

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 31, 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 annulment of a nursing license in connection with a fraudulently or unlawfully obtained diploma, license, or other document.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB4176, As Introduced : 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 annul 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 immediately annuls 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 annulling a license, TBN is required to provide notice to the affected individual. If the individual requests an administrative hearing within 30-days after the notice is issued,

then TBN must refer the case to the State Office of Administrative Hearing (SOAH) for a hearing.

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 the individual violated prohibitions against use of false or fraudulent credentials to obtain a nursing license, and whether the TBN's annulment is justified.

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, GDZ, JBel