

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 8, 2013

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB604 by Lozano (Relating to the evaluation of potential foster parents and adoptive parents.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB604, As Introduced: a negative impact of (\$40,547,125) through the biennium ending August 31, 2015.

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
2014	(\$25,028,662)
2015	(\$15,518,463)
2016	(\$15,518,463)
2017	(\$15,518,463)
2018	(\$15,518,463)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings/(Cost) from Federal Funds 555	Change in Number of State Employees from FY 2013
2014	(\$25,017,964)	(\$10,698)	(\$102,010)	1.0
2015	(\$15,518,418)	(\$45)	(\$14,683)	1.0
2016	(\$15,518,418)	(\$45)	(\$14,683)	1.0
2017	(\$15,518,418)	(\$45)	(\$14,683)	1.0
2018	(\$15,518,418)	(\$45)	(\$14,683)	1.0

Fiscal Analysis

The bill would amend the Human Resources Code as it relates to the evaluation of potential foster parents and adoptive parents.

The bill would require the Department of Family and Protective Services or a licensed child-placing agency to perform a psychological evaluation of the operator of a home prior to placing a child in a licensed or verified foster home, foster group home, agency foster home, agency foster group home, or adoptive home.

The bill would apply only to a child placed in a foster home or an adoptive home on or after the effective date of the bill. A child placed in a foster home or an adoptive home before the effective date of the bill is governed by the law in effect at the time the child was placed in the foster home or adoptive home, and the former law is continued in effect for that purpose.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2013.

Methodology

The Department of Family and Protective Services (DFPS) reported that the agency currently contracts for psychological evaluations using two different rates: one for evaluations conducted in the psychologist's office (\$569.55) and one for evaluations conducted outside the psychologist's office (\$796.25). The average of the two rates is \$682.90 and that is what DFPS assumed for this cost estimate. DFPS also assumed that 29,620 psychological examinations would be needed in fiscal year 2014 and 18,868 for fiscal year 2015 and forward resulting in cost of \$20,227,498 for fiscal year 2014 and \$12,884,786 for fiscal year 2015 and each fiscal year forward.

DFPS assumed that the agency would contract with providers to conduct the psychological evaluations using a broker model to facilitate payment for services rendered at an estimated cost of 20 percent of the cost of the services provided. This totals \$4,045,500 (20% X \$20,227,498) in fiscal year 2014 and \$2,576,957 (20% X \$12,884,786) in fiscal year 2015 and each year forward.

DFPS indicated that one FTE would be needed to help manage the administrative contract to broker the services, provide technical assistance to child care operations, and be responsible for rules, policy, and associated forms. The estimated cost associated with this FTE would be \$77,915 in fiscal year 2014 and \$70,409 in fiscal year 2015 and each year forward.

DFPS also estimates that there would be a cost to modify the Information Management Protecting Adults and Children in Texas (IMPACT) system, which is the agency's automated casework system, to create an IMPACT stage through which referrals and payments for psychological evaluations can be managed. Modifications to the Integrated Management and Reporting for Contracts (iMARC) system would also be required. The agency's estimated cost for these system changes is \$778,766 in All Funds for fiscal year 2014. Cost for computer devices is estimated to be \$993 per fiscal year, bringing the total cost to implement the bill to \$25,130,672 in fiscal year 2014 and \$15,533,146 in fiscal year 2015 and each year forward in All Funds.

DFPS does not anticipate any significant fiscal impacts as a result of complying with the other provisions of the bill.

Technology

DFPS indicates that additional devices and software and system modifications would cost \$779,759 in fiscal year 2014 and \$993 in fiscal year 2015 and each fiscal year forward in All Funds. These costs are included above.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 530 Family and Protective Services, Department of

LBB Staff: UP, CL, MB, SJ, VJC