

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 20, 2007

TO: Honorable Bill Callegari, Chair, House Committee on Government Reform

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

IN RE: HB756 by Dutton (Relating to the Commission for Affordable and Accessible Health Benefit Plan Coverage.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB756, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

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
2008	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>DEPT INS OPERATING</i> <i>ACCT</i> 36	Probable Revenue Gain from <i>DEPT INS OPERATING</i> <i>ACCT</i> 36	Change in Number of State Employees from FY 2007
2008	(\$220,891)	\$220,891	3.0
2009	(\$150,554)	\$150,554	2.3
2010	\$0	\$0	0.0
2011	\$0	\$0	0.0
2012	\$0	\$0	0.0

Fiscal Analysis

The bill would create the Commission for Affordable and Accessible Health Benefit Plan Coverage (Commission). The Commission would be appointed by the Governor and the Texas Department of Insurance (TDI) would provide administrative support to the Commission. Members of the Commission would be entitled to reimbursement for expenses. The Commission would be required to submit a report no later than September 1, 2008. The Commission would be abolished upon expiration of the bill, June 1, 2009.

The bill would take effect immediately upon a two-thirds vote in each house, otherwise the bill would take effect September 1, 2007.

Methodology

It is assumed TDI would incur costs associated with providing administrative support to the Commission. It is assumed these costs would include salaries for 3.0 FTEs in fiscal year 2008 and 2.25 FTEs in fiscal year 2009 in the amount of \$123,524 in fiscal year 2008 and \$92,643 in fiscal year 2009 with associated benefit costs of \$34,945 in fiscal year 2008 and \$26,209 in fiscal year 2009. It is assumed other operating costs, including equipment, telephone, and training, for these FTEs would be \$26,326 in fiscal year 2008 and \$2,680 in fiscal year 2009. It is assumed TDI would incur printing costs of \$6,000 each fiscal year. It is also assumed the Commission would conduct at least four hearings, one in Austin and three in other areas of the state and that travel costs for the Commission members and staff would total \$30,096 in fiscal year 2008 and \$23,022 in fiscal year 2009. It is assumed these costs would be paid from General Revenue - Dedicated Fund 36 from either existing fund balances or insurance maintenance tax revenues.

Based on the analysis of the Office of the Governor, it is assumed that office's duties and responsibilities associated with implementing the provisions of the bill could be absorbed within existing resources.

Technology

There would be a one-time technology impact of \$5,154 in fiscal year 2008 for the purchase of computer hardware and software.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor, 454 Department of Insurance

LBB Staff: JOB, MN, MW, SK