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

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**April 14, 2025**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE:** **HB4798** by Richardson (Relating to compliance reviews and life safety code surveys of assisted living facilities.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB4798, As Introduced: a negative impact of ($5,509,847) 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:

| *Fiscal Year* | **Probable Net Positive/(Negative) Impact to** ***General Revenue Related Funds*** |
|---|---|
| 2026 | ($3,043,706) |
| 2027 | ($2,466,141) |
| 2028 | ($2,468,709) |
| 2029 | ($2,470,846) |
| 2030 | ($2,473,029) |

## All Funds, Five-Year Impact:

| *Fiscal Year* | **Probable Savings/(Cost) from** ***General Revenue Fund*** **1** | **Probable Savings/(Cost) from** ***GR Match For Medicaid*** **758** | **Probable Savings/(Cost) from** ***Federal Funds*** **555** | *Change in Number of State Employees from FY 2025* |
|---|---|---|---|---|
| 2026 | ($2,781,192) | ($262,514) | ($268,444) | 12.0 |
| 2027 | ($2,439,736) | ($26,405) | ($27,000) | 12.0 |
| 2028 | ($2,442,233) | ($26,476) | ($27,072) | 12.0 |
| 2029 | ($2,444,313) | ($26,533) | ($27,131) | 12.0 |
| 2030 | ($2,446,436) | ($26,593) | ($27,192) | 12.0 |

## Fiscal Analysis

This bill amends the Healthy and Safety Code to allow an individual or entity to construct a new assisted living facility (ALF), or modifying current ALF structures, to submit building plans for architectural requirements compliance review prior to completing the new construction of, or modification to, an ALF. Additionally, this bill allows an individual or entity constructing a new ALF or modifying current ALF structures to request a Life Safety Code survey for the facility prior to applying for an ALF license and prior to completing the new construction of, or modification to, an ALF. This bill would take effect September 1, 2025.

## Methodology

The Health and Human Services Commission (HHSC) assumes the agency would be required to, in a reasonable time, complete all plan reviews for new construction of ALFs, or the modification to current ALF structures as construction progresses or as the plans are changed based on when an entity submits construction plans for review. The assumption that an entity may submit construction plan reviews multiple times would result in an increase in workload for the architectural review team within the Regulatory Services Division (RSD) at HHSC. HHSC assumes the number of requested construction plan reviews will increase from an average of 18 reviews completed annually to 36 construction plan reviews annually. HHSC also assumes it would be required to complete the Life Safety Code (LSC) surveys through onsite visits prior to the submission of an ALF license application and prior to the completion of new construction of ALFs, or the modification to current ALF structures. The agency assumes an increase in workload related to the LSC surveys completed on an annual basis for RSD, related to the provisions of this bill. Additionally, HHSC assumes it will need to amend rules, update internal policy guidance, notify providers of the new requirements, and take additional actions to implement the provisions of this bill.

This analysis assumes HHSC would require $3,043,706 from the General Revenue Fund ($3,312,150 from All Funds) and 12.0 “full-time-equivalents (FTEs)” in fiscal year 2026 and $2,466,141 from the General Revenue Fund ($2,493,141 from All Funds) and 12.0 FTEs in fiscal year 2027 to implement the provisions of the bill, which include completing construction plan reviews and LSC surveys in a timely manner, modifications to HHSC's Texas Unified Licensure Information Portal (TULIP), and other administrative related tasks associated with implementing the provisions of this bill.

Included in the amounts above are assumed FTE costs totaling $2,550,926 from the General Revenue Fund ($2,580,993 from All Funds) and 12.0 FTEs in fiscal year 2026 and $2,466,141 from the General Revenue Fund ($2,493,141 from All Funds) and 12.0 FTEs in fiscal year 2027. This includes $118,670 from the General Revenue Fund ($121,828 from All Funds) in fiscal year 2026 for one-time costs related to the implementation of provisions of this bill.

This analysis also assumes HHSC would require $492,780 from the General Revenue Fund ($731,157 from All Funds) in fiscal year 2026 to implement the necessary modifications related to HHSC's TULIP system. The modifications include functionality to allow for LSC surveys to be requested and authorized before the construction or modification is completed. The agency's intention is to contract with a Deloitte Technology Solutions Services team to complete the majority of the modifications. HHSC assumes the technology costs are one-time expenditures and would not continue beyond fiscal year 2026.

This analysis assumes the administrative related costs associated with implementing provisions of this bill can be absorbed within existing agency resources.

## Technology

As mentioned above, this analysis assumes HHSC would require $492,780 from the General Revenue Fund ($731,157 from All Funds) in fiscal year 2026, as one-time costs, to implement the necessary modifications related to TULIP system.

## Local Government Impact

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

**Source Agencies:** 529 Health and Human Services Commission

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