

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**March 13, 2019**

**TO:** Honorable Senfronia Thompson, Chair, House Committee on Public Health

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
 Legislative Budget Board

**IN RE: HB1501** by Nevárez (Relating to the creation of the Texas Behavioral Health Executive Council and to the continuation and transfer of the regulation of psychologists, marriage and family therapists, professional counselors, and social workers to the Texas Behavioral Health Executive Council; providing civil and administrative penalties; authorizing a fee.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1501, As Introduced: a negative impact of (\$135,200) through the biennium ending August 31, 2021.

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
2020	(\$135,200)
2021	\$0
2022	\$0
2023	\$0
2024	\$0

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

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund <b>1</b>	Probable Revenue Gain/(Loss) from General Revenue Fund <b>1</b>	Probable Savings/(Cost) from Appropriated Receipts <b>666</b>	Probable Revenue Gain/(Loss) from Appropriated Receipts <b>666</b>
2020	(\$1,040,666)	\$905,466	(\$1,288,000)	\$1,288,000
2021	(\$402,132)	\$402,132	(\$1,288,000)	\$1,288,000
2022	(\$402,132)	\$402,132	(\$224,000)	\$224,000
2023	(\$216,436)	\$216,436	(\$224,000)	\$224,000
2024	(\$216,436)	\$216,436	(\$224,000)	\$224,000

<b>Fiscal Year</b>	<b>Change in Number of State Employees from FY 2019</b>
2020	4.0
2021	4.0
2022	4.0
2023	0.0
2024	0.0

## **Fiscal Analysis**

The bill would add Chapter 507 to and amend various chapters of the Occupations Code to create the Texas Behavioral Health Executive Council (the council) and authorizes the council to regulate psychologists, marriage and family therapists, professional counselors, and social workers.

The listed licensee populations are currently regulated by the Texas State Board of Examiners of Psychologists (BEP) and the Texas Board of Examiners of Marriage and Family Therapists, the Texas State Board of Examiners of Professional Counselors, and the Texas State Board of Social Worker Examiners. With the exclusion of BEP, the other three boards are administratively attached to the Health and Human Services Commission (HHSC).

The bill creates the council on September 1, 2019 and requires that the boards and regulation of the related professions be transferred to the council no later than September 1, 2020.

The bill requires the appointment of members to the council by December 1, 2019, hiring of an executive director by April 1, 2020, and the creation procedural rules necessary to implement the provisions of the bill by July 31, 2020.

The bill would establish the Texas Behavioral Health Incubation Task Force to facilitate the transfer of the four boards to the council and requires that the council and transferring entities adopt a transition plan for the transfer of each board before August 31, 2020. Rules or fees for transferred programs will remain in effect until changed by the council.

The bill would require the council to adopt the Psychology Interjurisdictional Compact.

For the boards attached to HHSC, the bill would require a fingerprint background check for new and renewing licensees and require checking a national practitioner database prior to issuing or renewing a license.

Except as otherwise specified, the bill would take effect on September 1, 2019.

## Methodology

Under the provisions of the bill, it is assumed that BEP and the other three behavioral health boards at HHSC would continue with current appropriations for fiscal year 2020, and the four boards along with their appropriations and FTEs would transition to the council in fiscal year 2021. BEP is an agency whose appropriations are limited to revenue collected, and upon creation, the council would also be subject to this limit.

This analysis assumes a cost of \$1,040,666 to General Revenue in fiscal year 2020 and assumes that transferring boards and the council will increase fees or use available revenue to fund the cost of implementing the provisions of the bill with the exception of a cost of \$135,200 in General Revenue in fiscal year 2020 for an appropriation to HHSC of 4 additional temporary administrative assistants. HHSC indicates a need for 4 additional temporary FTEs in fiscal year 2020 for administrative assistants to assist with the ongoing operation of the three administratively attached boards and the transition of the boards to the council.

BEP's regulatory and enforcement data is on a database maintained by the Health Professions Council (HPC). This analysis assumes a cost to General Revenue of \$535,800 in fiscal year 2020 for transferring data for the three boards at HHSC to HPC's database, \$119,718 in fiscal year 2021, and \$133,718 in each subsequent fiscal year.

According to the Sunset Advisory Commission (Sunset), the startup cost in fiscal year 2020 for purchasing new equipment for 54 full-time-equivalent (FTE) positions transferring from HHSC would be \$216,000. BEP estimates costs for council member travel to include \$31,620 in General Revenue in fiscal year 2020 and \$25,000 in subsequent fiscal years. According to BEP, there would be a \$20,000 cost to General Revenue in fiscal year 2020 for startup costs for network equipment and transitioning to Voice over Internet Protocol.

This analysis assumes a cost of \$15,988 in fiscal year 2020 and each subsequent fiscal year to query the National Practitioner Database for each new applicant at \$2 per applicant. To join the Psychology Interjurisdictional Compact, Sunset and BEP anticipate a cost of \$6,000 in fiscal year 2020 and each subsequent fiscal year.

Beginning in fiscal year 2021 and each fiscal year thereafter, it is assumed the removal of the three boards at HHSC and abolishment of BEP would result in a savings. Additionally, any Federal Funds and Appropriated Receipt collections at HHSC and BEP are excluded from the tables as they would be reduced at the boards and increased in equal amounts at the council. This analysis assumes any savings from the transfer of the four boards to the council would be offset by costs to General Revenue.

To implement the provisions of the bill, Sunset and BEP estimate the council will need a temporary additional FTE and a cost of \$80,958 in fiscal year 2020 to hire an executive director for 6 months. BEP estimates that the council will also need an additional 4 temporary FTEs in fiscal years 2021 and 2022 to address licensee questions and a backlog of complaints at the four behavioral health boards. This would have a cost to General Revenue of \$199,696 in fiscal year 2021 and 2022 and no cost in subsequent fiscal years.

The bill would require new and renewing applicants to submit information for a fingerprint and background check with the Department of Public Safety (DPS). This is already current practice for BEP. To implement the requirement for 55,650 current licensees transferring from HHSC and 5,852 new licensees annually, the Comptroller of Public Accounts (CPA) estimates an increase to Appropriated Receipts at DPS of \$1,288,000 in FY 2020 and 2021 assuming a biennial renewal for

licensees and \$224,000 in each subsequent fiscal year.

The Office of Court Administration, Office of the Governor, Office of the Attorney General, State Office of Administrative Hearings, Texas Ethics Commission, the CPA, and Department of Licensing and Regulation indicate that they could implement the provisions of the bill using existing resources. The council would become a contributing member to the Health Professions Council, and the only possible fiscal impact to HPC would be an increase in interagency contract amounts with the council due to the council increasing the use of HPC's services.

The estimated total to comply with the provisions of the bill would be 4 temporary FTEs and \$1,040,666 in fiscal year 2020, 4 temporary FTEs and \$402,132 in fiscal years 2021 and 2022, and zero additional FTEs and \$216,436 in each subsequent fiscal year.

### **Technology**

This analysis assumes one-time costs at the council in fiscal year 2020 of \$535,800 to transfer data for the three boards at HHSC to HPC's database and an ongoing increased cost for the database of \$119,718 in fiscal year 2021 and \$133,718 in each subsequent fiscal year. Costs for fiscal year 2020 would also include \$5,000 for Voice over Internet Protocol Implementation, and \$15,000 for network equipment, according to BEP.

Technology costs to implement the provisions of this bill are estimated to be \$555,800 in fiscal year 2020, \$119,718 in fiscal year 2021, and \$133,718 in each subsequent fiscal year.

### **Local Government Impact**

According to the Texas Association of Counties, no significant fiscal implication to counties is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 212 Office of Court Administration, Texas Judicial Council, 300 Trusteed Programs Within the Office of the Governor, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 356 Texas Ethics Commission, 360 State Office of Administrative Hearings, 364 Health Professions Council, 405 Department of Public Safety, 452 Department of Licensing and Regulation, 520 Board of Examiners of Psychologists, 529 Health and Human Services Commission

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