LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 25, 2025

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **SB1368** by Miles (Relating to an emergency preparedness and contingency operations plan, including temperature regulation, for nursing facility and assisted living facility residents during an emergency; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1368, As Introduced: a negative impact of ($1,602,308) 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	($831,838)
2027	($770,470)
2028	($740,042)
2029	($741,140)
2030	($742,262)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from *General Revenue Fund* 1	Probable Revenue Gain/(Loss) from *General Revenue Fund* 1	*Change in Number of State Employees from FY 2025*
2026	($831,838)	$0	6.0
2027	($770,470)	$0	6.0
2028	($771,790)	$31,748	6.0
2029	($772,888)	$31,748	6.0
2030	($774,010)	$31,748	6.0

Fiscal Analysis

This bill amends the Health and Safety Code to require nursing facilities and assisted living facilities throughout the state to adopt and implement an emergency preparedness and contingency operations plan 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 September 1, 2025, and compliance with the provisions of this bill would take effect January 1, 2026. The assessment of a penalty as laid out in this bill would take effect January 1, 2027.

Methodology

The Health and Human Services Commission (HHSC) assumes the agency will conduct a review of a facility's emergency preparedness and contingency operations plan during a facility's re-licensure or recertification, and estimates the number of the initial reviews for Nursing Facilities (NF) to be approximately 1,200 facilities and an estimated 2,000 Assisted Living Facilities (ALF). This analysis assumes HHSC would require $831,838 from the General Revenue Fund ($831,838 from All Funds) and 6.0 full-time-equivalents (FTEs) in fiscal year 2026 and $770,470 from the General Revenue Fund ($770,470 from All Funds) and 6.0 FTEs in fiscal year 2027 to implement the provisions of the bill, which would include the initial review of an emergency preparedness and contingency operations plan, as laid out in this bill, for each NF and ALF in this State. It is assumed that costs to the General Revenue Fund will be partially offset by an estimated $31,748 per fiscal year beginning in fiscal year 2028 from levied penalties for non-compliance, estimated to be approximately ten (10) percent of all NFs and ALFs.

Included in the amounts above are assumed FTE costs totaling $831,838 from the General Revenue Fund ($831,838 from All Funds) and 6.0 FTEs in fiscal year 2026 and $770,470 from the General Revenue Fund ($770,470 from All Funds) and 6.0 FTEs in fiscal year 2027. This includes $58,164 from the General Revenue Fund ($58,164 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 direct costs to NFs or ALFs. Additionally, the bill as introduced does not stipulate reimbursements for power generating equipment; therefore, this analysis does not include a cost to General Revenue Related Funds for that purpose.

This analysis assumes the Office of Court Administration and the Comptroller of Public Accounts can implement provisions of this bill within existing agency resources.

Local Government Impact

HHSC assumes there could be a significant impact on local governments, as a number of nursing facilities are owned or operated by local government entities; however, this analysis cannot determine the fiscal impact due to the unknown nature of which facilities are or may not be in full compliance with current power generating equipment requirements stipulated in the bill.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission

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