

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 29, 2021

TO: Honorable Stephanie Klick, Chair, House Committee on Public Health

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2473 by Johnson, Ann (Relating to the licensing and regulation of music therapists; requiring an occupational license; authorizing fees.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2473, Committee Report 1st House, Substituted : a positive impact of \$58,425 through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	\$60,917
2023	(\$2,492)
2024	(\$2,492)
2025	\$6,308
2026	\$6,308

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Revenue Gain/(Loss) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$46,333)	\$107,250	1.0
2023	(\$82,792)	\$80,300	1.5
2024	(\$82,792)	\$80,300	1.5
2025	(\$82,792)	\$89,100	1.5
2026	(\$82,792)	\$89,100	1.5

Fiscal Analysis

The bill would amend the Occupations Code to create the Music Therapist Licensing Act and require the Texas Commission of Licensing and Regulation (Commission) and the Texas Department of Licensing and Regulation (TDLR) to administer and enforce the chapter. The bill would require TDLR to issue licenses to qualified individuals who apply to become licensed professional music therapists. The bill would authorize the Commission to set fees in amounts that are reasonable and necessary to cover the costs of administering and enforcing the chapter.

The bill would take effect on September 1, 2021, except for the requirement to hold a license and the authorization for license denials and disciplinary actions, which take effect on September 1, 2022.

Methodology

According to TDLR, the agency would need one License and Permit Specialist III to process license applications and evaluate the required degree, training, and certification of the applicants, as well as run the background checks, check for passage of the required examination, and check to ensure the applicant is not subject to any disciplinary action by the certifying entity. Because the bill would require that music therapists be licensed by September 1, 2022, TDLR would need to begin accepting license applications in May or June of 2022 and the License and Permit Specialist would need to begin in March 2022 to begin training therefore TDLR would need 0.5 full-time equivalent (FTE) for fiscal year 2022. The total cost in fiscal year 2022 would be \$31,627 for salary, benefits, computer equipment and other operating expenses from General Revenue, and \$57,945 each year thereafter.

According to TDLR, the agency would also need a part-time Customer Service Representative III (0.5 FTE) to respond to contacts received by TDLR regarding the music therapy program. The cost for this position would be \$14,706 in fiscal year 2022 for salary, benefits, computer equipment, other operating expenses from General Revenue, and \$24,847 each year thereafter.

TDLR reports the agency would be able to incorporate the new program into its licensing system with existing resources.

Based on the assumption that 650 music therapists would apply in the first year and 40 extra therapists would apply each year afterward, TDLR reports that the term for a music therapy license would be two years with an initial and renewal license fee of \$220. TDLR would plan to issue a two-year initial license in the first year to 325 of the applicants and a one-year license for \$110 to 325 applicants to even out revenue across the biennia. Based on information provided by TDLR, revenue is estimated to be \$107,250 in fiscal year 2022, \$80,300 in fiscal years 2023 and 2024, and \$89,100 in fiscal years 2025 and 2026.

This analysis assumes that 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.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 452 Dept of License & Reg

LBB Staff: JMc, AKI, MB, DFR