

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 30, 2009**

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

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

**IN RE: HB785** by Rodriguez (Relating to employment services for persons with disabilities.),  
**Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB785, Committee Report 1st House, Substituted: a negative impact of (\$1,774,529) through the biennium ending August 31, 2011.

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
2010	(\$750,350)
2011	(\$1,024,179)
2012	(\$1,414,804)
2013	(\$1,806,767)
2014	(\$2,200,078)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/ (Cost) from <i>General Revenue Fund</i> 1	Probable Savings/ (Cost) from <i>GR Match For Medicaid</i> 758	Probable Savings/ (Cost) from <i>Federal Funds</i> 555	Probable Savings/ (Cost) from <i>Wrkforce Commission Fed</i> 5026
2010	(\$355,301)	(\$395,049)	(\$521,427)	(\$1,596,000)
2011	(\$374,915)	(\$649,264)	(\$890,104)	(\$1,596,000)
2012	(\$507,525)	(\$907,279)	(\$1,260,425)	(\$1,596,000)
2013	(\$641,467)	(\$1,165,300)	(\$1,630,750)	(\$1,596,000)
2014	(\$776,754)	(\$1,423,324)	(\$2,001,079)	(\$1,596,000)

Fiscal Year	Change in Number of State Employees from FY 2009
2010	4.0
2011	4.0
2012	4.0
2013	4.0
2014	4.0

## **Fiscal Analysis**

The bill would amend the Government Code, Health and Safety Code, Human Resources Code, and Labor Code as it relates to employment services for persons with disabilities.

SECTION 1 of the bill requires the executive commissioner to adopt rules to eliminate barriers to employment services for persons who receive services in 1915(c) waiver program that offer employment services. The bill also requires adoption of rules regarding employment services offered through Section 1915(c) waiver programs and ICF-MR facilities licensed under Chapter 252, Health and Safety Code, and general revenue funded employment services provided through local mental retardation authorities. The Department of Aging and Disability Services (DADS) would be required to provide training and technical assistance regarding the provision of employment services.

The Health and Human Services Commission (HHSC), the Department of Assistive and Rehabilitative Services (DARS), and DADS would also be required to collaboratively develop minimum standards for employment services providers that provide services through either agency. DARS would be responsible for reviewing and approving applications to provide employment services and only employment services providers approved by DARS could contract with DARS and DADS.

The executive commissioner would be required to ensure that training regarding social security income and benefits and federal work incentives is required for appropriate employees of DADS and DARS in order to provide a person with a disability accurate and appropriate information and referrals related to social security income and benefit programs and federal employment services. The bill requires DADS to ensure that case managers and others who coordinate program services have access to and are trained to provide information about social security, federal work incentives, and the Medicaid buy-in program to interested consumers. The bill requires DADS to designate staff to provide the information required. Each local mental retardation authority (MRA) is also being required to designate staff to provide the information.

SECTION 2 of the bill requires DADS to develop a plan to significantly reduce reliance on sheltered workshops as an employment option for people with disabilities; the plan must provide for a significant reduction by September 1, 2015.

SECTION 3 of the bill requires vocational rehabilitation counselors to participate in a specialized training program.

SECTION 4 of the bill requires the Texas Workforce Commission (TWC) to identify funding options that will allow them to increase the number of individuals providing disability navigator services to ensure each local workforce area has access to at least one individual who provides disability navigator services. TWC shall implement this provision of the bill subject to the availability of funds for this purpose.

SECTION 5 of the bill requires HHSC to analyze employment services provider Medicaid payment rates and rate methodology and to determine the optimum rates and rate methodology to ensure an adequate provider base and, by September 1, 2010, provide a report of the analysis and any recommendations for legislation.

SECTION 6 of the bill authorizes a person contracting with DADS or DARS, a person contracting with a DADS service provider, or a person providing services to a client under the consumer-directed services option through DADS on September 1, 2009 to continue providing employment services until September 1, 2011 without applying for approval. DADS is required to submit the plan required by SECTION 2 no later than September 1, 2010.

SECTION 7 of the bill requires HHSC, DADS, and DARS to identify all funds appropriated or otherwise made available in the federal American Recovery and Reinvestment Act of 2009 that could lawfully be used to support employment services programs, and apply for and actively pursue all necessary actions to procure those funds for those purposes.

SECTION 8 of the bill requires an agency to request any necessary waiver or authorization from a

federal agency before implementing any provisions of the bill and authorizes the delay of implementation until such waivers or authorizations are granted.

The bill would take effect September 1, 2009.

### **Methodology**

DARS estimates a cost of \$100,800 in General Revenue in FY2010 for system modifications. It is assumed that 2 FTEs would be needed to process new applications from employment services providers and to approve applications from providers currently contracted with DADS or DARS by September 1, 2011. The estimated General Revenue cost for FTEs is \$0.1 million in each fiscal year.

DADS estimates there would be a fiscal impact associated with eliminating barriers to employment services for waiver clients. DADS assumes increased utilization of employment services by clients in Medicaid waiver services as well as by those receiving employment services funded entirely with General Revenue; the agency also assumes an increase in the cap from 150 to 300 hours on employment services received by Home and Community-based Services (HCS) clients. The agency estimates a cost to provide additional services of \$0.8 million in All Funds, including \$0.4 million in General Revenue Funds, in FY2010 increasing each fiscal year to \$3.9 million in All Funds, including \$2.0 million in General Revenue Funds, by FY2014. State General Revenue cost for the 2010-11 biennium would be lower to the extent that federal stimulus improves the federal match for Medicaid. DADS also assumes that 2 FTEs would be needed to develop the curriculum, provide the training at the various locations, and provide technical assistance at a cost of \$0.2 million each fiscal year.

TWC indicates there are currently 28 Local Workforce Development Board and that they would be required to identify and implement funding for 28 positions to ensure one position per workforce area to provide disability navigator services as defined; according to the agency, the existing 14 disability navigator positions do not have the same focus as defined in the bill. TWC anticipates that this could be accomplished by awarding a grant to each local workforce development board for this purpose. The average grant for each workforce board is estimated to be \$57,000 for a total cost of \$1,596,000 each fiscal year from Workforce Commission Federal Account No. 5026.

### **Technology**

DARS estimates that its IT cost would be \$100,800 for FY2010 and DADS estimates that modifications to its IT system would be minimal and could be handled with existing resources

### **Local Government Impact**

According to HHSC and DADS, the bill would require a local mental retardation authority (MRA) to designate an employee to provide federal benefit information to persons receiving services, and would require the authority to become an approved employment services provider. There could be some costs to local mental retardation authorities to implement the provisions of the bill.

**Source Agencies:** 320 Texas Workforce Commission, 529 Health and Human Services Commission, 538 Assistive and Rehabilitative Services, Department of, 539 Aging and Disability Services, Department of

**LBB Staff:** JOB, CL, SJ, SD, LR, TP