

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 2, 2009**

**TO:** Honorable Lois W. Kolkhorst, Chair, House Committee on Public Health

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

**IN RE: HB814** by Farabee (Relating to the registration and regulation of certain collection facilities and certified collectors that provide collection services in this state; providing penalties.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB814, As Introduced: a positive impact of \$255,381 through the biennium ending August 31, 2011.

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
2010	\$215,548
2011	\$39,833
2012	\$39,485
2013	\$39,125
2014	\$38,753

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	(\$194,802)	\$410,350	2.3
2011	(\$235,067)	\$274,900	3.0
2012	(\$235,415)	\$274,900	3.0
2013	(\$235,775)	\$274,900	3.0
2014	(\$236,147)	\$274,900	3.0

**Fiscal Analysis**

The bill would require the Department of State Health Services (DSHS) to provide a certificate of registration to individuals and facilities that perform specimen collection of human blood, urine, sweat, hair, and other specimens for laboratory test. The Executive Commissioner of the Health and Human Services Commission (HHSC) would set rules on the fees to cover the cost of operating the program. The bill would require the State Office of Administrative Hearings (SOAH) to grant hearings to individuals or facilities that DSHS takes certain actions against with respect to these activities. The bill would also allow the Office of the Attorney General (OAG) to sue for payment of penalties and fines given to those out of compliance with the rules created by HHSC.

## Methodology

HHSC, OAG, and SOAH assume the expenses of the bill can be absorbed by existing resources.

DSHS estimates it would require 3 additional FTEs to administer this program, a Program Specialist IV to administer the licensing program, a Program Specialist III to investigate complaints, an Administrative Assistant II to process applications. In FY 2010 the estimated expenses are \$190,614 and in FY 2011 and beyond the expenses are estimated to be \$231,533. These expenses include salary, benefits, travel, and other associated FTE expenses. Hiring in FY 2010 is assumed to require three months.

DSHS estimates there are 86 facilities and 688 individuals in Texas that would need to be registered. In FY 2010 DSHS would provide half of the facilities and individuals with a one-year certificate, and the other half a two-year certificate; this is to stagger the renewal dates. After FY 2010, each facility and individual will receive a two year certificate. The one-year certificate fee for facilities is assumed to be \$1,750 and \$175 for an individual. The two-year certificate fee for facilities is \$3,500 and \$350 for an individual. In FY 2010 the estimated collected revenue is \$180,600 for individuals and \$225,750 for facilities. In FY 2011 and beyond the estimated revenue for individuals is \$150,500 and \$120,400 for facilities. DSHS estimates that 2.5 percent of those registered would request a duplicate certificate for a \$25 fee. The estimated revenue collected from the duplicate certificate is \$500 for FY 2010 and beyond.

DSHS would require background checks on all individuals registered. The cost is \$1 for a name check from the Department of Public Safety. In FY 2010, it is assumed all 688 applicants and 10 percent of the renewal population each year after would receive a background check. The cost for FY 2010 would be \$688 and \$34 in each subsequent year.

DSHS assumes one case will be referred to SOAH each year and DSHS would be charged the standard rate of \$100 per hour. DSHS estimates the cost would be \$3,500 each fiscal year. The estimated Enterprise Support Services cost included above is approximately \$20,000 in FY 2010 and beyond.

## Local Government Impact

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 360 State Office of Administrative Hearings, 529 Health and Human Services Commission, 537 State Health Services, Department of

**LBB Staff:** JOB, CL, BM, MB, TP