

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 21, 2023

TO: Honorable Ken King, Chair, House Committee on Licensing & Administrative Procedures

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1568 by Allison (relating to the licensing and regulation of child swim instruction operators; requiring an occupational license; imposing penalties, including administrative penalties; authorizing fees.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1568, Committee Report 1st House, Substituted : a positive impact of \$131,602 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>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2024	\$110,113
2025	\$21,489
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Change in Number of State Employees from FY 2023
2024	(\$82,887)	\$193,000	1.1
2025	(\$364,511)	\$386,000	4.5
2026	(\$364,912)	\$364,912	4.5
2027	(\$365,317)	\$365,317	4.5
2028	(\$365,726)	\$365,726	4.5

Fiscal Analysis

The bill would establish a new chapter in the Health and Safety Code relating to the regulation of Swim Instruction Operators by the Texas Department of Licensing and Regulation (TDLR), authorizing a fee, and providing a civil penalty. The bill would require TDLR to administer and enforce the provisions of the new "Regulation of Swim Instruction Operators" chapter as established by the bill.

TDLR would set license fees, receive and investigate complaints, conduct compliance inspections, conduct background checks, assess administrative penalties, and provide education and outreach related to the program.

The bill would take effect on September 1, 2023.

Methodology

Based on the analysis of TDLR, this assumes that the agency would require 4.5 additional full-time-equivalent (FTE) positions to implement the provisions of the bill. In the last fiscal quarter of fiscal year 2024, a License and Permit Specialist III FTE (annual salary of \$48,024 with estimated benefits of \$15,286), and a Customer Service Representative III FTE (annual salary of \$35,976 with estimated benefits of \$12,361), would be needed to review applications and respond to contacts associated with the new licensing program respectively. In the last two fiscal quarters of fiscal year 2024, an Inspector IV FTE (annual salary of \$50,687 with estimated benefits of \$16,133) would be needed to begin training on the standards required for an operator's inspection.

Beginning in fiscal year 2025, the bill's provisions would require swim instructor operators to have a license. The agency would need the previously mentioned FTEs and a Inspector IV FTE (annual salary of \$50,687 with estimated benefits of \$16,133) to inspect the schools, and 0.5 of an Investigator IV FTE (annual salary of \$27,548 with estimated benefits of \$8,768), 0.5 of an Attorney IV FTE (annual salary of 44,095 with estimated benefits of \$14,035) and 0.5 of a Legal Assistant FTE (annual salary of \$21,260 with estimated benefits of \$6,761) to conduct background checks, investigate and prosecute enforcement cases.

Increases from these new revenue sources as estimated by the Comptroller of Public Accounts would be \$193,000 in fiscal year 2024, \$386,000 for registration and sticker fees in fiscal year 2025, and \$309,000 in subsequent fiscal years. This analysis assumes that any increased cost to TDLR above Comptroller of Public Accounts revenue estimates from the fee 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.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 452 Department of Licensing and Regulation

LBB Staff: JMc, SZ, GDZ, BFa