

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

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 2, 2013**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3201** by Kolkhorst (Relating to the practice of dentistry.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3201, As Introduced: an impact of \$0 through the biennium ending August 31, 2015.

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
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

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

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue- Dedicated–Public Assurance Account</i>	Probable Revenue Gain/(Loss) from <i>General Revenue- Dedicated–Public Assurance Account</i>	Probable Savings/(Cost) from <i>General Revenue Fund 1</i>	Probable Revenue Gain/(Loss) from <i>General Revenue Fund 1</i>
2014	(\$2,773,159)	\$5,280,000	\$1,392,893	(\$1,392,893)
2015	(\$2,590,559)	\$5,280,000	\$1,392,893	(\$1,392,893)
2016	(\$2,590,559)	\$5,280,000	\$1,392,893	(\$1,392,893)
2017	(\$2,590,559)	\$5,280,000	\$1,392,893	(\$1,392,893)
2018	(\$2,590,559)	\$5,280,000	\$1,392,893	(\$1,392,893)

<b>Fiscal Year</b>	<b>Change in Number of State Employees from FY 2013</b>
2014	9.0
2015	9.0
2016	9.0
2017	9.0
2018	9.0

## **Fiscal Analysis**

The bill would amend the Occupations Code relating to the practice of dentistry. The bill would create the General Revenue-Dedicated--Public Assurance Account. The bill would require the Texas State Board of Dental Examiners (TSBDE) to assess an \$80 surcharge on the first registrations and renewals for dentists, dental hygienists, dental assistants and dental labs which would be deposited to the credit of the General Revenue-Dedicated--Public Assurance Account. The bill would allow the TSBDE to delegate authority to board employees to issue licenses to applicants who clearly meet all licensing requirements, and delegate to a committee of board employees the authority to dismiss or enter into an agreed settlement of a complaint that does not relate directly to patient care or that involves only administrative violations.

The bill would require the TSBDE to complete a preliminary investigation to determine if it constitutes a continuing threat to public welfare not later than the 45th day after the date of receiving the complaint, and if the TSBDE fails to complete the preliminary investigation in that time frame then the official investigation of the complaint is considered to commence on that date. The bill would also allow the board to appoint an expert dentist panel to assist with complaints and investigations relating to medical competency by acting as expert dentist reviewers. The bill would require the TSBDE to notify the license holder 45 days before an informal settlement conference is held. The bill would also require the TSBDE to record an informal settlement conference at the request of the license holder, and allow the TSBDE to issue and establish the terms of a remedial plan to resolve the investigation of a complaint; the bill would allow TSBDE to assess fees in the amount necessary to cover associated costs for both actions.

There is no effective date on the bill; it is assumed the bill would take effect September, 2013.

## **Methodology**

Based on information provided by the TSBDE, it is assumed that 66,000 licensees would be assessed an \$80 surcharge when they obtain a first registration or renewal of their license which would result in a gain to the General Revenue-Dedicated--Public Assurance Account of approximately \$5.3 million each fiscal year.

Based on the analysis of the TSBDE, it is assumed that an additional 9.0 FTEs would be required to enforce the provisions of the bill. In addition to salary and benefit costs in the amount of \$703,484 in each fiscal year, it is assumed that the agency would incur other costs of \$525,000 in Professional Fees and Services in fiscal year 2014 and \$380,100 in each subsequent fiscal year, \$34,000 in Travel in each fiscal year, \$32,400 each fiscal year in rent for space for the additional FTEs, \$56,582 in Other Costs in fiscal year 2014 and \$45,882 in each subsequent fiscal year, and \$28,800 in Equipment in fiscal year 2014 and \$1,800 in each subsequent fiscal year.

In fiscal year 2013 the TSBDE reported approximately \$1.4 million budgeted for enforcement

purposes, it is assumed that amount would be continued for enforcement in addition to the costs related to the additional 9.0 FTEs in fiscal years 2014-2018 and be appropriated from the General Revenue-Dedicated--Public Assurance Account instead of the General Revenue Fund under current law. Since the TSBDE is statutorily required to cover the cost of its operations with fee generated revenue, it is assumed that the agency would adjust fees (other than the \$80 surcharge) as necessary to implement the provisions of the bill.

Based on information provided by the Comptroller of Public Accounts, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in the bill would be subject to funds consolidation review by the current Legislature.

### **Technology**

Based on the analysis of the TSBDE, it is estimated that \$150,000 in Professional Fees and Services would be required in fiscal year 2014 to create electronic complaint files and obtain encrypted email service to facilitate the review of complaints by expert panelists.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 504 Texas State Board of Dental Examiners

**LBB Staff:** UP, CL, MW, LXH