

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 28, 2005

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

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

IN RE: SB6 by Nelson (Relating to protective services; providing penalties.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB6, As Engrossed: a negative impact of (\$119,134,325) 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	(\$54,052,149)
2007	(\$65,082,176)
2008	(\$69,720,836)
2009	(\$74,556,633)
2010	(\$78,959,721)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable Revenue (Loss) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable (Cost) from <i>Guardianship Resource</i> <i>Account</i> 8100
2006	\$1,010,445	(\$54,428,594)	(\$634,000)	(\$634,000)
2007	\$11,683,322	(\$76,131,498)	(\$634,000)	(\$634,000)
2008	\$19,327,024	(\$88,413,860)	(\$634,000)	(\$634,000)
2009	\$19,478,571	(\$93,401,204)	(\$634,000)	(\$634,000)
2010	\$19,642,241	(\$97,967,962)	(\$634,000)	(\$634,000)

Fiscal Year	Probable Revenue Gain from <i>Guardianship Resource</i> <i>Account</i> 8100	Probable Revenue Gain from <i>CHILD</i> <i>ABUSE/NEGLECT</i> <i>TRUST</i> 5085	Probable Savings from <i>FEDERAL FUNDS</i> 555	Probable (Cost) from <i>FEDERAL FUNDS</i> 555
2006	\$634,000	\$1,300,000	\$1,506,056	(\$16,172,142)
2007	\$634,000	\$1,300,000	\$6,623,777	(\$20,864,324)
2008	\$634,000	\$1,300,000	\$9,512,034	(\$24,037,229)
2009	\$634,000	\$1,300,000	\$9,792,490	(\$24,352,055)
2010	\$634,000	\$1,300,000	\$10,095,383	(\$24,596,704)

Fiscal Year	Probable (Cost) from STATE HIGHWAY FUND 6	Change in Number of State Employees from FY 2005
2006	(\$310,976)	883.4
2007	(\$286,631)	824.5
2008	(\$96,551)	666.6
2009	(\$96,314)	682.7
2010	(\$96,314)	692.0

Fiscal Analysis

ARTICLE 1. CHILD PROTECTIVE SERVICES

Section 1.06 would require the Department of Family and Protective Services (DFPS) to enter into agreements with other states for the exchange of child abuse and neglect reports. **Section 1.11** would require the agency to use highly skilled caseworkers to screen out less serious cases of abuse and neglect if a child's safety can be assured without further investigation. **Section 1.12** would require the agency or another person, other than a law enforcement agency, to audio- or video- tape interviews with every child who is alleged to be a victim of abuse or neglect.

Section 1.13 would require the county attorney, district attorney, or criminal district attorney to assist DFPS by requesting the court to issue an ex-parte order requiring the Texas Crime Information Center to place members of a family the agency is attempting to locate on a child safety check alert list.

Section 1.19 would require DFPS to employ or contract with medical/law enforcement professionals throughout the state to provide forensic support and assist caseworkers. It would also require the agency to employ or contract with subject matter experts to consult with caseworkers.

Section 1.23 would require residential child-care facilities (RCCFs) to report each incident of physical or sexual abuse committed by a child against another child. **Section 1.24** would require DFPS to perform a background and criminal history check, and a home study if appropriate, of each individual identified as a potential caregiver on a child placement resources form, until a qualified caregiver is identified. **Section 1.28** would require the court to make a finding at the status hearing about whether the individual who has the right to consent to medical care for the child has been identified. **Section 1.29** would only allow the court to retain jurisdiction of a suit requesting termination of the parent-child relationship, or appointment of DFPS as managing conservator, for an additional 180 days, if the court finds that extraordinary circumstances exist. **Section 1.32** would require DFPS, in cooperation with district and county courts, to expand the use of tele- and video- conferencing.

Section 1.34 relates to privatization of certain child welfare functions. It would require DFPS to contract with substitute care providers for the following services for children in substitute care: recruitment, training, and management of foster parents; recruitment of adoptive families; and facilitation and processing of adoptions. It would require the Executive Commissioner of the Health and Human Services Commission (HHSC) to adopt a plan that requires the agency to begin the transition as soon as possible after September 1, 2005. It would prohibit the agency from directly providing substitute care services after August 31, 2008. It would also require the agency to include performance criteria in substitute care contracts and to monitor the quality of contracted services. **Section 1.35** would require HHSC and DFPS to adopt a substitute care services transition plan by March 1, 2006. The plan must include numerous elements, such as an implementation plan to transfer all DFPS foster homes to private child-placing agencies and all adoption services to private agencies; a process for assessing the service needs of each child transferred to a private provider; and a description of how the agency will shift to competitive procurement. **Section 1.37** would establish a Substitute Care Services Transition Task Force that would report to the Lieutenant Governor, the Speaker of the House, and the Legislative Budget Board. The task force would be abolished on August 31, 2008.

Section 1.38 would require DFPS to assess whether children entering foster care have a developmental disability or mental retardation, and **Section 1.39** would establish a Foster Care Developmental Disabilities Advisory Committee, exempt from Chapter 2110 of the Government Code, and authorize HHSC or DFPS to pay any expenses incurred by the committee. Members of the committee would be entitled to reimbursement of travel expenses as provided in the General

Appropriations Act. **Section 1.41** would require DFPS to develop a statewide foster grandparents program that encourages senior citizen volunteers to mentor children living in residential child-care facilities, and would authorize the agency to reimburse volunteers for their expenses (including travel).

Section 1.55 would require DFPS to establish a relative and other designated caregiver placement program. **Section 1.56** would require the agency to develop a health passport for foster children with information available in electronic format by September 1, 2007. **Section 1.57** would increase the family protection (divorce) fee adopted by commissioners courts from \$15 to \$30, and require the new revenue to be deposited to the credit of the child abuse and neglect prevention trust fund account.

Section 1.62 would require the State Auditor, subject to approval by the legislative audit committee, to conduct a management review of HHSC and DFPS residential contract management employees; make recommendations regarding implementation of financial accountability provisions and processes; and participate in financial audits of selected residential contractors. It would require HHSC to contract with the State Auditor to perform on-site financial audits of selected residential contractors. And it would authorize DFPS to develop an Internet-based system so residential child-care contractors can reconcile their accounts. **Section 1.63** would require HHSC or the Medicaid operating agency to include medically fragile foster children in the catastrophic case management program no later than January 1, 2006.

Section 1.69 would require DFPS to establish an independent quality assurance program for child protective services that includes periodic audits of investigation and inspection reports. **Section 1.70** would establish a Protective Services Legislative Oversight Committee. Members would be entitled to reimbursement of travel expenses incurred while conducting council business as provided in the General Appropriations Act. **Section 1.75** would require the agency to develop a program to provide for the timely replacement of caseworkers with trainees hired in anticipation of vacancies. **Section 1.77** would require the agency to provide enhanced training for child protective services caseworkers, such as requiring core curriculum and advanced training before caseworkers transfer to a new specialty.

Section 1.79 would require DFPS to implement a staffing and workload distribution plan for child protective services. **Section 1.80** would require the agency to follow additional guidelines when purchasing services. It would require HHSC to create a performance team to develop standards for foster care contracts, and an alternative payment plan for foster care contractors. It would also require the State Auditor to participate on the performance team.

Section 1.87 would require DFPS to periodically inspect a random sample of agency homes. **Section 1.90** would require the agency to include information on violations of minimum standards in its computerized database and to categorize the violations according to various criteria. **Section 1.95** would require the agency to conduct background and criminal history checks on prospective RCCF employees who will provide direct care or have direct access to children. **Section 1.97** would require DFPS to perform a risk assessment of RCCF employees and volunteers who have been convicted of a crime, and children over age 13 staying at the facility. **Section 1.99** would require licensees to report serious incidents involving children and potential violations of regulatory law. **Section 1.107** would establish a licensure program for child-placing agency administrators.

ARTICLE 2. ADULT PROTECTIVE SERVICES.

Section 2.03 would require DFPS to establish a training program that adult protective services employees must complete before initiating an investigation or providing services. **Section 2.05** would amend the definition of “neglect” in Human Resources Code to include individuals who leave a medical care facility, against medical advice, if leaving would place the person at imminent risk of harm and a physician has documented that the person is not mentally competent.

Section 2.10 would require DFPS to ensure that especially complex cases of abuse, neglect, and exploitation are assigned to personnel with appropriate experience and training, and monitored by a special task unit for complex cases. **Section 2.15** would require the agency to establish a program to provide temporary emergency shelter for adult protective services clients under emergency order to move to safer surroundings. **Section 2.18** would require health and human services agencies to adopt a joint memorandum of agreement to establish a system of local interagency staffing groups for

elderly and disabled persons needing multi-agency services. **Section 2.21** would require the Legislative Budget Board to monitor and report on implementation of adult protective services reforms no later than January 1, 2007.

ARTICLE 3. GUARDIANSHIP AND RELATED SERVICES.

Article 3 would make changes to the guardianship program, which is currently operated by the Department of Aging and Disability Services (DADS) via interagency contract with DFPS. **Section 3.32** would transfer all DFPS powers, duties, functions, programs, and activities related to providing guardianship services for incapacitated persons under Chapter 48 of the Human Resources Code to DADS, effective September 1, 2005.

Section 3.04 would require DADS to serve as the guardian of last resort of an incapacitated person under Chapter XIII of the Texas Probate Code. **Section 3.05** would limit the number of wards served by the agency at any one time to 1,500. **Section 3.13** would allow the court in certain counties to appoint DFPS to determine whether an individual needs a guardian or a less restrictive alternative. **Section 3.15** would prohibit the court from appointing DADS as guardian except as a last resort. This would be a change from current law that limits the state's role as guardian to certain cases. **Section 3.19** would require DADS employees to be certified in order to be court appointed as a guardian.

Section 3.26 would create a new Guardianship Alliance Office (GAO) administratively attached to the Office of Court Administration, and a Guardianship Alliance Board appointed by the Supreme Court, to certify private professional and public guardians; develop a statewide system to identify guardianships pending in each county; establish a central registry of all private professional guardians; and conduct related planning and oversight activities. It would also create a new dedicated account in the General Revenue Fund (the Guardianship Resources Account). Revenue to the account would be generated from payment of certain unclaimed estates currently collected by the Comptroller and deposited to the state treasury (Section 3.29), certification fees established by the Guardianship Alliance Board (Section 3.26), and donations. Government Code 111.050, added by the bill, would limit administrative costs to no more than 22 percent of the funds received each fiscal year. Government Code 111.048, also added by the bill, would require distribution of the remaining funds as grants or contracts in accordance with a plan developed by the GAO.

Section 3.35 would abolish the HHSC Guardianship Advisory Council on September 1, 2005. **Section 3.20** would transfer the commission's responsibility for maintaining current names and business addresses of private professional guardians to the GAO. Savings to the state from eliminated responsibility at the commission are included in the cost estimate.

Methodology

ARTICLE 1. CHILD PROTECTIVE SERVICES.

Section 1.06. DFPS indicates that one additional FTE (an attorney) would be needed to negotiate agreements for the exchange of child abuse and neglect information with other states, and to handle litigation arising from regulatory action (total salary = \$47,820 per year). There would also be a one-time technology cost to develop a standard interface format for all states. The total cost would \$0.4 million in 2006 and \$0.1 million each following year. **Section 1.11.** The agency indicates that 41 additional FTEs would be needed to screen out reports of child abuse and neglect that do not warrant a full investigation. The total cost would be \$2.5 million in 2006 and \$2.3 million each following year. **Section 1.12.** The agency estimates a cost of \$0.3 million per year for audio-taping materials.

Section 1.13. The Department of Public Safety indicates that 2 additional FTEs (total salary = \$72,504 per year) would be needed to implement the child safety check alert list requirement. There would also be one-time programming costs of \$0.2 million per year in 2006 and 2007. The total cost would be \$0.3 million in 2006, \$0.3 million in 2007, and \$0.1 million each following year. The method of financing is assumed to be Highway Fund 6.

Section 1.19. It is assumed that DFPS will need 20 additional FTEs (total salary = \$0.8 million per year) to provide regional forensic investigation support. The total cost would be \$1.4 million in 2006 and \$1.3 million each following year. **Section 1.23.** The agency has indicated that nine FTEs would be needed to investigate nearly 1,000 reports of physical or sexual abuse committed by a child against

another child per year. The total cost would be \$0.5 million in fiscal year 2006 and \$0.4 million each following year. **Section 1.24.** It is assumed that the state would pay the anticipated cost of \$41 to perform a background and criminal history check on each adult in prospective substitute caregiver families. The total cost would be \$0.6 million rising to \$0.8 million in 2010. It is also assumed that additional workers would be needed to perform home studies: 31.7 FTEs in 2006 rising to 44.2 FTEs in 2010. The total cost would be \$2.4 million in 2006 rising to \$3.1 million in 2010. The estimate is based on the agency's direct delivery staffing model that includes one supervisor for every 7 caseworkers, one clerk for every 6 caseworkers, and one attorney for every 30 caseworkers.

Section 1.28. DFPS indicates that 39.5 FTEs would be needed to handle the additional workload of requesting the court to name a new caseworker to consent to treatment when a child's case is transferred. The estimate is based on the following assumptions – 1,108 substitute care workers would transfer an average of 8 cases per worker per month; each transfer would require 0.58 hours of work; and 130 service delivery hours would be available per worker per month. The total cost would be \$2.2 million in 2006 and \$2.0 million each following year.

Section 1.29. DFPS has indicated that 5.5 FTEs would be needed to handle the additional workload associated with re-filing petitions and seeking custody for cases that would terminate prematurely due to congested court dockets. The estimate is based on the following assumptions - an average of 47 petitions would be re-filed per month; each petition would require 14 hours of work; and 130 service delivery hours would be available per worker per month. The total cost would be approximately \$0.3 million per year. **Section 1.32.** The agency estimates that it would cost \$1,700 to purchase one videophone per investigation unit to facilitate participation in court proceedings. The total cost would be \$0.1 million in 2006 and \$0.8 million in 2007.

Section 1.34. There would be multiple fiscal impacts for this section that would privatize certain child welfare functions. For the section as a whole: the General Revenue Fund savings would be \$9.7 million in 2007 and \$17.2 million each following year; the total General Revenue Fund cost would be \$2.5 million in 2006 rising to \$21.3 million in 2010.

Substitute Care Services. It is assumed that substitute care services for children in temporary and permanent managing conservatorship would transition to private contractors on a monthly rollout schedule during fiscal year 2007. DFPS would save 232.2 FTEs in 2007 and 418.0 FTEs each following year. This estimate is based on the agency's methodology that allocates 9.0% of the direct delivery workforce to substitute care services (foster and adoptive home development), and uses 2005 staffing levels. It is assumed that the transition would be cost neutral. The total savings/costs would equal \$13.1 million in 2007 and \$23.2 million each following year. Fringe benefit savings/costs totaling \$2.2 million in 2007 and \$4.0 million each following year are included in this estimate. Fringe benefit appropriations would move from the Comptroller's Office and the Employees Retirement System to DFPS.

Residential Child Care Licensing Staff. DFPS has indicated that ten additional FTEs would be needed to provide adequate regulatory oversight of the expanded private system of residential child care services and to maintain a ratio of one monitoring worker for every 20 licensees. The total cost would be \$0.5 million each year.

Oversight Responsibilities. DFPS indicates that additional FTEs would be needed to manage contracts, process payments, conduct audits and provide quality assurance for the new system. These include 16.9 FTEs in 2006 (total salary = \$0.7 million), 49.3 FTEs in 2007 (total salary = \$2.0 million), 68.1 FTEs in 2008 (total salary = \$2.7million) and 76.0 FTEs each following year (total salary = \$3.0 million). The total cost would be \$1.2 million in 2006, rising to \$5.0 million in 2010.

Information Technology Projects. DFPS has indicated that modifications to existing automated systems would be needed to develop secure interfaces with external providers. The total cost to modify the IMPACT automated system would be \$1.6 million. This cost would be incurred during fiscal year 2006.

Section 1.38. It is assumed that 25% of children entering foster care (3,921 in fiscal year 2006 and 4,234 each following year) would require a full screening for developmental disabilities and mental

retardation, with an estimated cost per screen of \$140. It is also assumed that the Federal Medical Assistance Percentage (FMAP) would apply. The total cost would be \$0.5 million in 2006 and \$0.6 million each following year. **Section 1.41.** It is assumed that three FTEs would be needed to develop and oversee implementation of the statewide volunteer foster grandparents mentoring program, and that these FTEs would be phased in during fiscal year 2006. The estimate includes \$10,000 per year for recruitment, training, and travel costs for volunteers and staff. The total cost would be \$0.1 million in 2006 and \$0.2 million each following year.

Section 1.55. There would be multiple fiscal impacts for this section that would establish a relative caregiver placement program. For the section as a whole, the General Revenue Fund cost would be \$7.2 million in 2006, \$19.6 million in 2007, \$24.2 million in 2008, \$28.8 million in 2009, and \$33.3 million in 2010.

It is assumed that the relative caregiver placement program would be implemented on March 1, 2006. It would serve 3,849 children in 2006, 8,314 children in 2007, and grow by 8 percent each following year. All participants would receive the one-time \$1,000 per-family stipend (total cost = \$2.5 million in 2006 rising to \$6.6 million in 2010). The disruption rate (participants returning to DFPS paid foster care) would be 9.5 percent, and the net number of participants who remain would receive a one-time \$500 flexible benefit (total cost = \$1.7 million in 2006 rising to \$4.7 million in 2010).

Twenty-five percent of the families would receive five hours of counseling costing \$60 per hour (total cost = \$0.2 million in 2006 rising to \$0.5 million in 2010). Forty-three percent of the children would use day care services costing \$18.20 per day (total cost = \$2.1 million in 2006 rising to \$19.9 million in 2010). Training costs would also be incurred during the first year of the program.

DFPS indicates that additional staff would be needed to implement the program. The estimate is based on the agency's direct delivery staffing model that assumes a hiring ratio of seven caseworkers per supervisor, six caseworkers per clerical employee, and 30 caseworkers per attorney. There would be 29.2 additional FTEs in 2006 (total salary = \$0.9 million); 70.9 in 2007 (total salary = \$2.0 million); 77.5 in 2008 (total salary = \$2.2 million); 83.0 in 2009 (total salary = \$2.4 million); and 89.6 in 2010 (total salary = \$2.5 million). Fringe benefit costs would rise from \$0.3 million in 2006 to \$0.8 million in 2010. The estimate also includes costs for travel, computers, telecommunications equipment and other operating expenses.

It is assumed that the program would reduce the disruption rate of relative placements from the current rate of 18.5 percent to 9.5 percent. Foster care savings are calculated by estimating the cost of foster care with and without the program. Total savings would rise from \$2.3 million in 2006 to \$6.3 million in 2010.

Section 1.56. The Health and Human Services Commission (HHSC) indicates that 2.5 FTEs (total salary = \$0.1 million) and \$0.2 million for technology would be needed to develop the health passport system for foster children in 2006. The commission also indicates that 0.5 FTEs and \$0.1 million would be needed each following year to maintain the system. **Section 1.57.** DFPS estimates a revenue gain of \$1.3 million each year for GR Account 5085 (Child Abuse and Prevention Trust) from the family protection fee.

Section 1.62. The State Auditor indicates that 3.8 FTEs (total salary = \$0.3 million) would be needed to conduct the management review and make financial accountability recommendations in 2006. The total cost would be \$0.4 million. It is assumed that this amount would be appropriated directly to the State Auditor's Office in General Revenue Funds. The State Auditor also indicates that 2.0 FTEs (total salary = \$0.2 million) would be needed to perform the on-site financial audits of selected residential contractors. An additional \$0.4 million would be needed to pay for contracted financial audit services. The total cost would be \$0.6 million per year. It is assumed that this amount would be appropriated directly to HHSC and that HHSC would reimburse the State Auditor via interagency contract. DFPS indicates that the cost to develop the internet-based system for residential contractors would be \$1.9 million.

Section 1.63. It is assumed that the number of medically fragile foster children requiring catastrophic case management would be 954 in fiscal year 2006 and 1,009 each following year. The annual case

management cost per child would be \$2,109 and the Federal Medical Assistance Percentage (FMAP) would apply. Implementation is assumed to occur on January 1, 2006; the case management cost per child for eight months of fiscal year 2006 would be \$1,406. The total cost would be \$1.3 million in fiscal year 2006 and \$2.1 million each following year. **Section 1.69.** The cost to develop and implement an independent quality assurance program for child protective services is included in the estimate for Section 1.34.

Section 1.75. It is assumed that DFPS would need 141.8 FTEs in fiscal year 2006 and 189.0 FTEs each following year to implement a statewide caseworker replacement program. The total cost would be \$7.4 million in 2006 and \$9.8 million each following year. **Section 1.77.** It is assumed that the agency would need 20 additional FTEs (total salary = \$0.7 million) in 2006 and 40 FTEs (total salary = \$1.4 million) each following year to improve the quality and consistency of training provided to caseworkers. It is also assumed that the agency would contract for enhancement of computer-based training (total cost = \$0.6 million) and purchase additional computer training and distance learning equipment (total cost = \$0.3 million). The total cost would be \$1.9 million per year.

Section 1.79. It is assumed that DFPS would need an additional 326.3 FTEs per year (total salary = \$10.8 million) to strengthen the investigative function by providing one senior investigator for every four caseworkers. The total cost would be \$19.7 million in 2006 and \$18.3 million each following year. **Section 1.80.** DFPS has indicated that costs associated with purchasing guidelines, performance teams, and related activities are included in Section 1.34.

Section 1.86 and Section 1.107. The cost of regulating child-placing agencies is included in Section 1.99. **Section 1.88.** DFPS has estimated a cost of \$1.9 million in 2006 and \$0.4 million each following year for exit conferences with residential child care providers and database modifications (Section 1.90). **Section 1.95.** It is assumed that the cost of conducting background and criminal history checks on prospective RCCF employees would be equal to fee revenue collected for this activity.

Section 1.97. DFPS indicates that eight FTEs would be needed to process 10,000 risk assessments per year. The total cost would be \$0.6 million in 2006 and \$0.4 million each following year. **Section 1.99 and Section 1.86.** DFPS has indicated that 74 FTEs would be needed to handle the workload associated with new reporting requirements. The total cost would be \$3.8 million in 2006 and \$3.4 each following year.

The Office of the Attorney General anticipates that any legal work resulting from a stronger enforcement program could reasonably be absorbed within current resources. The State Office of Administrative Hearings does not anticipate a significant fiscal impact from the new enforcement procedures.

ARTICLE 2. ADULT PROTECTIVE SERVICES.

Section 2.03. DFPS indicates that additional FTEs would be needed to implement a comprehensive training program for adult protective services employees. These include nine FTEs in 2006 and 14 FTEs each following year. The total cost would be \$0.5 million in 2006 and \$0.7 million each following year.

Section 2.05. DFPS indicates that seven FTEs as well as funds for emergency client services would be needed to address an additional 1,000 cases of neglect each year. The total cost would be \$0.5 million per year. **Section 2.10.** The agency has indicated that three additional FTEs each year would be needed to ensure that investigations of complex issues are assigned to experienced personnel. The total cost would be \$0.2 million in 2006 and \$0.1 million each following year. **Section 2.15.** The agency estimates that the cost to provide emergency shelter for 25 percent of the additional 1,000 cases of neglect cited in Section 2.05 would be \$0.8 million per year. **Section 2.18.** The agency indicates that three FTEs would be needed to handle the workload associated with more intensive staffing of highly complex adult protective services cases. This estimate assumes that ten percent of confirmed cases would be referred to the local interagency staffing groups. The total cost would be \$0.2 million in 2006 and \$0.1 million each following year

ARTICLE 3. GUARDIANSHIP AND RELATED SERVICES.

Section 3.13. DFPS indicates that 22 FTEs for 2006-07 (total salary = \$0.7 million) and 23 FTEs each following year would be needed to determine whether individuals in certain counties need a guardian or a less restrictive alternative. The estimate assumes that 47 percent of the state's population lives in a county without a statutory probate court; guardianship assessments would be requested for 2,246 individuals per year; and 25 percent of persons assessed would need medical or psychiatric evaluations (total cost = \$0.2 million per year). The total cost is approximately \$1.5 million per year.

The Department of Aging and Disability Services (DADS) indicates that **Section 3.15** would increase the number of wards assigned to the state for guardianship services and estimates that the state would serve the maximum number of wards allowed (1,500) by the end of 2006. The agency indicates that 44.2 FTEs would be needed in 2006 and 70.9 FTEs would be needed each following year to provide the guardianship services. There would also be costs incurred by the requirement in **Section 3.19** for DADS staff to be certified through the Guardianship Alliance Office. The total cost would be \$3.2 million in 2006, \$4.9 million in 2007, and \$4.7 million each following year.

Section 3.26. It is estimated that 5.5 additional FTEs (four at the Guardianship Alliance Office and 1.5 at the Office of Court Administration) would be needed to implement this section of the bill. Salaries, fringe, rent, operating costs (including one-time costs associated with the adding of state employees) and travel reimbursement for board members are included in the estimate. The staff costs would be \$0.5 million in 2006 and \$0.4 million each following year.

The Comptroller of Public Accounts estimates that \$0.6 million currently deposited into the General Revenue Fund would be directed to the newly created Guardianship Resources Account if the bill were to be implemented. It is assumed that the remainder of the costs of this section would be funded with General Revenue. In accordance with the stipulations of the bill, it is assumed that the administrative costs would comprise 22 percent of the total costs of this section, and grants would be funded in the amount of \$1.7 million in 2006 and \$1.6 million each following year. The total costs associated with implementing Section 3.26 would be \$2.1 million in 2006 and \$2.0 million each following year.

The bill would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. Therefore, the fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

It is assumed that Temporary Assistance for Needy Families (TANF) Federal Funds would not be available to finance any of the activities mentioned above; therefore, General Revenue Funds are used in place of TANF Federal Funds (\$18.4 million in 2006 rising to \$25.8 million in 2010). It is also assumed that Child Care Development Fund (CCDF) Federal Funds would not be available; therefore, General Revenue Funds are used in place of CCDF Federal Funds (\$4.8 million in 2006 rising to \$22.2 million in 2010).

It is assumed that all remaining sections of the bill would have no significant fiscal impact.

Technology

There are a number of fiscal impacts related to information technology. These are detailed in the methodology above.

Local Government Impact

Costs to county, district, or criminal district attorney's offices and local law enforcement agencies to implement (a) Section 1.13 would depend upon the number of families DFPS failed to locate to investigate a report of child abuse or neglect and (b) Sections 1.14 or 1.15 would depend upon the number of cases of failure to cooperate with an investigation or interference with an investigation that are filed in a county.

It is assumed that local law enforcement agencies would comply with Section 1.21 only if the funds are available to co-locate with agencies that investigate child abuse. It is also assumed that a local mental retardation authority, or a provider of a county with a local child welfare board, would comply with Section 1.38 only if the funds are available to assist DFPS with child developmental disability or mental retardation assessments.

Courts may see additional petitions and reviews related to medical care of a child in foster care if Section 1.56 of the bill is implemented.

Section 1.57 of the bill proposes to increase and make mandatory the Family Protection Fee. According to the Office of Court Administration (OCA), 111,648 suits for dissolution of marriage were filed in fiscal year 2004. The bill would increase the fee from an amount not to exceed \$15 to an amount not to exceed \$30, with half of the fee going to the child abuse and neglect prevention fund account. Assuming that filings remained flat and counties set the fee at the maximum rate, implementing the fee change would result in approximately \$1.3 million for the prevention fund account and \$1.3 million for counties. Counties that currently assess the fee would not see their revenues change. Counties that do not currently assess the fee would see some additional revenue.

It is assumed that a local governmental entity would participate in the pooled funding for foster care preventive services outlined in Section 1.60 only if the funds are available.

It is assumed that a county that wishes to provide adult protective services, or to form a county cooperative to deliver such services as outlined by Section 2.17, would participate only if the funds are available to create and operate the programs. Section 2.18 requires memoranda of understanding that would require each participating agency to contribute to resolving coordination issues at the local level. Local-level interagency staffing groups would be formed to coordinate services for persons (elderly, disabled or persons other than elderly or disabled) that require multi-agency services. A need for additional local resources may be identified through this process.

It is assumed that a county would enter into agreements for appointment as a public guardian as outlined in Section 3.15 only if the funds are available. To implement Section 3.21, county clerks would incur some costs to receive and store the required statements from guardianship programs and to submit annual reports to the Guardianship Alliance Office. Section 3.26, which creates the Guardianship Alliance Office, could have a significant fiscal impact to the local governments. The counties would need to update their current case management system, or develop a new system to collect and report the guardianship statistics, as well as develop processes for identifying and collecting the information.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 320 Texas Workforce Commission, 360 State Office of Administrative Hearings, 405 Department of Public Safety, 407 Commission on Law Enforcement Officer Standards and Education, 529 Health and Human Services Commission, 530 Department of Family and Protective Services, 537 Department of State Health Services, 539 Department of Aging and Disability Services, 696 Department of Criminal Justice, 701 Central Education Agency, 781 Higher Education Coordinating Board

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