

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 7, 2005

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

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

IN RE: SB311 by Deuell (Relating to the regulation of academic language teachers and therapists; imposing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB311, As Introduced: a positive impact of \$52,750 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.

The bill would add Chapter 403 to the Occupations Code, authorizing the Department of State Health Services (DSHS) to administer regulation of the practice of academic language teaching or therapy, and would require individuals who practice academic language teaching or therapy to obtain a license. The bill would authorize DSHS to appoint an advisory committee and to adopt rules necessary to administer and enforce the chapter. The bill would authorize the State Office of Administrative Hearings to conduct administrative hearings.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	\$52,035
2007	\$715
2008	\$715
2009	\$715
2010	\$715

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable Revenue Gain from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Change in Number of State Employees from FY 2005
2006	(\$114,465)	\$166,500	1.9
2007	(\$110,285)	\$111,000	2.5
2008	(\$110,285)	\$111,000	2.5
2009	(\$110,285)	\$111,000	2.5
2010	(\$110,285)	\$111,000	2.5

Fiscal Analysis

Revenue would be generated through license fees and renewals. It is assumed that the revenue would be deposited to the credit of the General Revenue Fund. DSHS estimates costs would be incurred for staff to administer the regulatory program, as well as travel costs for the public members of the advisory committee.

Methodology

Revenue: DSHS estimates that 5,500 individuals would be required to obtain a license, and indicates that a fee of \$20 would be charged for a one-year license and a fee of \$40 for a two-year license. In 2006 it is assumed 5,550 licenses would be issued, half for a one-year term and half for a two-year term. In fiscal years 2006-2010 it is assumed 2,775 two-year licenses would be issued in each year. Total gain to the General Revenue Fund in 2006 is estimated to be \$114,465 and \$110,285 in each year thereafter.

Costs: It is assumed that there would be three public members of the advisory committee. DSHS anticipates the advisory committee would meet four times in 2006 and twice each year thereafter to advise DSHS on rule-making. Travel costs are estimated to be \$6,600 in 2006 and \$3,300 in each year for 2007-2010. DSHS indicates that 2.5 FTEs would be necessary to administer the regulatory program. FTE costs and positions are estimated to be phased in (75%) for 2006, with total costs of \$53,789 for salaries and wages and \$15,997 for fringe benefits. Staff costs for 2007-2010 are estimated to be \$93,000 in each year. The State Office of Administrative Hearings indicates an estimate of costs to SOAH cannot be determined, and DSHS would be billed at SOAH's hourly rate for administrative hearings (not included in this cost estimate).

Technology

DSHS estimates \$10,000 (100 hours at \$100 per hour) would be needed to modify existing software to track licensing activities associated with the provisions of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 360 State Office of Administrative Hearings, 537 Department of State Health Services

LBB Staff: JOB, CL, KF, BW