

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 5, 2007

TO: Honorable Patrick M. Rose, Chair, House Committee on Human Services

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

IN RE: **HB283** by Brown, Betty (Relating to investigations and decisions regarding allegations of abuse, neglect, or exploitation of persons with disabilities by employees at certain facilities.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB283, As Introduced: a negative impact of (\$2,890,429) through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$1,697,692)
2009	(\$1,192,737)
2010	(\$1,192,737)
2011	(\$1,192,737)
2012	(\$1,192,737)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1	Probable Savings/(Cost) from FEDERAL FUNDS 555	Change in Number of State Employees from FY 2007
2008	(\$1,697,692)	(\$187,168)	11.0
2009	(\$1,192,737)	(\$253,868)	11.0
2010	(\$1,192,737)	(\$253,868)	11.0
2011	(\$1,192,737)	(\$253,868)	11.0
2012	(\$1,192,737)	(\$253,868)	11.0

Fiscal Analysis

The bill would amend Chapter 48, Human Resources Code, to require the Executive Commissioner of Health and Human Services to adopt rules protecting the rights of state school and state hospital employees accused of abusing, neglecting, or exploiting an individual with a disability receiving services in the facility. The rules must include the right to request a hearing on the findings of the investigation and the right to appeal the decision of a hearing examiner to a neutral third party.

The bill would require the Department of State Health Services (DSHS) and the Department of Aging and Disability Services (DADS) to compensate employees for lost wages when it is determined that an allegation is unfounded, unconfirmed, or inconclusive. It would also require the Department of Family and Protective Services (DFPS) to remove any information related to the allegation from child and adult protective services records.

The bill would be effective on September 1, 2007, and the Executive Commissioner would be required to adopt the rules not later than December 1, 2007.

Methodology

It is assumed that DFPS will conduct 143 hearings per year. According to the agency, each hearing requires eight hours of preparation by an adult protective services specialist (annual salary \$36,577) and 14 hours of work by a presiding attorney (annual salary \$55,057). An additional 1.5 attorneys (annual salary \$48,127) are needed to attend six hearings per month (four per attorney). The total estimated cost for salaries, operating expenses, set-up expenses, and employee benefits is \$219,049 in fiscal year 2008 and \$252,706 in fiscal year 2009 and subsequent years. The method-of-financing includes General Revenue Funds (95 percent) and Federal Funds (5 percent).

DFPS indicates it will need to manually redact (remove) information about unfounded, unconfirmed, and inconclusive allegations from child and adult protective services records. It is assumed that the agency will redact 3,109 cases per year. The agency estimates that one administrative assistant (annual salary \$31,345) can redact 34.5 cases per month. Therefore, the agency needs 7.5 administrative assistants to perform this function. The total estimated cost for salaries, operating expenses, set-up expenses, and employee benefits is \$345,111 in fiscal year 2008 and \$382,511 in fiscal year 2009 and subsequent years. The method-of-financing is General Revenue Funds.

DFPS indicates it will need to modify the IMPACT (Information Management Protecting Adults and Children in Texas) automated system to omit information about alleged perpetrators. The total estimated cost is \$726,500 (7,265 programming hours at \$100 per hour) in fiscal year 2008. The method-of-financing is General Revenue Funds.

DSHS estimates that 26 employees (average monthly salary \$2,646) will request a hearing each year. The agency assumes it will take three months to complete the hearings process and one-half of the employees will win. The estimated cost for their lost wages plus employee benefits is \$85,580 in fiscal year 2008 and \$117,744 in fiscal year 2009 and subsequent years. The agency also assumes that all of the employees who lose will file an appeal that will take one month to complete. It is assumed that ten percent of those filing an appeal will win. The estimated cost for their lost wages plus employee benefits at 14.1 percent of salaries is \$9,057 in fiscal year 2008 and \$12,076 in fiscal year 2009 and subsequent years. The method-of-financing is General Revenue Funds (95 percent) and Federal Funds (5 percent).

DADS estimates that 117 employees (average weekly salary \$392.74) will request a hearing each year. The agency assumes it will take six months to complete the hearings process and 40 percent of the employees will win. The estimated cost for their lost wages plus employee benefits is \$364,268 in fiscal year 2008 and \$501,173 in fiscal year 2009 and subsequent years. The agency also assumes that 75 percent of the employees who lose will file an appeal that will take three months to complete, and that 10 percent of those filing an appeal will win. The estimated cost for their lost wages plus employee benefits at 14.1 percent of salaries is \$63,520 in fiscal year 2008 and \$84,694 in fiscal year 2009 and subsequent years. The method-of-financing is General Revenue Funds (60 percent) and Federal Funds (40 percent).

It is assumed that the State Office of Administrative Hearings (SOAH) will serve as the neutral third party for the 66 employees filing an appeal each year (13 from DSHS and 53 from DADS). The agency will need 14.5 hours per case and charge \$100 per hour. The total estimated cost is \$71,775 in fiscal year 2008 and \$95,700 in fiscal year 2009 and subsequent years. The method-of-financing is General Revenue Funds.

The total estimated cost to implement the provisions of the bill is \$1.9 million All Funds, including \$1.7 million in General Revenue Funds and \$0.2 million in Federal Funds, for fiscal year 2008, and \$1.5 million All Funds, including \$1.2 million in General Revenue Funds and \$0.3 million in Federal Funds, for fiscal year 2009 and subsequent years.

Technology

Included in costs above are \$0.7 million in General Revenue Funds for one-time DFPS system modifications in fiscal year 2008, and \$0.6 million in General Revenue Funds for ongoing technology costs associated with the additional DFPS FTES in fiscal year 2008 and subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 360 State Office of Administrative Hearings, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 537 State Health Services, Department of, 539 Aging and Disability Services, Department of

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