

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 6, 2015

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4001 by Raymond (Relating to the provision of habilitation and certain health care services by a home and community support services agency; authorizing a fee, providing penalties, and requiring an occupational license.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4001, As Introduced: a negative impact of (\$3,110,205) through the biennium ending August 31, 2017.

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
2016	(\$468,932)
2017	(\$2,641,273)
2018	(\$2,583,461)
2019	(\$2,583,461)
2020	(\$2,583,461)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Home Health Services</i> <i>Acct</i> 5018	Probable Revenue Gain/(Loss) from <i>Home Health Services</i> <i>Acct</i> 5018	Change in Number of State Employees from FY 2015
2016	(\$468,932)	(\$2,625,000)	\$2,625,000	34.0
2017	(\$2,641,273)	(\$1,312,500)	\$1,312,500	44.0
2018	(\$2,583,461)	(\$1,345,313)	\$1,345,313	44.0
2019	(\$2,583,461)	(\$1,345,313)	\$1,345,313	44.0
2020	(\$2,583,461)	(\$1,345,313)	\$1,345,313	44.0

Fiscal Analysis

The bill would amend Chapter 142 of the Health and Safety Code to add agencies that provide habilitation services to the home and community support services agencies that the Department of Aging and Disability Services (DADS) is required to license and regulate.

Methodology

DADS estimates that it would need to license 1,500 agencies and that the number of agencies licensed would remain constant. The bill would require that all agencies receive a license by January 1, 2016. It is assumed that DADS would, with authority provided in current statute, divide the issuance of the initial licenses between one-year and two-year licenses. Agencies would renew their license every two years, as required. DADS estimates that it would need 33.0 full-time equivalent positions (FTEs) for fiscal year 2016 and 44.0 FTEs for every year thereafter for activities related to licensing, investigating and enforcement. Salary costs would be \$1.9 million for fiscal year 2016 and \$2.5 million for every year thereafter. Benefit costs would be \$618,898 for fiscal year 2016 and \$816,594 for every year thereafter. Other operating expenses would be \$563,676 for fiscal year 2016, \$615,272 for fiscal year 2017, and \$590,272 for every year thereafter. Total costs would be \$3.1 million for fiscal year 2016, \$4.0 million for fiscal year 2017, and \$3.9 million for every year thereafter.

These costs would be partially offset by revenue from fees for an initial license and a renewal license, as well as late penalties. Total fee revenue would be \$2.6 million for fiscal year 2016 and \$1.3 million for each year thereafter. Implementing the provisions of the bill would result in a net cost to the agency of \$468,932 in General Revenue Funds and All Funds for fiscal year 2016 and \$2.6 million for each year thereafter.

DADS indicated that federal funds may be available to offset costs associated with licensing, however the amount cannot be estimated at this time.

HHSC indicates that costs associated with rulemaking activities could be absorbed within the agency's existing resources.

Technology

DADS indicates there would be a cost for system modifications associated with implementing the provisions of the bill. It is assumed these costs could be reasonably absorbed within available resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of

LBB Staff: UP, NB, WP, ADe, VJC