legislative intent that the DADS administer the grant programs with the employees and resources available on September 1, 2005 the effective date of the bill.

Methodology

DADS estimated that three grant awards would be made at \$10,000 each for each fiscal year 2006 through 2010. The DADS estimate assumes the activities for writing or rewriting rules, monitoring expenditures, and enforcement of recipient compliance and the grants are Medicaid eligible and appropriate for a state / federal 50 / 50 match rate. Summary of best practices identified under the program would be required to be posted on the internet.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 537 Department of State Health Services, 539 Department of Aging and Disability Services

LBB Staff: JOB, CL, KF, ML, RM