

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

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**March 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.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1568, As Introduced : a positive impact of \$173,267 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	\$173,267
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	(\$153,733)	\$327,000	1.0
2025	(\$364,511)	\$364,511	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 two fiscal quarters 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.

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 \$327,000 in fiscal year 2024, \$327,000 for registration and sticker fees in fiscal year 2025, \$311,300 in fiscal year 2026, \$311,300 in fiscal year 2027, and \$311,300 in fiscal year 2028. 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.

## **Technology**

The bill would require TDLR to develop and maintain a searchable database on the department's Internet website including a record of all substantiated serious incidents reported to or discovered by the department within the preceding five years and results of inspections from the previous five years. Based on the analysis of TDLR, this analysis estimates a one-time cost in fiscal year 2024 of \$100,000 to build this system.

## **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