

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 15, 2019

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

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

IN RE: HB2667 by Guillen (Relating to the licensing and regulation of certain occupations and activities; providing administrative penalties; requiring occupational licenses; authorizing fees; creating criminal offenses.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2667, As Engrossed: a negative impact of (\$53,940) 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	(\$10,022)
2021	(\$43,918)
2022	(\$50,223)
2023	(\$104,044)
2024	(\$169,693)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2019
2020	\$213,997	(\$224,019)	3.0
2021	\$177,866	(\$221,784)	3.0
2022	\$171,561	(\$221,784)	3.0
2023	\$117,740	(\$221,784)	3.0
2024	\$52,091	(\$221,784)	3.0

Fiscal Analysis

The bill would create the statutory authority for the Court-Ordered Educational Programs in the

Government Code. The bill would authorize the Texas Commission of Licensing and Regulation (the Commission) to determine the length of license terms, license fees for renewal, and continuing education. The bill would require the Texas Department of Licensing and Regulation (TDLR) to establish basic education requirements for midwifery preceptors and students. The bill would create an expedited licensing process for out-of-state advanced practice registered nurses. The bill would change certain inspection cycles for barbering, cosmetology, and massage establishments. The bill would create a dual shop and massage establishment license, authorizing TDLR to regulate these establishments that offer barbering, cosmetology, and massage services under one license type. The bill would decrease the frequency of inspections for used automotive parts recycling facilities to every four years. The bill would create a license for Genetic Counselors.

The bill would take effect on September 1, 2019 except for certain sections related to the Court-Ordered Educational Programs and the Genetic Counselors license which would take effect on September 1, 2020.

Methodology

Court-Ordered Educational Programs

TDLR currently performs the duties required in the Court-Ordered Educational Programs provisions included in the bill pursuant to various sections of the Alcoholic Beverage, Transportation, Criminal Procedure, and Family Codes. Any requirements not currently in place, such as creating a code of ethics, could be accomplished with existing resources.

Expedited Process for Certain Advanced Practice Registered Nurse Applicants

According to the Board of Nursing (BON), the agency currently receives about half of its applications for Advanced Practice Registered Nurses (APRNs) from out-of-state applicants, approximately 2,000 per fiscal year. The process includes a review and verification of education, practice and credentials and can average up to eight hours per application to receive, collect required documents, create a file, review for compliance with education, practice and credential compliance, clarify discrepancies and issue a license. The current time frame for days to issue an APRN license is within 15 calendar days (approximately 11 business days). Based on information provided by the BON, implementing the provisions of the bill would require an additional 2.0 FTE at a cost of \$155,859 in each fiscal year, including salaries, wages, and benefits. This analysis assumes that any increased cost to BON, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee generated revenue.

Dual Shop and Massage Establishment License

Based on comparison with the current dual barber and beauty shop licenses, TDLR estimates the dual shop and massage establishment license would experience a similar pattern of growth. The agency expects the dual fee would be approximately \$230 for a new license and \$200 for a renewal, resulting in an estimated revenue increase of \$28,060 in fiscal year 2020, \$130,640 in fiscal year 2021, \$147,210 in fiscal year 2022, \$277,850 in fiscal year 2023, and \$479,790 in fiscal year 2024 to the General Revenue Fund. This would be offset by a corresponding decrease in the number of stand-alone beauty shop, barber shop, and massage establishment licenses. The loss the first year would be approximately \$38,082, the second year approximately \$174,558, the third year approximately \$198,348, the fourth year approximately \$383,724, and the fifth year approximately \$652,228 to the General Revenue Fund.

Genetic Counselors

According to information provided by TDLR, the agency would need to hire a Program Specialist III (1.0 full-time equivalent (FTE) position) to perform the tasks required by the new chapter,

including rule-making, development and administration of the examination and continuing education requirements, and to be the agency's expert on the genetic counseling program. This 1.0 FTE would cost approximately \$68,160 in the first year for salary, benefits, and a one-time expense for a computer and related equipment, then \$65,925 in subsequent years. TDLR reports that all other duties required for the licensing and regulation of the profession can be accomplished within existing resources. TDLR estimates the fee for a new license will be \$320 and \$305 for a renewal license. Revenue for the program is expected to be \$68,160 in fiscal year 2020, \$65,925 in fiscal year 2021, \$66,840 in fiscal year 2022, \$67,755 in fiscal year 2023, and \$68,670 in fiscal year 2024.

Based on information provided by TDLR, this analysis assumes that the duties and responsibilities associated with implementing the other provisions of the bill could be accomplished by utilizing existing resources. Any increased cost to TDLR, which is statutorily required to generate sufficient revenue to cover its costs of operation, would be offset by an increase in fee generated revenue.

Technology

This analysis estimates a total one-time technology cost of \$2,110 in fiscal year 2020 for equipment required to implement the provisions of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance, 452 Department of Licensing and Regulation

LBB Staff: WP, DFR, CLo, SGr