

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 26, 2015

TO: Honorable Joan Huffman, Chair, Senate Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1267 by Estes (Relating to contested cases conducted under the Administrative Procedure Act.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1267, As Introduced: an impact of \$0 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	\$0
2017	\$0
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Probable Revenue Gain from General Revenue Fund 1	Change in Number of State Employees from FY 2015
2016	(\$248,800)	\$248,800	2.0
2017	(\$248,800)	\$248,800	2.0
2018	(\$248,800)	\$248,800	2.0
2019	(\$248,800)	\$248,800	2.0
2020	(\$248,800)	\$248,800	2.0

Fiscal Analysis

The bill would amend the Government Code relating to contested cases conducted under the Administrative Procedure Act. The bill requires state agencies with the authority to temporarily suspend occupational licenses to initiate the proceedings for a suspension or revocation at the

State Office of Administrative Hearings (SOAH) no later than the 30th day after the date the suspension order issued by the agency is signed. If the proceedings are not initiated before the 30th day the license holder may appeal the suspension order to the Travis County district court. The bill language also states that the SOAH proceedings must be promptly determined and sets notification requirements for agencies.

The bill would take effect September 1, 2015.

Methodology

The Texas Medical Board (TMB) anticipates costs associated with the provisions of the bill. According to information provided by the agency, TMB anticipates holding 28 temporary license suspension hearings annually, with half requiring expert physician testimony. TMB reports that the bill's requirement of 30 days to initiate revocation hearings at SOAH would require the agency to increase expenditures for professional services such as expert physician review in hearings related to quality of medical care issues and transcription of expert witness testimony.

According to information provided by TMB, the agency estimates the need for two additional full-time equivalents (FTEs) and \$120,107 in General Revenue Funds (1 Attorney V at \$82,000 each fiscal year and one Legal Assistant II at \$38,107 each fiscal year) each fiscal year to meet the increased workload. TMB anticipates the cost of retirement and payroll contributions for the 2.0 FTEs to be \$40,693 each fiscal year. In addition, TMB estimates increased costs in professional services of approximately \$88,000 each fiscal year for expert physician reviews and expedited transcription of testimony.

Based on the analysis of the agency, it is assumed that the Board would adjust license fees to cover any additional costs associated with the implementation of this bill.

Based on information provided by SOAH, the Alcoholic Beverage Commission, the Office of the Attorney General, the Commission on Environmental Quality, and Department of Licensing and Regulation, any additional work resulting from the passage of the bill could be absorbed within current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 360 State Office of Administrative Hearings, 452 Department of Licensing and Regulation, 458 Alcoholic Beverage Commission, 503 Texas Medical Board, 512 Board of Podiatric Medical Examiners, 538 Assistive and Rehabilitative Services, Department of, 539 Aging and Disability Services, Department of, 582 Commission on Environmental Quality

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