

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 31, 2025

TO: Honorable Lacey Hull, Chair, House Committee on Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1199 by Manuel (Relating to emergency generators or other power sources for nursing facilities and assisted living facilities.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB1199, As Introduced: a negative impact of (\$2,100,404) through the biennium ending August 31, 2027.

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>
2026	(\$1,091,557)
2027	(\$1,008,847)
2028	(\$1,010,717)
2029	(\$1,012,273)
2030	(\$1,013,862)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$1,091,557)	8.5
2027	(\$1,008,847)	8.5
2028	(\$1,010,717)	8.5
2029	(\$1,012,273)	8.5
2030	(\$1,013,862)	8.5

Fiscal Analysis

This bill amends the Health and Safety Code to require nursing facilities and assisted living facilities throughout the state to create an emergency preparedness plan that includes obtaining, installing, and maintaining an emergency power supply system for the continued care and safety of residents and the continuity of the facility's essential building systems during an emergency. This bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house, otherwise it would be effective September 1, 2025.

Methodology

This bill requires nursing facilities (NF) and assisted living facilities (ALF) to come into compliance with the emergency power supply requirement by September 1, 2026, with the ability to request up to three one-year extensions. The Health and Human Services Commission (HHSC) assumes during a facility's re-licensure or recertification, the agency will conduct a review of a facilities emergency preparedness plan and estimates the number of the initial reviews for NFs to be approximately 1,200 facilities and an estimated 2,000 ALFs. This analysis assumes HHSC would require \$1,091,557 from the General Revenue Fund (\$1,091,557 from All Funds) and 8.5 full-time-equivalents (FTEs) in fiscal year 2026 and \$1,008,847 from the General Revenue Fund (\$1,008,847 from All Funds) and 8.5 FTEs in fiscal year 2027 to implement the provisions of the bill, which include pre-onsite activities and onsite visits to determine and ensure compliance with the provisions of this bill. Included in the assumed FTE costs above is \$82,399 from the General Revenue Fund (\$82,399 from All Funds) in fiscal year 2026 for one-time costs related to the implementation of provisions of this bill.

This analysis does not contemplate the costs to NFs or ALFs. This bill, as introduced, does not stipulate Medicaid reimbursement related to power generating equipment; therefore, it is not considered a cost to General Revenue Related Funds.

Local Government Impact

HHSC assumes there would be an significant impact on local governments, as a number of NFs are owned or operated by local government entities; however, this analysis cannot determine the direct impact to local governments. Based on HHSC's *Generator Availability in Nursing Facilities and Assisted Living Facilities report* (August 2022), approximately 99 percent of NFs reported having a power generator and 47 percent of ALFs reported having a power generator; however, this report does not account for this bill's provisions and facilities may not be in full compliance with current power generating equipment.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JMc, NPe, ER, LBl, NV