

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 6, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4176 by Howard (relating to the summary suspension of a nursing license in connection with a fraudulently or unlawfully obtained diploma, license, or other document.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4176, Committee Report 1st House, Substituted : a negative impact of (\$703,833) 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	(\$362,091)
2025	(\$341,742)
2026	(\$341,742)
2027	(\$341,742)
2028	(\$341,742)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$362,091)	3.0
2025	(\$341,742)	3.0
2026	(\$341,742)	3.0
2027	(\$341,742)	3.0
2028	(\$341,742)	3.0

Fiscal Analysis

This bill would amend the Occupations Code to create an expedited administrative hearings procedure to suspend a nursing license upon discovery by the Texas Board of Nursing (TBN) that the licensee used fraudulently or unlawfully obtained credentials in connection with obtaining their nursing license.

The bill would allow TBN to issue a summary suspension that suspends the license if the agency receives credible evidence that a licensed nurse used fraudulent or unlawfully-obtained credentials to obtain a nursing license. Upon issuance of an order suspending a license, TBN is required to provide notice to the affected

individual. TBN must refer the case to the State Office of Administrative Hearing (SOAH) for a hearing. If the individual does not requests an administrative hearing within 20 business days after the notice is issued, then the individual rights to a hearing is waived and the license shall remain suspended.

This bill would require the SOAH to hold a hearing no later than the 90th day after the suspension was issued. The issues to be decided at the hearing are whether evidence exist to support a finding that an individual violated prohibitions against use of false or fraudulent credentials to obtain a nursing license. The individual shall have the opportunity to rebut the evidence that provided the basis for the summary suspension.

The bill would take effect immediately unless it receives a two-thirds vote of all members of each house, otherwise it will take effect on September 1, 2023.

Methodology

Under the provisions of the bill, both the TBN and the SOAH anticipate an increase in the number of license suspension and revocation cases related to TBN licensees that have been identified as likely having obtained false or fraudulent nurse licensing credentials. To date, TBN has identified 400 licensees that are likely to have fraudulent credentials.

Based on the analysis of the SOAH, the agency would require an additional 3.0 full time equivalent (FTE) positions. Two additional Administrative Law Judge (ALJs) II (\$106,647 per year with estimated benefits of \$32,346) would be needed to hear these additional cases . An additional Legal Secretary (\$44,001 per year with estimated benefits of \$13,346) would be needed to support the additional ALJs. An additional one-time setup costs of \$20,349 in fiscal year 2024 would be needed to cover costs of equipment and office space setup.

Based on the analysis of the TBN, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Technology

This estimate anticipates a technology impact of \$2,550 per year for software licenses and a one time equipment cost of \$6,900 in fiscal year 2024.

Local Government Impact

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

Source Agencies: 360 State Office of Administrative Hearings, 507 Texas Board of Nursing

LBB Staff: JMc, NPe, JBel, GDZ