

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 11, 2015

TO: Honorable Kevin Eltife, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1185 by Huffines (Relating to a biennial study regarding occupational licensing requirements.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1185, Committee Report 1st House, Substituted: a negative impact of (\$2,680,748) 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	(\$1,373,459)
2017	(\$1,307,289)
2018	(\$1,307,289)
2019	(\$1,307,289)
2020	(\$1,307,289)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund	Change in Number of State Employees from FY 2015
	1	
2016	(\$1,373,459)	13.0
2017	(\$1,307,289)	13.0
2018	(\$1,307,289)	13.0
2019	(\$1,307,289)	13.0
2020	(\$1,307,289)	13.0

Fiscal Analysis

This bill would amend the Labor Code relating to a biennial study regarding occupational licensing requirements.

The bill requires the Texas Workforce Commission (TWC) to perform a biennial study and report on the extent to which a license requirement serves as a barrier to entering the workforce for each license required by a licensing authority.

The bill requires TWC to adopt rules that establish a schedule for the review of licenses under this new section. Under provisions of the bill, TWC is required to review approximately 10 percent of the licenses required by a licensing authority each biennium, but shall not review each required license more than once in a 10-year period. The bill requires, upon TWC's request, a licensing authority and the Sunset Advisory Commission to provide information to TWC or otherwise assist TWC in preparing the report.

This bill would take effect September 1, 2015.

Methodology

Based on information provided by TWC, it is estimated that implementing the provisions of the bill would require 8 reviews of licensing programs annually to fully review the estimated 80 licensing programs within the state of Texas during a ten year period. According to the agency, it would require 13.0 additional FTEs to handle the increased workload. The agency estimates that these FTEs would require recurring costs of \$800,601 in salaries and \$430,964 in related support and benefit costs each fiscal year. Additional program costs include a one-time cost of \$66,170 for additional rent and technology needs, and recurring costs of \$75,724 for other related operating expenses.

Based on information provided by the Department of Licensing and Regulation, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Technology

TWC estimates recurring technology costs of \$23,335 each fiscal year related to computer leases for new FTEs and \$5,706 related to printing and mailing costs for the required surveys needed to implement the provisions of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: UP, CL, NV, JLi