

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 16, 2007

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

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

IN RE: SB861 by Shapleigh (Relating to the creation of employee wellness programs by state agencies.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB861, Committee Report 1st House, Substituted: a negative impact of (\$5,258,901) 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	(\$4,915,473)
2009	(\$343,428)
2010	(\$343,428)
2011	(\$343,428)
2012	(\$343,428)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1
2008	(\$4,915,473)
2009	(\$343,428)
2010	(\$343,428)
2011	(\$343,428)
2012	(\$343,428)

Fiscal Analysis

The bill amends Government Code Chapter 664 to expand the state employee wellness program. The bill would require each state agency to designate a wellness coordinator. The employee wellness program may include a wellness center staffed by an on-site nurse practitioner, ergonomic office equipment, nutrition education, smoking cessation, and reduced membership fees to join fitness centers.

The bill would authorize agencies with fewer than 100 employees to work with a larger agency to provide a wellness program to its employees, including consulting with the Department of State Health Services.

The bill would take effect on September 1, 2007.

Methodology

It is assumed that each agency would designate a wellness coordinator from its current staff and the agency could absorb the cost of providing information about wellness to its employees.

It is assumed that the wellness center staffed by an on-site nurse practitioner would only be provided in areas with a concentration of state employees. A pilot program conducted by ERS indicates that offering a health clinic in state complexes with approximately 18,000 state employees is cost neutral. Therefore no cost for the health clinic is reflected in the tables above.

There are 143,097 state employees. It is assumed that ten percent of current employees would be provided ergonomic office equipment. The cost of providing an ergonomic chair, keyboard, and mouse to 14,310 employees is \$4,572,045. This is a one time cost to General Revenue.

It is assumed that the nutrition education and smoking cessation programs would be provided through current Employee Assistance Programs (EAP). Twenty percent of employees are not covered by an EAP; therefore, the an EAP would be purchased for 28,619 new employees at \$12 per employee per year. The annual cost of providing the program to additional employees would be \$343,428 in General Revenue.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, MN, JI, DH