

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 15, 2009

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

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

IN RE: SB1407 by Shapleigh (Relating to the creation of the State Developmental Center Evaluation Authority and the residential placement of individuals with mental retardation.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1407, As Introduced: a negative impact of (\$1,048,413) 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	(\$687,366)
2011	(\$361,047)
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Federal Funds</i> 555	Change in Number of State Employees from FY 2009
2010	(\$687,366)	(\$841,952)	24.0
2011	(\$361,047)	(\$518,271)	24.0
2012	\$0	\$0	0.0
2013	\$0	\$0	0.0
2014	\$0	\$0	0.0

Fiscal Analysis

The bill would amend Health and Safety Code, Subtitle B, Title 7, Section 531 and add new Chapter 556.

Section 531.002 (17) changes the title of state schools to developmental centers and specifies that such centers are operated by the Department of Aging and Disability Services (DADS).

New Section 556 creates a nine-member State Developmental Center Evaluation Authority to evaluate and make recommendations relating to the operation and management of developmental centers. The authority would be administratively attached to, but independent of the Health and Human Services

Commission (HHSC). The authority would be responsible for recommending consolidation or closure of developmental centers using the factors set forth in the bill. The bill requires the authority to ensure that the total capacity of the developmental centers is no more than 3,000 by January 1, 2014. An advisory committee for the authority is created by the bill to provide input on evaluation, consolidation and closure of developmental centers

Not later than December 1st of each even numbered year, the authority would be required submit a report containing specific recommendations whether to consolidate or close one or more developmental centers and, if so, which ones. The report would also include information relating to the residents affected and the community services that would be needed. Unless the Legislature rejects the recommendation in its first regular session following the submission of the report, HHSC and DADS would be required to implement the recommendation beginning on September 1st of the odd numbered year following submission of the report.

The bill would prohibit any state school admissions or commitments to developmental centers on or after September 1, 2009 unless the census of 3,000 had been reached. DADS would be required to ensure that programs would be available to provide services to persons who would otherwise have been admitted.

The bill would require DADS to create a pilot program to study the feasibility of its operating group homes serving 4 persons or fewer in the community and, not later than December 1, 2010, to report the results of the program. The pilot program requirement would expire on September 2, 2011.

Methodology

DADS assumed \$50,000 per school and central office for signage, letterhead and other documents related to name change (12 x \$50,000 = \$600,000). For the pilot program DADS estimated costs to run two Corpus Christi Bond Homes to be \$929,318 in fiscal year 2010, \$879,318 in fiscal year 2011 and 24 FTEs each fiscal year. The bill requires the homes to be in effect for at least 12 months, but DADS based the calculation on 18 months (9 months in 2010 and 2011 each) to allow for transition time.

This analysis assumes that the current state school admissions would be closed through the 2010-11 biennium. It is assumed that a person that would have been admitted to a state school would be served at a privately operated ICF-MR using resources currently available to DADS. Medicaid waivers are currently not considered a federal entitlement and therefore the state has discretion as to how many individuals are served.

It is assumed any administrative costs to implement provisions of the bill, due to the authority being administratively attached to HHSC, would be minimal and could be absorbed within available resources at HHSC.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 537 State Health Services, Department of, 539 Aging and Disability Services, Department of

LBB Staff: JOB, CL, PP, ML