

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

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 19, 2017**

**TO:** Honorable Dan Patrick, Lieutenant Governor, Senate

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

**IN RE: SB304** by Taylor, Van (Relating to the continuation and functions of the Texas Board of Chiropractic Examiners; authorizing a reduction in fees.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB304, As Passed 2nd House: a negative impact of (\$600,000) through the biennium ending August 31, 2019.

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
2018	(\$300,000)
2019	(\$300,000)
2020	(\$300,000)
2021	(\$300,000)
2022	(\$300,000)

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

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Savings/(Cost) from Appropriated Receipts 666	Probable Revenue Gain/(Loss) from Appropriated Receipts 666
2018	\$5,014	(\$305,014)	(\$38,000)	\$38,000
2019	\$16,149	(\$316,149)	(\$38,000)	\$38,000
2020	\$16,149	(\$316,149)	\$0	\$0
2021	\$16,149	(\$316,149)	\$0	\$0
2022	\$16,149	(\$316,149)	\$0	\$0

<b>Fiscal Year</b>	<b>Change in Number of State Employees from FY 2017</b>
2018	(0.5)
2019	(0.5)
2020	(0.5)
2021	(0.5)
2022	(0.5)

## **Fiscal Analysis**

The bill would amend the Occupations Code relating to the continuation and functions of the Texas Board of Chiropractic Examiners (TBCE); authorizing a reduction in fees. The bill would continue TBCE for twelve years until September 1, 2029.

The bill would remove restrictions on TBCE from setting fees below a specified amount.

The bill would amend the Occupations Code to require the TBCE to develop an expert review process to assist with complaints that require additional chiropractic expertise. The bill repeals Subchapter F, Chapter 201, Occupations Code, which provides current requirements for local and executive peer review committees.

The bill would require that an applicant for licensure submit fingerprints to the board or the Department of Public Safety (DPS) for the purpose of a criminal history record check from the Department of Public Safety and Federal Bureau of Investigation. The bill would allow the board to enter into an agreement with DPS to administer the criminal history check and authorize DPS to collect from applicants an amount to cover the costs incurred by the agency in conducting the criminal history check. The bill would require all current licensees who have not undergone a criminal history check to do so by September 1, 2019.

The bill would require TBCE to establish a process to review a national practitioner database to determine whether another state has taken any disciplinary or other legal action against an applicant or license holder before issuing a license or license renewal.

The bill would repeal Section 201.312 of the Occupations Code to discontinue the registration of chiropractic facilities.

The bill would permit the board to extend the validity of a license issued by the agency from one year to two or more years through board rule.

The bill would take effect on September 1, 2017.

## **Methodology**

The Comptroller of Public Accounts estimates that the change in timing of renewals could affect the timing of fee collections; however, since a renewal schedule would be determined by TBCE rule the effect on revenue over the biennium cannot be determined. The Comptroller of Public Accounts estimates the discontinuation of the regulation of chiropractic facilities at the TBCE would result in a revenue decrease of \$300,000 per fiscal year to the General Revenue Fund beginning in fiscal year 2018 and continuing each year thereafter.

Based on Legislative Budget Board (LBB) analysis of TBCE, it is also assumed that the removal of the agency's ability to set fees below a certain level would not have a significant impact on revenues to the state.

Based on information provided by TBCE, it is assumed TBCE will not incur a cost for the national databank query.

The provisions of the bill relating to the establishment of an expert review process, the ability to set biennial renewals, and the discontinuation of the registration of facilities would result in a net savings at the agency of \$5,014 in General Revenue in fiscal year 2018 and a net savings of \$16,149 in General Revenue in fiscal year 2019 and thereafter. This analysis assumes that any savings to TBCE, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by a decrease in fee-generated revenue of an equal amount.

Based on the analysis of the TBCE, it is assumed that the provisions of the bill relating to the expert review process would result in an annual cost of approximately \$15,000 per fiscal year in General Revenue, beginning in fiscal year 2018. The agency anticipates approximately 25 reviews per fiscal year including approximately 4 hours per review. The cost of paying an expert per hour is \$150 per hour, resulting in an annual cost of \$15,000 per fiscal year in General Revenue. Due to the provisions of the bill permitting biennial license renewals, the TBCE estimates a cost of \$11,135 in General Revenue in fiscal year 2018 for travel and postage costs.

The deregulation of the facilities would create a savings in staff workload at the agency resulting in a savings of \$31,149 in salaries and benefits in General Revenue and 0.5 Full-time Equivalent (FTE).

Based on information provided by the Comptroller of Public Accounts and TBCE, approximately 2,800 current licensees would need to obtain a background check upon renewal. This analysis assumes that TBCE currently conducts finger-based background checks for new licensees. Therefore, revenue in this analysis includes revenue attributed to current licensees without a finger-based background check as reported by the Comptroller of Public Accounts. It is assumed that the implementation of this requirement would be done over the next two years to meet the requirements of the bill. The Department of Public Safety (DPS) charges applicants \$27 to perform a finger print based background check to cover the cost to DPS to obtain state and national criminal history record information. Based on the number of applicants and assumed implementation of the requirement, it is estimated that there will be a revenue increase to Appropriated Receipts at DPS of \$38,000 in FY2018 and FY2019, offset by an equal cost of Appropriated Receipts at the agency in each fiscal year to perform the background check.

The State Office of Administrative Hearings and Office of the Attorney General anticipate any additional work resulting from the passage of the bill could be reasonably absorbed within current resources.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 313 Department of Information Resources, 360 State Office of Administrative Hearings, 405 Department of Public Safety, 508 Board of Chiropractic Examiners, 116 Sunset Advisory Commission, 601 Department of Transportation, 302 Office of

the Attorney General

**LBB Staff:** UP, EK, AG, EH, TG, KCA, LCO