

Rulemaking Fiscal Impact

Health and Human
Services Enterprise

June 2005

Agency Unit/Section/Division Dept. of State Health Services/Environmental Group-Policy/Standards/Quality Assurance Unit/Environmental & Consumer Safety Section/Regulatory Services Division	Council Meeting Date January 12/13, 2006
Agency Program Contact Michael J. Minoia	Telephone No. 512/834-6773, ext 2305
Rule Topic 25 TAC §265.12 concerning Directors, Supervisors, and Staff, including a Sexual Abuse Training Program and criminal background checks, at Texas Youth Camps.	

1. Rule Summary.

(Briefly summarize the rule change and why the rule may or may not have fiscal implications.)

The repeal and new section is necessary to accommodate needed revisions specified in Senate Bill (SB) 1050, 77th Legislature, 2001 and SB 990, 79th Legislature, 2005. The proposed rules have fiscal implications due to the cost of criminal background checks and a fee of \$125 to any trainers under contract with youth camps or by online training organizations applying for approval of a training and examination program on sexual abuse and child molestation.

2. Fiscal Impact.

Does the rule have foreseeable fiscal implications to either costs or revenues of state government for the first five years the rule is in effect?

Yes **No** If yes, complete the following:

- (a) If there are estimated additional costs to the department, explain (1) what new responsibilities will be required; (2) what additional staff will be needed (numbers and classifications); and (3) what other expenses, such as capital or professional services, will be required. Explain any key assumptions that will be needed to reach the figures in the chart in 2(d).

There are additional costs to the department based on administrative costs to approve a training and examination program on sexual abuse and child molestation. It is anticipated that there will be approximately 200 training and examination programs submitted for approval to the department in the first year, and 20 programs per year in years two through five. It is estimated that a contractor would be hired in 2006 for \$15,000 to review and approve the programs and to provide customer and industry support and set-up of the database and records. It is also estimated that a modification to the existing Regulatory Automated System would be used to support the database which would cost \$10,000 in FY 2006. Annual costs thereafter to review and approve the programs are estimated to be \$2,500 for incremental staff costs in FY 2007 through 2010.

- (b) If there is an estimated reduction in costs, explain how the reductions will be accomplished.

N/A.

- (c) If there is an estimated increase in revenue, describe the source and amount. If there is an estimated loss of revenue, describe the source and amount.

The proposed rules establish a \$125 fee to any trainers under contract with youth camps or by online training organizations applying for approval of a training and examination program on sexual abuse and child molestation. The estimated increases in revenue are \$25,000 in FY 2006 and \$2,500 in FY 2007 through 2010.

Note: Staff may provide the information in (d) on a separate spreadsheet. If spreadsheet is attached, please check here:

(d)	1. Fiscal Year <u>2006</u>	2. Fiscal Year <u>2007</u>	3. Fiscal Year <u>2008</u>	4. Fiscal Year <u>2009</u>	5. Fiscal Year <u>2010</u>
Estimated Additional/Reduction in Cost (specify reduction in parenthesis)					
STATE FUNDS	25,000	2,500	2,500	2,500	2,500
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL:	25,000	2,500	2,500	2,500	2,500
Estimated Increase/Loss of Revenue (specify loss in parenthesis)					
STATE FUNDS	25,000	2,500	2,500	2,500	2,500
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL:	25,000	2,500	2,500	2,500	2,500

3. Local Government Impact.

Does the rule have foreseeable positive or negative fiscal implications to either costs or revenues of local governments for the first five years the rule is in effect?

Yes No If yes, enter the amounts for each of the five years and explain key assumptions you used to reach the figures.

[Empty box for response to question 3]

4. Small Businesses or Micro-Businesses Impact.

Does the rule have ANY adverse economic effect on small businesses or micro-businesses* (regardless of whether it will have an adverse effect on businesses in general)?

Yes No If yes, complete 4B-E. If no, complete 4A.

* A small business is a legal entity, including a corporation, partnership, or sole proprietorship, that is formed for the purpose of making a profit, is independently owned and operated, and has fewer than 100 employees OR less than \$1,000,000 in annual gross receipts.

A micro-business is a legal entity, including a corporation, partnership, or sole proprietorship, that is formed for the purpose of making a profit, is independently owned and operated, and has 20 or fewer employees.

A. If the rule **will not** have an adverse economic effect on either small businesses or micro-businesses, or both, explain why there will be no adverse effect on one or both.

[Empty box for response to question 4A]

Complete (B)-(E) if rule will have an adverse economic effect on small businesses or micro-businesses or both.

Note: You must discuss both small businesses and micro-businesses in your analysis regardless of whether the rule will have an adverse economic effect on either one or both.

B. Explain why there will be an adverse economic effect, such as new fees, reduced revenues, or new regulatory requirements that will increase the cost of doing business.

All trainers under contract with youth camps or by online training organizations applying for approval of a training and examination program on sexual abuse and child molestation will be assessed a \$125 approval fee. This amount is necessary to cover the administrative cost to the department of approving the training programs. Should a full criminal background check be required to be obtained for a youth camp staff member or a youth camp staff member applicant there will be an anticipated cost increase to all businesses. The cost of performing criminal background checks varies according to the type required and can range from \$10 to \$50 per individual background check. It is anticipated that a youth camp not already performing criminal background checks will utilize the second background check option, which is an application question, so that there will be no additional cost to the camp.

C. Give an analysis of the cost to small businesses or micro-businesses of complying with the rule. Explain what assumptions you used to calculate these projected costs (for example, a survey of randomly selected assisted living facilities).

All businesses, regardless of size, will have the same approval fee for the training program. The actual cost of the training program to each youth camp cannot be determined, since one trainer may perform training at more than one camp, thus reducing the cost to each camp. The cost of performing criminal background checks varies according to the type required, as opposed to the size of the business, and can range from \$10 to \$50 per individual background check. It is anticipated that a youth camp not already performing criminal background checks will utilize the second background check option, which is an application question, so that there will be no additional cost to the camp.

D. Compare the cost to small businesses or micro-businesses of complying with the rule with the cost to the largest businesses affected by the rule, analyzing, when possible:

- cost per employee,
- cost per hour of labor, or
- cost per each \$100 of sales.

The cost of criminal background checks and training program approval is the same, regardless of business size or number of employees.

- E. Give an analysis of whether it is legal and feasible to reduce the economic effect of the rule on small businesses or micro-businesses, while still accomplishing the intent of the state or federal law being implemented with the rule.

It would not be feasible to reduce the economic effect of the rule on small businesses or micro-businesses, while still accomplishing the intent of the state law being implemented with the rule, because to reduce the economic effect, it would be necessary to exempt these businesses from parts of the rule. Additionally, the statute does not provide for exceptions based upon business size for these programs.

5. Other Cost Impacts.

If there will be costs to persons who must comply with this rule change, other than costs identified in preceding sections, enter estimated costs for the first five fiscal years of implementation:

FY 1	FY 2	FY 3	FY 4	FY 5

Explain assumptions used to arrive at these costs.

6. Fiscal Impact on Local Employment:

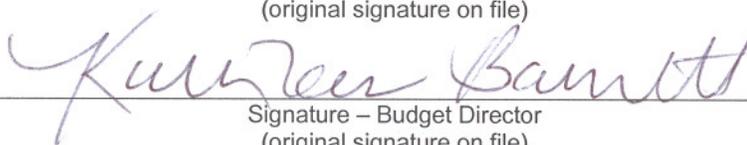
- Rule **will not** have an impact.
- Rule **will** have an impact. You must complete an Economic Impact Request and submit it to TWC at least 30 days before the Council meeting.

7. Takings Impact Assessment.

Does the proposed rule create a burden on private "real property" (i.e. real estate or the buildings and other structures attached to real estate)?

- Yes No If **yes**, contact Legal **immediately** to determine if you are required to complete a Takings Impact Assessment.

Approvals

	12/19/05	X2390
Signature – Budget Analyst (original signature on file)	Date	Telephone No.
	12/19/05	X6940
Signature – Budget Director (original signature on file)	Date	Telephone No.
	12/19/05	458-7640
Signature – Chief Financial Officer (original signature on file)	Date	Telephone No.
_____	_____	_____
Signature – Deputy Executive Commissioner (as appropriate) (original signature on file)	Date	Telephone No.