

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 11, 2009

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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

IN RE: HB963 by Guillen (Relating to a criminal history evaluation letter determining occupational license eligibility.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB963, As Engrossed: an impact of \$0 through the biennium ending August 31, 2011.

This 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	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/ (Loss) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	(\$1,593,869)	\$1,593,869	16.5
2011	(\$1,041,262)	\$1,041,262	16.5
2012	(\$986,419)	\$986,419	16.5
2013	(\$960,419)	\$960,419	16.5
2014	(\$961,634)	\$961,634	16.5

Fiscal Analysis

The bill would allow a person enrolled or planning to enroll in an educational program in preparation for a state-issued license, or planning to take an examination for a state-issued license, who has reason to believe that the person may be ineligible for a license, to request from that licensing agency a criminal history evaluation letter to determine the person's eligibility for the license. The licensing agency would be required to determine the person's eligibility based on criminal history background checks and to respond to the person's request within 90 days.

This bill authorizes licensing agencies to charge and collect a fee in an amount sufficient to cover the costs of the administration of the provisions of this bill. The bill would require the licensing agencies to adopt rules necessary to administer the provisions of the bill no later than January 1, 2010.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. If not, the bill would take effect September 1, 2009.

Methodology

According to the analysis of the Board of Podiatric Medical Examiners, the Texas State Board of Dental Examiners, the Department of Banking, the Real Estate Commission, the Executive Council of Physical Therapy & Occupational Therapy Examiners, the Board of Public Accountancy, the Funeral Service Commission, the Texas Board of Nursing, the Comptroller of Public Accounts, the Department of Savings and Mortgage Lending, the Board of Plumbing Examiners, the Department of Public Safety, and the Department of Insurance, these agencies would be able to absorb the costs of implementing the bill within the existing resources of the agency.

The Board of Chiropractic Examiners, the Texas Medical Board, the Optometry Board, the Department of Licensing and Regulation, the Board of Examiners of Psychologists, and the Texas State Board of Pharmacy estimate increased costs for additional FTEs to implement the provisions of the bill. The calculations of these agencies are based on the number of licensees, the percent of existing licensee population with criminal histories, and the licensees required to take exams or enroll in an education program to become eligible for the license.

The Texas Education Agency (TEA) anticipates 50,000 to 60,000 requests each year for the eligibility letters. Based on the analysis of the agency, this would result in a significant increase in the number of investigations conducted and would require a new software system to track the receipt of requests for determination and the disposition of letters within 90 days of receipt of the request. TEA anticipates needing an additional 3.0 administrative assistants and 3.0 customer service representatives to verify the receipt of requests and ensure responses within 90 days. TEA also anticipates needing an additional 5.0 investigators to conduct investigations of the positive criminal history records of applicants. For the purposes of this estimate, it is assumed that the majority of educator certification candidates enrolled in educator preparation programs would submit a request for a criminal history evaluation letter. To the extent that a smaller proportion of that population actually submits requests, the cost and personnel requirements may be reduced.

The analysis assumes each agency would assess and collect fees for supplying the criminal history background check eligibility letter to cover the cost of implementing the provisions of the bill.

Technology

Based on the analysis of the Texas State Board of Pharmacy, the Board of Chiropractic Examiners and the Board of Examiners of Psychologists, it is assumed that their computer systems will necessitate upgrades to accommodate the new applications authorized by the bill. The costs for upgrades and modifications to the computer systems in Fiscal Year (FY) 2010 would cost \$8,139 for the Board of Pharmacy, \$13,000 for the Board of Chiropractic Examiners, and \$3,500 for the Board of Examiners of Psychologists.

Based on the analysis of TEA, the agency would be required to develop new software to serve the population of individuals that would otherwise not be in either the TEA or State Board for Educator Certification systems. The system would track receipts of requests for determination of eligibility and disposition of the requests within 90 days of receipt. The estimated costs of developing and maintaining the system are \$510,000 in FY 2010, \$112,000 in FY 2011, \$56,000 in 2012, and \$30,000 each subsequent year.

Local Government Impact

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

Source Agencies: 520 Board of Examiners of Psychologists, 701 Central Education Agency, 304 Comptroller of Public Accounts, 312 Securities Board, 329 Real Estate Commission, 405 Department of Public Safety, 450 Department of Savings and Mortgage Lending,

451 Department of Banking, 452 Department of Licensing and Regulation, 454 Department of Insurance, 456 Board of Plumbing Examiners, 457 Board of Public Accountancy, 464 Board of Professional Land Surveying, 503 Texas Medical Board, 504 Texas State Board of Dental Examiners, 507 Texas Board of Nursing, 508 Board of Chiropractic Examiners, 512 Board of Podiatric Medical Examiners, 513 Funeral Service Commission, 514 Optometry Board, 515 Board of Pharmacy, 533 Executive Council of Physical Therapy & Occupational Therapy Examiners

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