

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 11, 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.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB785, As Introduced: a negative impact of (\$1,769,593) 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	(\$735,605)
2011	(\$1,033,988)
2012	(\$1,446,749)
2013	(\$1,860,843)
2014	(\$2,276,281)

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)	(\$380,304)	(\$542,541)	(\$1,596,000)
2011	(\$374,915)	(\$659,073)	(\$946,072)	(\$1,596,000)
2012	(\$507,525)	(\$939,224)	(\$1,348,218)	(\$1,596,000)
2013	(\$641,467)	(\$1,219,376)	(\$1,750,365)	(\$1,596,000)
2014	(\$776,754)	(\$1,499,527)	(\$2,152,511)	(\$1,596,000)

Fiscal Year	Change in Number of State Employees from FY 2009
2010	2.0
2011	2.0
2012	2.0
2013	2.0
2014	2.0

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 of the Health and Human Services Commission (HHSC) to adopt rules to eliminate barriers to employment services for individuals eligible to receive services under a 1915(c) waiver program.

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

The executive commissioner would be required to ensure that each health and human services agency has sufficient expertise regarding social security income and benefits and federal work incentives to ensure that a person with a disability receives accurate and appropriate information and referrals on these issues. The bill requires DADS to ensure that case managers are trained to provide information about social security, federal work incentives, and the Medicaid buy-in program to interested consumers. DADS and each local mental retardation authority (MRA) are required to designate an employee to provide the required 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. SECTION 6 requires DADS to submit the plan to the executive commissioner by September 1, 2010.

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 and implement funding options that will allow TWC to increase the number of individuals providing disability navigator services to ensure each local workforce area has access to at least one.

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

SECTION 6 of the bill authorizes an employment services provider contracting with DADS or DARS on September 1, 2009 to continue providing services until September 1, 2011 without applying for approval.

SECTION 7 of the bill requires an agency, if necessary, to request a waiver or authorization from a federal agency before implementing any provisions of the bill.

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 any 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 of these FTEs is \$124,731 for FY2010; \$114,077 for FY2011; \$114,309 for FY2012; \$114,549 for FY2013; and \$114,797 for FY2014.

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 removal of a cap on employment services received by Home and Community-based Services (HCS) clients. The agency estimates a cost to provide

additional services of \$1,052,615 in All Funds, including \$510,074 in General Revenue, in FY2010 increasing each fiscal year to \$4,313,995 in All Funds, including \$2,161,484 in General Revenue, 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.

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 FY10 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 provisions of the bill that would require a local mental retardation authority (MRA) to designate an employee to provide federal benefit information and that would require the authority to become an approved employment provider would result in costs to the local MRA.

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, LR