

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 29, 2005

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

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

IN RE: SB1725 by Gallegos (Relating to the licensing and regulation of massage therapists; providing a penalty.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1725, As Introduced: a positive impact of \$22,003 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	\$48,881
2007	(\$26,878)
2008	(\$15,502)
2009	(\$4,150)
2010	\$11,966

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Change in Number of State Employees from FY 2005
2006	\$103,956	(\$55,075)	0.6
2007	\$45,698	(\$72,576)	0.8
2008	\$57,074	(\$72,576)	0.8
2009	\$68,426	(\$72,576)	0.8
2010	\$84,542	(\$72,576)	0.8

Fiscal Analysis

The bill would amend Chapter 455 of the Occupations Code to create a new level of credentialing, licensed massage therapist, in relation to the regulation of massage therapists. Currently, one level of credentials, registered massage therapist, is authorized under this chapter. In addition to meeting educational requirements specified in the bill, applicants for the license credential would be required to pass a state approved examination. Massage therapists are regulated under the Department of State Health Services (DSHS).

The bill would repeal Section 455.102 of the Occupations Code, authorizing DSHS to employ examiners or to compensate examiners for administering the practical portion of the state

examination. DSHS indicates this provision of the bill would have no fiscal impact.

The bill would repeal Section 455.157 of the Occupations Code, authorizing DSHS to issue temporary registrations and charge a fee. DSHS indicates this provision of the bill would have no fiscal impact.

Methodology

It is assumed registration and license application and renewal fees would be set by the department at amounts necessary to generate revenue to cover the costs of implementing the provisions of the bill.

The following assumptions were used to calculate revenue: new registration fee=\$106 for 2 years, renewal registration fee=\$80 for 2 years, new license fee=\$120 for 2 years, renewal license fee=\$90 for two years. The revenue gain estimate assumes, based on input from DSHS, that approximately 6 percent of the current population of registered massage therapists would pay both the registration renewal fee and the new license fee in fiscal year 2006. DSHS assumes this proportion of the population are eligible for the license and would choose to receive the license credential immediately, rather than waiting 2 years until their next renewal period. DSHS indicates that it is expected that the proportion of individuals seeking licensure rather than registration will increase, becoming 50% of new applicants by fiscal year 2010. The revenue gain estimate compares registration fees (under current law) for new and renewing massage therapists to anticipated registration and license fees (under the provisions of the bill) for new and renewing massage therapists. The biennial revenue gain is estimated to be \$150,000.

It is assumed 0.75 FTE will be needed to implement the provisions of the bill. The cost estimate includes salary, benefits, rent, and other operating costs associated with adding 0.75 FTE (Program Specialist II). Costs are included at 75 percent for the first year (2006).

Technology

DSHS indicates modifications to existing licensing software would be necessary. The cost estimate includes \$20,000 for 100 hours of programming.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 302 Office of the Attorney General, 537 Department of State Health Services

LBB Staff: JOB, CL, LB, KF, BW