

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 11, 2007**

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

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

**IN RE: HB1361** by Naishtat (Relating to privatization of child protective services and the improvement of services for children and families provided by the Department of Family and Protective Services.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend various sections in Chapter 264 of the Family Code, and Chapter 45 of the Human Resources Code, relating to the privatization of child protective services in the state. It would remove the requirement to privatize all substitute care and case management services by the end of fiscal year 2011 and eliminate the option of using an independent administrator. It would require the Department of Family and Protective Services to directly perform court-related duties and permit the agency to contract with private agencies for the delivery of all other substitute care and case management services.

The bill would require the agency, and the Health and Human Services Commission, to develop an improvement plan for child protective services that includes specific elements, such as expanding the use of family group decision making and reducing caseloads for family-based safety service workers. Many of these elements are in the agency's exceptional items funding request for 2008-2009. The bill would require the agencies to jointly report on the status of the improvement plan by December 31, 2008, and require the Executive Commissioner of Health and Human Services to adopt rules necessary to implement the plan.

There would be some savings because the agency would no longer be required to use an independent administrator, an independent third-party evaluator, a multi-disciplinary team, and other elements associated with the privatization initiative. It is assumed that these savings would be used to offset costs associated in continuing to perform court-related duties and developing the improvement plan for child protective services.

The bill would take effective immediately with a two-thirds vote of all members elected to each house, or on September 1, 2007.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 308 State Auditor's Office, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of

**LBB Staff:** JOB, CL, PP, NM, KJG