

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 28, 2023

TO: Honorable Briscoe Cain, Chair, House Committee on Agriculture & Livestock

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1560 by Holland (Relating to the regulation of the practice of veterinary medicine by the Texas Department of Licensing and Regulation.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1560, As Introduced : an impact of \$0 through the biennium ending August 31, 2025.

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>
2024	\$0
2025	\$0
2026	\$0
2027	\$0
2028	\$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 2023</i>
2024	(\$1,249,760)	\$1,249,760	9.0
2025	(\$1,177,564)	\$1,177,564	9.0
2026	(\$988,338)	\$988,338	7.0
2027	(\$988,968)	\$988,968	7.0
2028	\$0	\$0	0.0

Fiscal Analysis

This bill would add a subchapter to Chapter 801 of the Occupations Code, the chapter associated with the regulation of veterinarians, to require the Texas Department of Licensing and Regulation (TDLR) to administer the chapter. The Texas Board of Veterinary Medical Examiners (BVME) would become an advisory board under TDLR to propose rules relating to the scope of practice of, a health-related standard of care for, and the ethical practice of the profession of veterinary medicine and provide advice and recommendations on technical matters. The bill would move the BVME's Sunset date from September 1, 2029 to September 1, 2027.

This subchapter that requires TDLR to administer the chapter would become effective September 1, 2023 and

expire September 1, 2027.

Methodology

Based on the analysis of the Sunset Commission, TDLR, and the Board of Veterinary Medical Examiners (BVME), this estimate assumes that while certain costs and savings of implementing the provisions of the bill cannot be estimated at this time, costs involving additional staffing for TDLR to administer the functions of the BVME can be estimated.

To implement the provisions of the bill, this analysis assumes that TDLR would utilize trained existing staff and transfer them to the BVME offices to provide training and assistance to BVME current staff. To replace these trained staff that would be transferred, TDLR would require 9.0 additional full-time equivalent (FTE) positions in fiscal years 2024 and 2025 and 7.0 additional FTE positions in fiscal years 2026 and 2027. These positions would be temporary and would take on the duties of the staff that are being transferred to support the functions of the BVME.

The TDLR staff being transferred would be 2.0 License and Permit Specialist IV FTEs (salary of \$55,096 with estimate benefits of \$17,537) who would be needed for licensing training, 1.0 Inspector V FTE (salary of \$58,826 with estimated benefits of \$18,724) would be needed to conduct inspection training, 1.0 Investigator V FTE (salary of \$62,817 with estimated benefits of \$19,994) would be needed to conduct enforcement training, 1.0 Attorney V (salary of \$118,672 with estimated benefits of \$37,773) would be needed to conduct enforcement training, 1.0 Project Manager V FTE (salary of \$118,672 with estimated benefits of \$37,773) would be needed to provide general oversight, 1.0 Veterinarian FTE (salary of \$118,672 with estimated benefits of \$37,773) would be needed to review violations of standard care and provide expertise, 1.0 General Counsel II FTE (salary of \$118,672 with estimated benefits of \$37,773) would be needed to provide legal guidance to both TDLR and BVME in the legislative recommendations that are required by the Sunset Advisory Committee, and 1.0 Program Specialist V FTE (salary of \$67,089 with estimated benefits of \$21,354) would be needed to provide logistical and administrative support to BVME as an advisory board.

One of the License and Permit Specialist FTEs and the Program Specialist FTE would no longer be needed after fiscal year 2025. For fiscal years 2024 and 2025, the annual cost of 9.0 FTEs is \$1,124,160 with one-time start-up costs of \$35,600. For fiscal years 2026 and 2027, the annual costs of the FTEs is reduced to \$988,338. No costs are identified in fiscal year 2028 as TDLR's responsibilities under the provisions of the bill would be completed at this time.

Additionally, the bill would grant TDLR the authority to contract with an independent management consultant to assist in the administration of the chapter. This analysis assumes the service will be needed and that TDLR does not have a business process analyst on staff. This service would be for fiscal year 2024 and would cost \$90,000 to conduct process mapping on the information technology needs of the agency to assist in developing improved policies and procedures.

This analysis assumes that any increased cost to TDLR authorized in the bill would be offset by an increase in fee-generated revenue because TDLR is statutorily required to generate sufficient revenue to cover its costs of operation. However, as these costs would be incurred to implement the Veterinary Licensing Act as required by the bill; it would be necessary for TDLR to assess additional fees to license holders under the Veterinary Licensing Act to cover any additional costs associated with implementing these bill's provisions as the agency has no other mechanism to cover funding appropriated for this purpose.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 452 Department of Licensing and Regulation, 578 Board of Veterinary Medical Examiners

LBB Staff: JMc, SZ, BFa, GDZ