

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

February 28, 2005

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

IN RE: SB6 by Nelson (Relating to protective services; providing penalties.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB6, Committee Report 1st House, Substituted: a negative impact of (\$119,147,746) 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	(\$55,351,729)
2007	(\$63,796,017)
2008	(\$68,383,961)
2009	(\$73,193,170)
2010	(\$77,616,458)

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 (Cost) from <i>New GR Dedicated -</i> <i>Guardianship Resource</i> <i>Account</i>	Probable Revenue Gain from <i>CHILD</i> <i>ABUSE/NEGLECT</i> <i>TRUST</i> 5085
2006	\$809,884	(\$56,161,613)	(\$479,914)	\$1,300,000
2007	\$11,482,761	(\$75,278,778)	(\$441,056)	\$1,300,000
2008	\$19,126,463	(\$87,510,424)	(\$441,056)	\$1,300,000
2009	\$19,278,010	(\$92,471,180)	(\$441,056)	\$1,300,000
2010	\$19,441,680	(\$97,058,138)	(\$441,056)	\$1,300,000

Fiscal Year	Probable Savings from <i>FEDERAL FUNDS</i> 555	Probable (Cost) from <i>FEDERAL FUNDS</i> 555	Change in Number of State Employees from FY 2005
2006	\$1,506,056	(\$16,976,349)	865.6
2007	\$6,623,777	(\$21,170,250)	808.7
2008	\$9,512,034	(\$24,328,508)	650.8
2009	\$9,792,490	(\$24,644,271)	666.9
2010	\$10,095,383	(\$24,888,920)	676.2

Fiscal Analysis

ARTICLE 1. CHILD PROTECTIVE SERVICES.

Sections 1.01 through 1.78 relate to the delivery of child protective services; Sections 1.80 through 1.116 relate to the regulation of child-care providers; Sections 1.117 through 1.121 relate to prevention and early intervention as well as child protective services.

Sections 1.01 and 1.02 would require the Texas Education Agency and the Higher Education Coordinating Board to develop outreach programs to inform secondary students about the availability of tuition and fee exemptions if they (a) are in foster or other residential care under the conservatorship of the Department of Family and Protective Services (DFPS) or (b) were adopted from foster or other residential care.

Section 1.04 would require the Health and Human Services Commission (HHSC) to provide Medicaid coverage for children who were in DFPS conservatorship at the time of adoption but did not qualify for adoption assistance.

Section 1.06 would require DFPS to enter into agreements with other states for the exchange of child abuse and neglect reports. **Section 1.09** would require the agency to respond to reports of child abuse and neglect within certain time-frames and to develop an automated tracking system to monitor compliance. **Section 1.10** would require the agency to develop guidelines and protocols for joint investigations with law enforcement agencies and to provide joint training on investigative techniques.

Section 1.11 would require DFPS to (a) screen out less serious cases of abuse and neglect if the child's safety can be assured (b) use highly skilled caseworkers to perform the screening function and (c) administratively close less serious cases without providing services or making a referral. **Section 1.12** would require the agency or another person, other than a law enforcement agency, to audio-tape or video-tape interviews with every child who is alleged to be a victim of abuse or neglect.

Section 1.13 would require DFPS to develop casework quality indicators that must be reported in real time and a case tracking system. It would require the agency to train supervisors and management on the use of data to monitor cases and make decisions. It would also require the county attorney, district attorney, or criminal district attorney to assist the agency by filing an application with the court requesting an ex-parte order requiring the Texas Crime Information Center to locate a child on a child safety check alert list. **Section 1.16** would require the agency to provide a "proposed child placement resources form" to the parent or other person having custody of a child who is the subject of an abuse or neglect investigation.

Section 1.18 would require DFPS to include law-enforcement style training in its voluntary training standards for child protective services and to provide advanced training for residential child-care facility (RCCF) investigators. **Section 1.19** would require the agency 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 1.20** would require DFPS child safety specialists (formerly protective services investigation coordinators) to (a) ensure that risk assessment tools are properly used and (b) review and evaluate (formerly monitor) multiple referral cases.

Section 1.22 would require residential child-care facilities (RCCFs) to report each incident of physical or sexual abuse committed by a child against another child. **Section 1.23** 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 the "proposed child placement resources form" until a qualified caregiver is identified. **Section 1.26** would require the agency to concurrently provide family reunification and adoption promotion/support services. **Section 1.27** 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 1.28** 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 1.31 would require DFPS, in cooperating with district and county courts, to expand the use of

tele-conferencing and video-conferencing. **Section 1.32** would allow the HHSC Executive Commissioner to adopt rules setting a limit on the amount of state money a residential child-care facility may spend on non-direct services.

Section 1.33 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 HHSC Executive Commissioner 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 monitor the quality of contracted services. **Section 1.34** 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 (a) all DFPS foster homes to private child-placing agencies and (b) all adoption services to private agencies; a process for assessing the service needs of each child transferred to a private provider; and incentives for desired results. **Section 1.35** 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 1.36 would require DFPS to assess whether children entering foster care have a developmental disability or mental retardation, and **Section 1.37** 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 1.39** 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 authorize the agency to reimburse volunteers for their expenses (including travel).

Section 1.40 relates to the Preparation for Independent Living program. It would require DFPS to obtain any federal waiver or state plan amendment necessary to (a) extend foster care eligibility for youth to age 21 (b) permit eligible youth to return to foster care and (c) extend Medicaid coverage for foster care youth and former foster care youth to age 21 with a single application when they leave care. It would also require the agency to enter into cooperative agreements with the Texas Workforce Commission and local workforce development boards to ensure services meet the needs of foster care youth and former foster care youth, including referrals for short-term housing stays. **Section 1.41** would require the agency to implement family group conferencing. **Section 1.42** would require the agency to administer a grant program for community organizations to respond to low-priority, less serious cases of child abuse and neglect.

Section 1.46 would require the Department of State Health Services (DSHS) to issue a report for each preventable child death and publish a compilation of these reports each year. It would also require the child fatality review team committee to perform the federally required duties of a citizens review panel. **Section 1.49** would require child fatality review teams to perform the same duties. **Section 1.52** would require DFPS to establish a relative and other designated caregiver placement program.

Section 1.53 would set standards and procedures for informed consent to medical care for children in foster care and require the agency to provide training. It would require persons authorized to provide informed consent to participate in each medical appointment. It would require DFPS to develop a health passport for foster children with information available in electronic format by September 1, 2007. It would require HHSC to establish a comprehensive system to oversee medical care provided to foster children. It would also require the commission to study whether the foster care payment system creates incentives for prescribing psychotropic medications, and to submit a report to the Legislature no later than October 1, 2006.

Section 1.54 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 1.57** would require HHSC and DFPS to implement a plan to combine state and local funding to provide services that prevent children from entering foster

care.

Section 1.59 would require the State Auditor to (a) conduct a management review of HHSC and DFPS residential contract management employees (b) make recommendations regarding implementation of financial accountability provisions and processes and (c) participate in financial audits of selected residential contractors. It would require HHSC to perform complete on-site financial audits of residential contractors selected by the State Auditor. And it would authorize DFPS to develop an Internet-based system so residential child-care contractors can reconcile their accounts. **Section 1.60** 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 1.66 would require DFPS to establish an independent quality assurance program for child protective services that includes periodic audits of investigation and inspection reports. **Section 1.67** would establish a Protective Services Legislative Oversight Committee with 14 members to monitor the effectiveness and efficiency of protective services. Members would not receive compensation, but they would be entitled to reimbursement of travel expenses incurred while conducting council business as provided in the General Appropriations Act. **Section 1.70** would require DFPS to continually explore the strategic use of technology to improve services, reduce workload, increase accountability, and enhance operations. **Section 1.72** would require the agency to develop a program to provide for the timely replacement of caseworkers with trainees hired in anticipation of vacancies. **Section 1.74** 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 1.76** would require DFPS to build community partnerships to support children and families.

Section 1.77 would require DFPS to implement a staffing and workload distribution plan for the child protective services program. It would require the agency to (a) reassign investigative and supervisory functions that may be performed more efficiently by support or other paraprofessional staff (b) ensure adequate supervisory and support staff (c) provide incentives to recruit and retain investigative staff and (d) pay non-investigative caseworkers and supervisors appropriately to increase retention. **Section 1.78** would require DFPS to follow additional guidelines when purchasing substitute care and facility-based foster care 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 1.79** would require DFPS to develop a program to display photographs and information about missing foster children on the Internet.

Section 1.84 would require residential child-care facilities (RCCFs) to immediately notify DFPS and local law enforcement agencies about missing children. **Section 1.85** would require the agency to periodically inspect a random sample of agency homes. **Section 1.86** would establish procedures for sharing inspection results with RCCF representatives. **Section 1.87** would require the HHSC Executive Commissioner by rule to establish and administer an informal dispute resolution process. **Section 1.88** would require DFPS to include information on violations of minimum standards in its computerized database and to categorize the violations according to various criteria. **Section 1.89** would require DFPS to establish procedures to deny an RCCF license if an applicant's license was revoked in another state, or the applicant was barred from holding a license or operating a foster care facility in another state.

Section 1.93 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 1.94** would require RCCFs to establish an employee drug-testing policy no later than January 1, 2006, and require the facility to pay any fees or costs associated with the drug-testing. **Section 1.95** 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 1.96** would prohibit RCCFs from employing persons who are ineligible to receive a license or certification. **Section 1.97** would require licensees to report serious incidents involving children and potential violations of regulatory law. **Section 1.99** would require DFPS to deny a license for anyone who had a substantial interest in an RCCF that was subject to adverse regulatory action. **Section 1.102** would expand the grounds for imposing administrative penalties and increase the ceilings placed on administrative

penalties.

Sections 1.105 through 1.114 would establish a licensure program for child-placing agency administrators (by January 1, 2006); amend licensure requirements for child-care administrators; and strengthen the enforcement program.

Section 1.117 would establish an At-Risk Prevention Services Task Force with 11 members to develop a strategic plan to improve the availability and delivery of prevention services. The plan would be due by September 1, 2006, and the task force would be abolished on June 1, 2007.

ARTICLE 2. ADULT PROTECTIVE SERVICES.

Section 2.02 would require DFPS to implement an incentive program to encourage adult protective services direct delivery employees to obtain professional credentials. **Section 2.03** would require the agency to establish a training program that adult protective services employees must complete before initiating an investigation or providing services. **Section 2.04** would require the agency to implement a quality assurance program for adult protective 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 the person is not mentally competent.

Section 2.07 would require the agency to maintain a summary of all investigation records in an electronic format. **Section 2.10** would require DFPS to ensure that especially complex cases of neglect, abuse and exploitation are handled by personnel with appropriate experience and training, monitored by task units composed of local representatives. **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 2.17** provides an option for local provision of adult protective services. **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.

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. The bill would assign the program statutorily to DADS. **Section 3.15** would prohibit the court from appointing DADS as the guardian of a person or estate, except as a last resort. This would be a change from current law which limits the state’s role as guardian to certain cases. Section 3.15 would also limit the number of wards of the state to 1500 at any time.

The bill would require certification (effective September 1, 2007) of the following individuals in order to be court appointed as a guardian: private professional guardians (**Section 3.18**), individuals employed by or contracting with a guardianship program, and DADS employees (**Section 3.19**). Certification would be regulated and fees would be charged by the newly created Guardianship Alliance Office (Section 3.26).

Section 3.26 would create a new Guardianship Alliance Office and related Guardianship Alliance Board, to perform duties related to guardians and guardianship programs, including: certification of private professional and public guardians, development of a statewide system for use by county clerks in identifying guardianships pending in each county, establishment and maintenance of a central registry of all private professional guardians, and other 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 an increase of \$1 from the Real Property Records Filing fee (**Section 3.27**), payment of certain unclaimed estates currently collected by the Comptroller and deposited to the state treasury, and certification fees determined by the Guardianship Alliance Board (**Section 3.30**).

Section 3.37 would abolish the Guardianship Advisory Council at HHSC on September 1, 2005. **Section 3.20** would transfer responsibility for maintaining current names and business addresses of private professional guardians from HHSC to the newly created Guardianship Alliance Office. Potential savings to the state are not included in the cost estimate.

Methodology

Section 1.06. The Department of Family and Protective Services (DFPS) indicates that one additional FTE would be needed to negotiate agreements with other states and handle litigation arising from regulatory action. There would also be a one-time technology cost to build interfaces with other states (\$50,000 per interface based on 500 hours of work at \$100 per hour, or \$2.5 million) and develop a standardized database for the child-care licensing program (\$0.4 million). The total cost would be \$2.9 million in 2006 and \$68,000 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 \$201,419 per year relating to the audio-taping requirement.

Section 1.19. It is assumed that the agency 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 1.22.** 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 1.23.** 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 staffing that includes one supervisor for every 7 caseworkers, one clerk for every 6 caseworkers, and one attorney for every 30 caseworkers.

Section 1.27 and Section 1.53. 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. This 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 1.28. DFPS indicates 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. This 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 1.31.** DFPS 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 \$85,000 in 2006 and \$804,100 in 2007.

Section 1.33. 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 indicates 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 fiscal year 2006 (total salary = \$0.7 million), 49.3 FTEs in 2007 (total salary = \$2.0 million), 68.1 FTEs in 2008 (total salary = \$2.7 million) and 76.0 FTEs each following year (total salary = \$3.0 million). The total cost would be \$1.2 million in 2006, increasing to \$5.0 million in 2010.

Information Technology Projects. DFPS indicates 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 1.36. 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 \$330. It is also assumed that the Federal Medical Assistance Percentage (FMAP) would apply. The total savings would be \$4.7 million in 2006 and \$5.0 million each following year. **Section 1.39.** 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 approximately \$0.1 million per year.

Section 1.52. 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. The program would serve 3,849 children in fiscal year 2006, 8,314 children in fiscal year 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) is estimated to be 9.5 percent. 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 (total cost = \$28,000).

DFPS indicates that it would need additional direct delivery staff (caseworkers, supervisors, clerical staff, and attorneys) to implement the program. The estimate assumes 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 29.2 for fiscal year 2006 (total salary cost of \$0.9 million), 70.9 in fiscal year 2007 (total salary cost of \$2.0 million), 77.5 in fiscal year 2008 (total salary cost of \$2.2 million), 83.0 in fiscal year 2009 (total salary cost of \$2.4 million) and 89.6 in fiscal year 2010 (total salary cost of \$2.5 million). Fringe benefit costs would rise from \$254,845 in fiscal year 2006 to \$756,863 in fiscal year 2010. In addition to salary and fringe benefits, the estimate includes cost for travel, computers, telecommunications equipment and other operating

expenses.

It is assumed that the relative caregiver placement program would reduce the disruption rate of relative placements from the current rate of 18.5 percent to 9.5 percent. Savings are calculated by estimating the costs of foster care projected to be associated with relative care disruptions if the relative caregiver program is not implemented, and calculating the costs projected if the relative caregiver program is implemented. The difference between the costs associated with a higher disruption rate and the relative caregiver program disruption rate is considered to be a savings to foster care. Total savings would rise from \$2.3 million in fiscal year 2006 to \$6.3 million in fiscal year 2010.

Section 1.53. DFPS has indicated that it would need to modify the IMPACT automated system to add data fields and build interfaces for health (medical) passports for foster children. The total cost would be \$0.5 million in 2006. **Section 1.54.** The agency estimates a revenue gain of \$1.3 million for GR Account 5085 (Child Abuse and Prevention Trust).

Section 1.59. The State Auditor indicates that 6.0 FTEs (total salary = \$0.5 million) would be needed in 2006, and 2.2 FTEs (total salary = \$0.2 million) would be needed each following year, to conduct a management review of residential contract management employees during fiscal year 2006; evaluate implementation of recommendations; and perform financial audits of selected contractors. The total cost would be \$0.6 million in fiscal year 2006 and \$0.3 million each following year. It is assumed that HHSC would need 8.0 FTEs (total salary = \$0.4 million) to perform duties and responsibilities for this and other sections. The total cost would be \$0.6 million in fiscal year 2006 and \$0.5 million each following year. DFPS indicates that the cost to develop an internet-based system for residential contractors would be \$1.9 million.

Section 1.60. 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 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 \$2.2 million each following year.

Section 1.66. The cost to develop and implement an independent quality assurance program for child protective services is included in the estimate for Section 1.33. **Section 1.72.** It is assumed that additional FTEs would be needed to implement a statewide caseworker replacement program. These include 141.8 FTEs in fiscal year 2006 and 189.0 FTEs each following year. The total cost would be \$7.4 million in 2006 and \$9.8 million each following year. **Section 1.74.** It is assumed that DFPS 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 in fiscal year 2006 and \$2.0 million each following year.

Section 1.77. 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 fiscal year 2006 and \$18.3 million each following year. **Section 1.78.** DFPS indicates that costs associated with purchasing guidelines, performance teams, and related activities are included in Section 1.33.

Section 1.84. The cost associated with regulating child-placing agencies is included in Section 1.97.

Section 1.86. The agency estimates a cost of \$1.9 million in 2006 and \$0.4 million each following year for exit conferences with residential child care providers. **Section 1.93.** It is assumed that the state would pay for background and criminal history checks on prospective residential child care facility employees at a cost of \$41 per employees and add six FTEs to handle litigation associated with administrative employees. The total cost would be \$2.4 million each year.

Section 1.95. 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. **Sections**

1.97 and 1.84. DFPS indicates 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.

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 fiscal year 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 7 additional FTEs in each year would be needed to address an additional 1,000 cases of neglect each year, as well as funds for emergency client services. The total cost would be \$0.5 million in each year. **Section 2.10.** The agency indicates that 3 additional FTEs in each year would be needed to ensure that complex cases are handled by experienced personnel. The total cost would be \$0.2 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 local interagency staffing groups. The total cost would be \$0.1 million each year

GUARDIANSHIP SERVICES

The Department of Aging and Disability Services (DADS) estimates that **Section 3.15**, assigning the state the role of guardian of last resort, would increase the number of wards assigned to the state for guardianship services and that the state would serve the maximum number of wards allowed by the end of 2006. DADS estimates that 44.2 additional FTEs would be needed in 2006, rising to 70.9 FTEs in 2010. There would also be costs incurred by the requirement established in **Section 3.19** for DADS staff to be certified through the Guardianship Alliance Office. Total costs for staff and certification are estimated to be \$3.2 million in 2006, rising to \$4.7 million in 2010.

Section 3.26 would create a new Guardianship Alliance Office and related Guardianship Alliance Board. The Guardianship Alliance Office would be administratively attached to the Office of Court Administration (OCA). It is estimated that 5.5 additional FTEs, 4 at the Guardianship Alliance Office and 1.5 at the OCA, would be needed to implement this section of the bill. Salaries, fringe benefits, 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 total cost would be \$0.5 million in 2006 and \$0.4 million each following year. Costs would be funded out of the newly created Guardianship Resources Account in the General Revenue fund.

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 (\$19.3 million for fiscal year 2006 rising to \$25.8 million for fiscal year 2010). It is also assumed that Child Care Development Fund (CCDF) Federal Funds will not be available; therefore, General Revenue Funds are used in place of CCDF Federal Funds (\$7.2 million in fiscal year 2006 rising to \$24.1 million in fiscal year 2010).

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

Technology

The bill would require a number of changes in information technology. Associated costs are included in the fiscal estimates noted 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 1.36 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 1.53 of the bill is implemented.

Section 1.54 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 1.57 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, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 320 Texas Workforce Commission, 360 State Office of Administrative Hearings, 529 Health and Human Services Commission, 530 Department of Family and Protective Services, 539 Department of Aging and Disability Services

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