

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

February 23, 2005

TO: Honorable Suzanna Gratia Hupp, Chair, House Committee on Human Services

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1014 by Dutton (Relating to investigations and other procedures with respect to allegations of child abuse or neglect.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1014, As Introduced: a positive impact of \$12,089,647 through the biennium ending August 31, 2007.

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
2006	\$4,979,735
2007	\$7,109,912
2008	\$7,778,419
2009	\$8,664,295
2010	\$9,280,155

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/ (Cost) from <i>GR MATCH FOR MEDICAID 758</i>	Probable Savings/ (Cost) from <i>FEDERAL FUNDS 555</i>	Change in Number of State Employees from FY 2005
2006	\$4,983,852	(\$4,117)	\$11,291,306	19.0
2007	\$7,113,029	(\$3,117)	\$15,110,765	20.1
2008	\$7,781,536	(\$3,117)	\$16,347,381	20.1
2009	\$8,667,412	(\$3,117)	\$17,986,086	20.1
2010	\$9,283,272	(\$3,117)	\$19,125,314	20.1

Fiscal Analysis

Section 1 would amend Family Code Section 261.302 regarding investigations of alleged child abuse and neglect, and would appear to prohibit the investigating agency from interviewing or examining a child in cases of suspected psychological, emotional or sexual abuse. The bill does not specify if or by whom interviews or exams would be performed in lieu of the Department of Family and Protective Services (DFPS). DFPS indicates there would be a fiscal impact if the interviews or exams were purchased through a contract provider (costs not included in the estimate). The bill would also appear to prohibit performing medical, psychological or psychiatric exams unless there is written consent from the child's parent, conservator or legal guardian or a court order. Audiotaping or videotaping all child interviews would be required by the bill, as would a recording of all initial telephone calls

reporting abuse or neglect of a child. DFPS would be required to record and preserve interviews, documents and original notes pertaining to all investigations.

Section 2 would require DFPS to establish mandatory standards for investigators.

Upon determination through an investigation that a child should be removed from the home, **Section 3** requires DFPS to inform the parent a person may be designated by the parent to care for the child. DFPS is required to place the child with the designated caregiver within a four-hour period after the designation is made, a criminal history background check is received by DFPS and the designated person agrees to the terms of the placement. DFPS shall assume custody: during the time in which the qualifications of the designated person are determined, if no one is designated, or if the designated person is unqualified by the background check (unless DFPS determines it will not endanger the child to be placed with a person otherwise determined by the background check to be unqualified). The right to designate a caregiver continues until the case is resolved by the court, and the court must remind the parent of this right at each hearing orally and in writing.

Section 4 gives the parent, conservator or legal guardian entitlement to an expedited hearing if DFPS determines a child should be removed from the home because of immediate danger to the child's health or safety. Any party to the expedited hearing is entitled to an expedited appeal on a ruling by the court that the child may or may not be removed from the home.

Section 5 requires DFPS to inform the parents that a suit affecting the parent-child relationship must be filed and DFPS must obtain court authorization before a service plan may be required.

Methodology

Section 1. DFPS indicates 7 additional caseworkers would be required to prepare petitions and obtain court orders to interview children in cases of sexual or emotional abuse (costs included in total costs for staff). It is assumed that DFPS would audiotape interviews at an increase of 60 percent, incurring costs for purchasing and storing tapes (total cost=\$0.3 million in 2006 and \$0.3 million in 2007). DFPS indicates three additional clerical staff would be needed for processing and storing tapes (costs included in total cost estimate for staff). DFPS indicates there would be no significant fiscal impact associated with recording calls to statewide intake or preserving documentation and notes.

Section 2. DFPS indicates there would be no significant fiscal impact to the agency.

Section 3. DFPS indicates that the implementation of the bill would result in a significant decrease in the number of children entering paid foster care. The estimate assumes an increase of 50 percent in the number of children entering non-paid substitute care placements, resulting in a savings to the state in foster care payments. The disruption rate (children leaving non-paid substitute care for paid foster care) assumed is 18.5 percent. Savings estimated for this section are \$17.9 million (\$6.2 million in General Revenue) in fiscal year 2006 rising to \$29.9 million (\$10.5 million in General Revenue) in fiscal year 2007.

Costs associated with implementation of **Section 3** would include criminal history background checks (total costs= \$0.3 million in 2006 and \$0.3 million in 2007) and 8 additional caseworkers DFPS estimates would be necessary to handle increased workload associated with attending additional court hearings related to Section 3 and **Section 4**. DFPS indicates there could be future federal funding issues associated with Title IV-E (federal payments for foster care) funds if Section 3 and/or **Section 5** of the bill were to be implemented.

Total costs for staff were estimated assuming a hiring ratio of seven caseworkers per supervisor, six caseworkers per clerical employee, and 30 caseworkers per attorney. It is assumed that supervisors would be hired at the same time as caseworkers, with other staff phased in three and six months after the hiring of caseworkers. It is also assumed that clerical and legal staff would not be needed during the initial three month training period for caseworkers, with half needed during the next three months when caseworkers are assumed to be carrying half the caseload of a fully trained worker. The number of additional FTE positions would be 19 for fiscal year 2006 (total salary cost of \$1 million) rising to 20.1 in fiscal year 2010 (total salary cost of \$1 million). In addition to salary and fringe benefits, the

estimate includes cost for travel, computers, telecommunications equipment and other operating expenses.

Technology

Some technology impacts are estimated to be associated with the addition of staff and are included in amounts above.

Local Government Impact

Costs to local courts to implement the provisions of the bill would depend upon: the number of medical, psychological, or psychiatric examinations required in which the Department of Family and Protective Services (DFPS) is unable to obtain the consent of the child's parent, conservator, or legal guardian; the number of emergency court hearings required in the event of a child protection plan violation; and the number of motions and appeals filed by parents who seek to modify or dismiss a required service plan.

There could also be additional costs to local law enforcement agencies if DFPS requests a background check on the designated caregiver(s) identified by the child's parent, conservator, or legal guardian.

Source Agencies: 530 Department of Family and Protective Services

LBB Staff: JOB, CL, PP, BW, KJG