

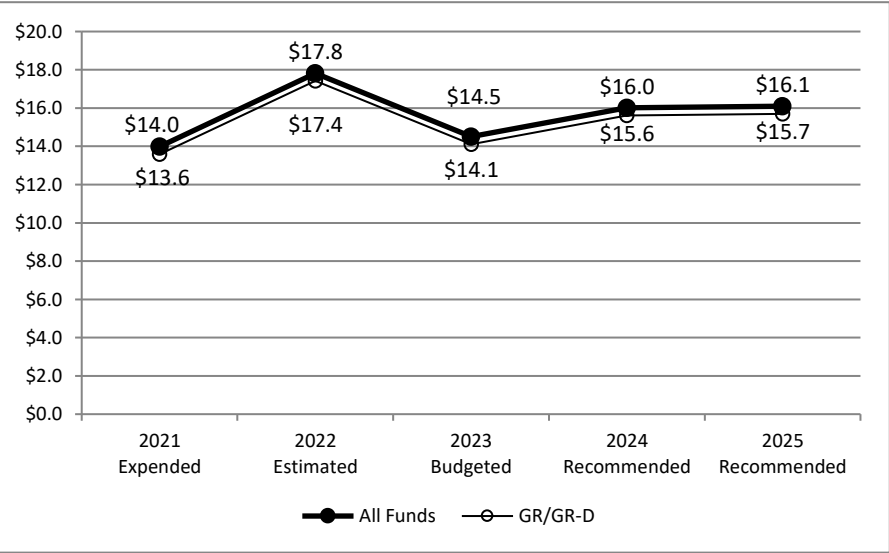
Texas Medical Board
Summary of Budget Recommendations - Senate

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Stephen Brint Carlton, Executive Director
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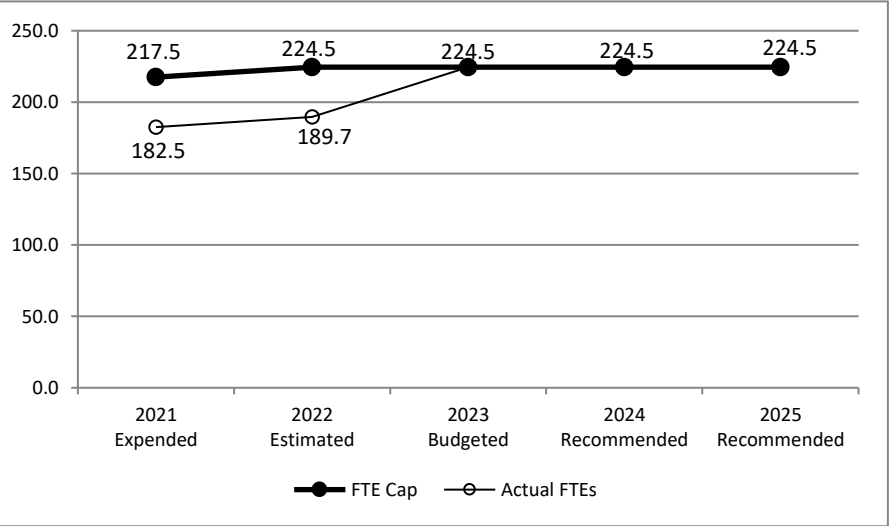
Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$25,639,444	\$24,820,040	(\$819,404)	(3.2%)
GR Dedicated Funds	\$5,890,000	\$6,490,000	\$600,000	10.2%
Total GR-Related Funds	\$31,529,444	\$31,310,040	(\$219,404)	(0.7%)
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$789,670	\$789,670	\$0	0.0%
All Funds	\$32,319,114	\$32,099,710	(\$219,404)	(0.7%)

	FY 2023 Budgeted	FY 2025 Recommended	Biennial Change	Percent Change
FTEs	224.5	224.5	0.0	0.0%

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Texas Medical Board
Summary of Funding Changes and Recommendations - Senate

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):							
1)	Decrease in General Revenue for the removal of one-time funding provided for the purchasing of new equipment associated with 7.0 additional appropriated FTEs.	(\$13,200)	\$0	\$0	\$0	(\$13,200)	A.1.1
2)	Swap of \$679,474 in General Revenue-Dedicated Texas Physician Health Program Fund No. 5147 to General Revenue to better reflect estimated revenue deposited into the GR-Dedicated No. 5147 account.	(\$600,000)	\$600,000	\$0	\$0	\$0	B.1.2
OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):							
A)	Decrease in General Revenue for the removal of one-time funds relating to the agency's capitol complex relocation.	(\$2,360,500)	\$0.0	\$0	\$0.0	(\$2,360,500)	A.1.1, B.1.1, C.1.1, C.1.2
B)	Increase for the general state employee salary increase with amounts not subject to revenue collection requirements.	\$2,154,296	\$0	\$0	\$0	\$2,154,296	C.1.1, C.1.2, D.1.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		(\$819,404)	\$600,000	\$0	\$0	(\$219,404)	As Listed
SIGNIFICANT & OTHER Funding Increases		\$2,154,296	\$0	\$0	\$0	\$2,154,296	As Listed
SIGNIFICANT & OTHER Funding Decreases		(\$2,973,700)	\$0	\$0	\$0		As Listed

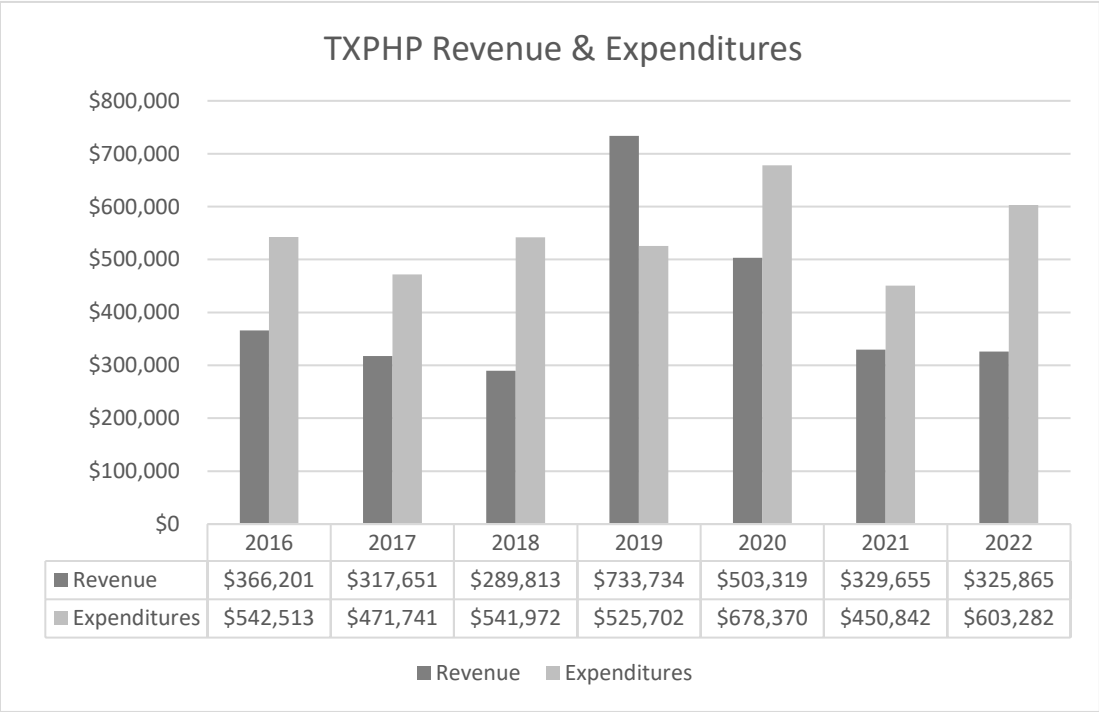
NOTE: Totals may not sum due to rounding.

Texas Medical Board
Selected Fiscal and Policy Issues - Senate

1. **MOF Swap from General Revenue to General Revenue-Dedicated Fund No. 5147.** Recommendations include replacing \$600,000 of funding previously appropriated during the 2022–23 biennium from General Revenue to General Revenue–Dedicated Texas Physicians Health Program Account No. 5147 (Fund 5147) based on agency revenue estimates of \$300,000 each year. Recommended funding amounts from Fund 5147 would be adjusted during markup to align more accurately with actual revenue deposits.

Pursuant to the enactment of Senate Bill 292, Eighty-first Legislature, 2009, the agency established the Texas Physicians Health Program (TXPHP), a program to serve physicians and other medical practitioners affected by substance use disorders, physical illnesses and impairment, and psychiatric conditions. Senate Bill 292 additionally granted the agency statutory authority to self-fund costs of administering the program through participation fees deposited to Fund 5147. Since the program’s enactment, program fees have been deposited to the credit of General Revenue. These funds have been used for administering the program, and no deposits have been made to Fund 5147. At the start of fiscal year 2023, the agency, in coordination with the Comptroller of Public Accounts, began depositing program fees into Fund 5147.

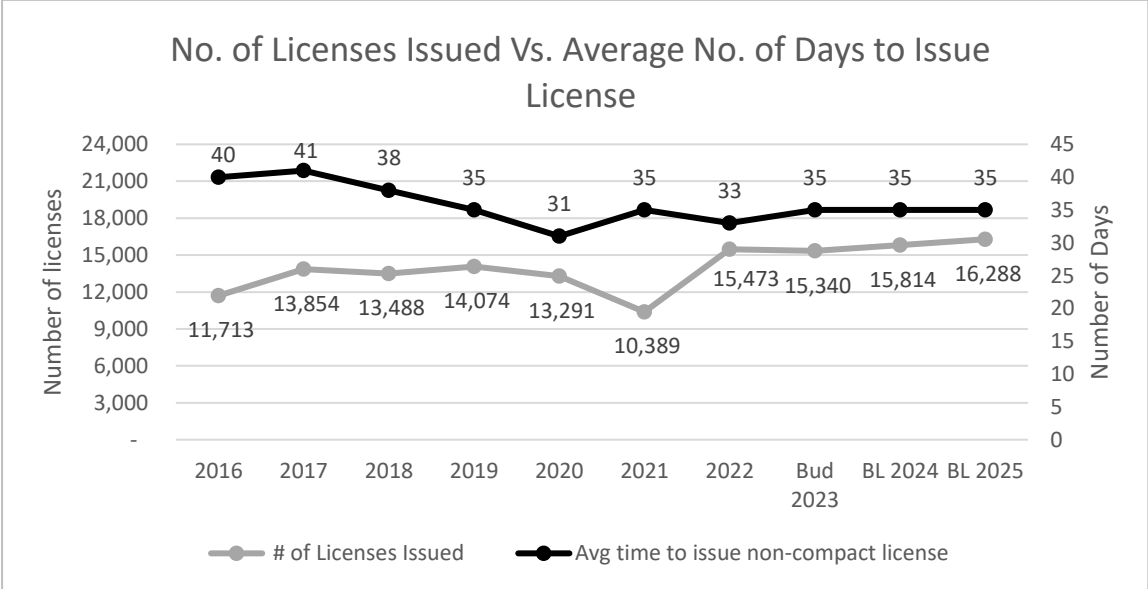
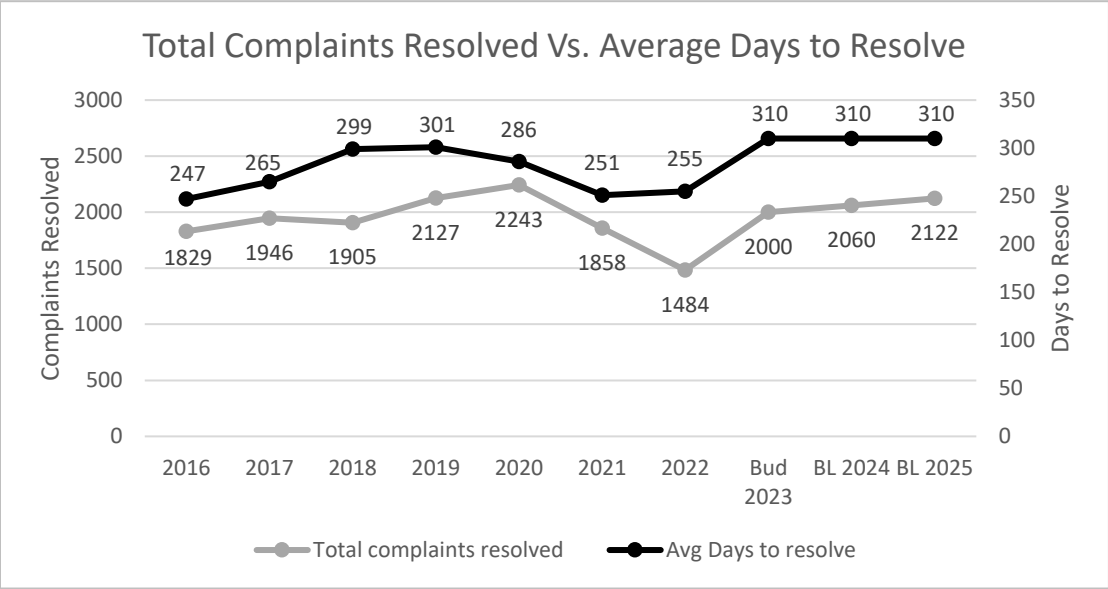
Not included in recommendations is an agency request to shift one hundred percent of the funding for TXPHP from General Revenue to Fund 5147 which would require \$1,939,106 in amounts deposited within Fund 5147 for the 2024-25 biennium. LBB staff estimates have determined that revenues and balances in the account would not be sufficient to cover these appropriation and other direct and indirect costs due to the high variability of annual collections. The \$300,000 recommended to be appropriated from Fund 5147 annually is based on conservative estimates reflecting the lowest consistent annual collections reported by the agency. The below table and chart are based on agency provided data and show a comparison of the program’s revenue generation and the expenditures.



Year	Revenue	Expenditures	Difference
2016	\$366,201	\$542,513	(\$176,312)
2017	\$317,651	\$471,741	(\$154,090)
2018	\$289,813	\$541,972	(\$252,159)
2019	\$733,734	\$525,702	\$208,032
2020	\$503,319	\$678,370	(\$175,051)
2021	\$329,655	\$450,842	(\$121,187)
2022	\$325,865	\$603,282	(\$277,417)
2023	\$37,540	\$36,737	\$802.63

2. **Contingency for House Bill 1616.** Recommendations include the decrease of \$13,200 in General Revenue for the removal of one-time funding provided for the purchasing of new equipment associated with 7.0 additional appropriated FTEs. Pursuant to the enactment of HB 1616, Eighty-seventh Legislature, 2021, the agency was authorized to join the Interstate Medical Licensure Compact, which allows expedited licenses for out-of-state physicians in member states. The agency was appropriated \$394,928 in FY2022, \$319,228 in FY2023, and 7.0 FTEs each fiscal year, of which \$13,200 was provided as one-time technology costs to purchase equipment associated with the new FTE positions.
3. **Increasing Workload.** Not included in Recommendations is an agency request for 5.0 million in General Revenue and authority for 61.0 additional FTE positions. The agency is requesting an additional 12 FTEs to support licensing and registration, 26 FTEs to support enforcement efforts including litigation, investigations, and complaints, 2 governmental affairs FTEs, and 21 support staff under indirect administration to administer the business functions of the agency. This request is to support the growth of the medical and health professional population in Texas, as the agency has increased licenses by thirty-two percent since 2016.

Below is a comparison of key measures reported by the agency of their licensing and enforcement divisions showing a comparison of number of complaints resolved and the average number of days to resolve the complaint and a comparison of the total number of licenses issued and the average number of days to issue a non-expedited physician license, as this represents the majority of licenses issued.



**Texas Medical Board
Rider Highlights - Senate**

Deleted Riders

4. **Quarterly Financial Reports.** Recommendations include the deletion of the rider. This rider was added in the Eightieth Legislature, 2007, Regular Session, when the agency entered a budget deficit and closer monitoring of the agency's financial activity was advised. The agency has not been in budgetary risk since then and the reports are no longer needed.

Texas Medical Board
Items Not Included in Recommendations - Senate

Section 5

	2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	General Revenue and GR-Dedicated funding for salary increases for current employees to align with market rate salaries and averages salaries under the Texas state classification plan.	\$2,148,232	\$2,148,232	0.0	No	No	\$2,148,232
2)	General Revenue funding and authority for an increase in the authorized annual salary of the Executive Director position from \$174,776 to \$193,104 within Group 5.	\$36,656	\$36,656	0.0	No	No	\$36,656
3)	General Revenue and GR-Dedicated funding for a ten percent inflation adjustment to the agency's operating budget for goods and services and to salary increases for current employees.	\$4,493,700	\$4,493,700	0.0	No	No	\$4,493,700
4)	GR-Dedicated funding and FTE authority to participate in the National Practitioner Data Bank for licensee background checks that can be uploaded to licensee profiles and to staff a new background check section to manage background checks and update the agency's public profiles for licensees. a) 1.0 Program Supervisor b) 2.0 License and Permit Specialists c) 2.0 Administrative Assistants	\$2,516,432	\$2,516,432	5.0	No	No	\$2,600,000
5)	General Revenue funding for additional FTEs to support current and future growth in license issuance. Breakdown of additional staff is as follows: 1) 12.0 FTEs to support licensing and registration 2) 26.0 FTEs to support enforcement efforts 3) 2.0 FTEs for governmental affairs 4) 21.0 FTEs for support staff under indirect administration to administer agency business functions.	\$10,010,400	\$10,010,400	61.0	No	No	\$9,271,092

Texas Medical Board
Items Not Included in Recommendations - Senate

Section 5

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
6)	One-time General Revenue and GR-Dedicated funding and capital budget authority to increase network bandwidth, storage capabilities, and cybersecurity enhancements. Funding is also for expansion into existing workspace for new employees, including floor design and build costs that were not planned for during the initial phase of capitol complex relocation.	\$705,000	\$705,000	0.0	Yes	Yes	\$0
7)	General Revenue and GR-Dedicated funding and capital budget authority to update the agency website to improve customer service relations, license application process, and availability of information related to the Texas Administrative Code and statutes.	\$400,000	\$400,000	0.0	Yes	Yes	\$100,000
8)	General Revenue and GR-Dedicated funding and capital budget authority for an E-File Document Management System to issue and manage electronic documents for electronic signature and reduce processing time for documentation requiring a signature. This includes license applications, orders issued by the agency for administrative action, and other electronic documents developed by the agency.	\$150,000	\$150,000	0.0	Yes	Yes	\$100,000
9)	General Revenue and GR-Dedicated funding and capital budget authority to develop digital and web-based applications and platforms to enhance customer service relations and interactions, including web-based interactions via chat, online video, and the agency's social media applications.	\$300,000	\$300,000	0.0	Yes	Yes	\$200,000
10)	One-time General Revenue and GR-Dedicated funding for a Virtual Private Network (VPN) project that will allow the agency to replace existing network infrastructure to improve bandwidth capabilities for agency employees to access agency system and applications remotely.	\$50,000	\$50,000	0.0	Yes	No	\$0
11)	One-time General Revenue and GR-Dedicated funding and an increase in capital budget authority for Network Lifecycle Replacement.	\$38,785	\$38,785	0.0	Yes	No	\$0

Texas Medical Board
Items Not Included in Recommendations - Senate

Section 5

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
12)	One-time General Revenue and GR-Dedicated funding and an increase in capital budget authority to provide software licenses for the Microsoft Enterprise Agreement and other software.	\$99,186	\$99,186	0.0	Yes	No	\$0
13)	One-time General Revenue and GR-Dedicated funding and an increase in capital budget authority to replace computer equipment such as laptops, desktops, monitors, printers, and scanners.	\$74,527	\$74,527	0.0	Yes	No	\$0
14)	One-time General Revenue and GR-Dedicated funding and an increase in capital budget authority for cybersecurity to provide hardware, software, and network capabilities to enhance and strengthen cybersecurity efforts that protect confidential and sensitive information.	\$30,305	\$30,305	0.0	Yes	No	\$0
15)	One-time General Revenue and GR-Dedicated funding and an increase in capital budget authority for Database Lifecycle Replacement to increase database and storage capabilities to maintain and secure licensee information in the cloud and/or local servers.	\$74,475	\$74,475	0.0	Yes	No	\$0
16)	One-time General Revenue and GR-Dedicated funding and capital budget authority for processing and scanning of both microfilm and paper records that the agency is required to maintain for records retention requirements. This project will reduce the requirement to physically maintain these records, saving space and storage space rental costs that average \$50,000 per fiscal year.	\$425,000	\$425,000	0.0	Yes	Yes	\$0
17)	General Revenue and GR-Dedicated funding to support employee professional development and leadership opportunities and an additional 3.0 FTEs to employ: a) 1.0 training coordinator b) 1.0 training assistant c) 1.0 E-learner	\$803,804	\$803,804	3.0	No	No	\$824,000

Texas Medical Board
Items Not Included in Recommendations - Senate

		2024-25 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2026-27
		GR & GR-D	All Funds	FTEs			
18)	General Revenue funding used for agency employee retirement and annual leave payouts as the agency is expecting a significant portion of their workforce to be eligible for retirement in the upcoming biennium.	\$600,000	\$600,000	0.0	No	No	\$600,000
Agency Rider Edit Requests Not Included							
19)	Salary Supplementation. Agency requests an increase in the authorized salary supplement for the Executive Director position from \$12,300 to \$13,530 if the Executive Director is a doctor and an attorney.	\$0	\$0	0.0	No	No	\$0
20)	Appropriation for Retirement Payments. Agency requests an informational rider designating amounts by strategy if the appropriation requested for annual leave payouts is adopted. See Item #18 above.	\$0	\$0	0.0	No	No	\$0
TOTAL Items Not Included in Recommendations		\$22,956,502	\$22,956,502	69.0			\$20,373,680

**Texas Medical Board
Appendices - Senate**

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* Appendix is not included - no significant information to report

Texas Medical Board					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
LICENSING A.1.1	\$7,451,638	\$6,789,938	(\$661,700)	(8.9%)	Recommendations include the following General Revenue changes: a) a decrease of \$648,500 for the removal of one-time funding for capitol relocation costs. b) a decrease of \$13,200 for the removal of one-time funding for purchasing equipment associated with new FTE positions.
Total, Goal A, LICENSURE	\$7,451,638	\$6,789,938	(\$661,700)	(8.9%)	
ENFORCEMENT B.1.1	\$17,461,040	\$16,394,940	(\$1,066,100)	(6.1%)	Recommendations include a decrease in General Revenue for the removal of one-time funding for capitol relocation costs.
PHYSICIAN HEALTH PROGRAM B.1.2	\$1,279,474	\$1,279,474	\$0	0.0%	
PUBLIC EDUCATION B.2.1	\$700,524	\$700,524	\$0	0.0%	
Total, Goal B, ENFORCE ACTS	\$19,441,038	\$18,374,938	(\$1,066,100)	(5.5%)	
INDIRECT ADMIN C.1.1	\$2,141,793	\$1,614,837	(\$526,956)	(24.6%)	Recommendations include a decrease in General Revenue for the removal of one-time funding for capitol relocation costs and an increase of \$5,676 in General Revenue for exempt position salary increase.
INDIRECT ADMIN C.1.2	\$3,284,645	\$3,184,623	(\$100,022)	(3.0%)	Recommendations include a decrease in General Revenue for the removal of one-time funding for capitol relocation costs and an increase of \$13,246 in General Revenue for exempt position salary increase.
Total, Goal C, INDIRECT ADMINISTRATION	\$5,426,438	\$4,799,460	(\$626,978)	(11.6%)	
SALARY ADJUSTMENTS D.1.1	\$0	\$2,135,374	\$2,135,374	100.0%	General Revenue funding for the general state employee salary increase.
Total, Goal D, SALARY ADJUSTMENTS	\$0	\$2,135,374	\$2,135,374	100.0%	
Grand Total, All Strategies	\$32,319,114	\$32,099,710	(\$219,404)	(0.7%)	

Texas Medical Board
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2021	Estimated 2022	Budgeted 2023	Recommended 2024	Recommended 2025
Cap	217.5	224.5	224.5	224.5	224.5
Actual/Budgeted	182.5	189.7	224.5	NA	NA

Schedule of Exempt Positions					
Executive Director, Group 5	\$156,145	\$156,145	\$165,315	\$174,776	\$174,776

- Notes:
- a) The State Auditor's Office Report, *Executive Compensation at State Agencies* (Report 22-706, August 2022), indicates a market average salary of \$174,776 for the Executive Director position at the Texas Medical Board. The agency is requesting to increase the authorized annual salary amount for the Executive Director position to \$193,104 within Group 5 and funding for this increase. See also, Items Not Included in Recommendations #2.
 - b) The Texas Medical Board may authorize an additional salary supplement not to exceed \$12,300 annually if the executive officer is a medical doctor and an attorney, as authorized by Rider 3, Salary Supplementation.
 - c) The State Auditor's Office is the source for the FY 2021 and FY 2022 annual average (actual) FTE levels.