

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 5, 2021**

**TO:** Honorable James B. Frank, Chair, House Committee on Human Services

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3144** by Patterson (Relating to registration requirements and voluntary safety standards certification for senior living facilities; authorizing administrative penalties; imposing fees; requiring an occupational registration.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3144, As Introduced : a negative impact of (\$2,386,972) 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	(\$2,386,972)
2023	\$0
2024	\$0
2025	\$0
2026	\$0

**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	(\$2,386,972)	\$0	21.5
2023	(\$2,700,391)	\$2,700,391	26.5
2024	(\$2,406,654)	\$2,406,654	25.5
2025	(\$2,411,270)	\$2,411,270	25.5
2026	(\$2,416,038)	\$2,416,038	25.5

**Fiscal Analysis**

The bill would establish Health and Safety Code Chapter 260B relating to senior living facilities.

The bill would require the Health and Human Services Commission (HHSC) to establish a registry that contains information on each senior living facility registered with HHSC. HHSC would be required to make the registry publicly accessible on the commission's website.

Senior living facilities would be required to register with HHSC and the commission would be allowed to require senior living facilities to periodically renew the registration. HHSC would be required to set registration and renewal fees in amounts reasonable and necessary to cover the costs of administering the chapter.

HHSC would be required to implement a voluntary safety standards certification program to certify a senior living facility that meets safety standards established by commission rule. HHSC would be required to inspect each senior living facility that requests certification to determine if the facility meets safety standards. HHSC would be required to set fees for issuing safety standards certifications, including application, inspection, certification, and renewal fees in amounts reasonable and necessary to cover the costs of administering the chapter.

The bill would require HHSC to develop and implement procedures for receiving and processing complaints of an alleged violation of the chapter. Additionally, HHSC would be required to establish an informal dispute resolution process to address a dispute between a senior living facility and the commission.

The bill would allow HHSC to assess an administrative penalty against a senior living facility for certain violations. The administrative penalty could not exceed \$1,000 for each violation. The penalties would be deposited to the credit of the general revenue fund.

### **Methodology**

The analysis assumes 9.5 full-time equivalents (FTEs) in each fiscal year to conduct activities related to registration of facilities, handling complaints, and coordinating informal dispute resolution, at a cost of \$0.8 million each fiscal year.

According to HHSC, modifications would need to be made to the Texas Unified Licensure Information Portal (TULIP) and Compliant and Incident Intake (CII) system in order to implement the provisions of the bill. Additionally, HHSC would be required to establish and maintain the registry and website. The analysis assumes 7.0 additional FTEs in fiscal years 2022 and 2023 and 6.0 FTEs in fiscal years 2024 through 2026 would be needed to complete these tasks, at a cost of \$1.1 million in fiscal year 2022, \$1.0 million in fiscal year 2023, and \$0.7 million in each subsequent year.

According to HHSC, an additional 10.0 FTEs would be needed to complete inspections related to the voluntary safety standards certification. The FTEs are assumed for 6 months of fiscal year 2022, resulting in an increase of 5.0 FTEs in fiscal year 2022 and 10.0 FTEs in each subsequent year. The estimated cost for the inspectors is \$0.5 million in fiscal year 2022 and \$0.9 million in each subsequent year.

The analysis assumes no senior living facilities will seek registration and or voluntary safety standards certification prior to September 1, 2022. Therefore, it is assumed no registration or certification fees will be collected in fiscal year 2022. It is assumed revenue generated by registration and certification fees in fiscal years 2023 through 2026 would be sufficient to cover costs related to implementing the provisions of the bill.

The amount of administrative penalties cannot be determined at this time as it is unknown how many penalties would be levied by HHSC and the amount of the penalties.

### **Technology**

Technology costs are estimated to be \$1.1 million in fiscal year 2022, \$1.0 million in fiscal year 2023, and \$0.7 million in each subsequent fiscal year.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 529 Hlth & Human Svcs Comm

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