

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

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

**April 27, 2009**

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

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

**IN RE: SB775** by Lucio (Relating to the licensing and regulation of clinical laboratory science professionals; providing penalties.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB775, As Introduced: a positive impact of \$230,931 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	(\$122,749)
2011	\$353,680
2012	\$1,008
2013	\$14,759
2014	\$13,627

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

Fiscal Year	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	\$0	(\$122,749)	1.0
2011	\$639,000	(\$285,320)	2.7
2012	\$426,000	(\$424,992)	5.0
2013	\$426,000	(\$411,241)	5.0
2014	\$426,000	(\$412,373)	5.0

**Fiscal Analysis**

The bill would add a chapter to the Occupations Code to license and regulate clinical laboratory science professionals. The bill would require the executive commissioner of the Health and Human Services Commission to adopt rules to implement the chapter. The bill would require the Department of State Health Services (DSHS) to issue licenses to clinical laboratory science professionals and collect reasonable fees to cover the costs of administering the chapter. The bill would require that DSHS maintain a registry of licensed professionals. The bill would establish civil and administrative penalties of not more than \$500 each for persons violating the chapter. The bill would establish an advisory board of seven members appointed by the Governor to meet twice a year.

The bill would not require that an individual hold a license under the new chapter before September 1,

2011. Otherwise, the bill would take effect September 1, 2009.

### **Methodology**

Calculations by DSHS assume that the advisory board would meet three times per fiscal year in 2010 and 2011 and then meet twice per fiscal year thereafter. Reimbursements for travel and per diem costs are included in the total costs, below. DSHS indicates that 21,300 individuals would obtain a license in one of six categories of clinical science laboratory professional, based on information from the Texas Association for Clinical Laboratory Science. Calculations by DSHS assume that the initial licenses issued will be split between one- and two-year licenses; all renewals will be for two years. DSHS also assumes 80 complaint investigations per year beginning in fiscal year 2012.

Although the estimate is a positive impact to General Revenue, additional funding and FTEs would need to be appropriated to DSHS.

The bill would result in a total increase in revenue of \$639,000 deposited to the General Revenue Fund in fiscal year 2010 from initial licensing fees and \$426,000 in each fiscal year thereafter from renewal fees. Costs for DSHS below are assumed to be offset by this revenue, as authorized by the bill, starting in fiscal year 2011.

Although the bill does not require that licenses be issued until fiscal year 2011, there would be some start-up costs in fiscal year 2010. Total costs for DSHS would be \$122,749 in fiscal year 2010, \$285,320 in fiscal year 2011, \$424,992 in fiscal year 2012, \$411,241 in fiscal year 2013, and \$412,373 in fiscal year 2014. DSHS would need 1.0 FTE in FY 2010, 2.7 in fiscal year 2011, and 5.0 in each fiscal year thereafter.

### **Technology**

DSHS indicates there would be a technology impact of \$30,000 in fiscal year 2010 to reconfigure the LicenseEase and LEGateway applications and \$270 per fiscal year thereafter for data storage costs.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

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

**LBB Staff:** JOB, CL, VJC, MB