

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 16, 2017

TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB39** by Wu (Relating to the provision of child protective services and other health and human services by certain state agencies; authorizing a fee.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB39, As Engrossed: a negative impact of (\$2,194,746) through the biennium ending August 31, 2019.

Due to the unknown number of potential grantees in the newly created grant program at the Office of the Governor to support faith-based community programs that collaborate with DFPS to improve foster care, the fiscal impact of the total awards cannot be determined at this time.

In addition, due to the limited specificity in the legislation with respect to the ability of the Department of Family and Protective Services to charge a fee to cover the cost of the temporary volunteer caregiver program, the net impact of that revenue source cannot be determined at this time.

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
2018	(\$1,165,781)
2019	(\$1,028,965)
2020	(\$1,028,965)
2021	(\$1,028,965)
2022	(\$1,028,965)

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	Probable Savings/(Cost) from <i>GR Match For Medicaid</i> 758	Change in Number of State Employees from FY 2017
2018	(\$1,153,499)	(\$183,213)	(\$12,282)	20.0
2019	(\$1,018,162)	(\$164,695)	(\$10,803)	20.0
2020	(\$1,018,162)	(\$164,695)	(\$10,803)	20.0
2021	(\$1,018,162)	(\$164,695)	(\$10,803)	20.0
2022	(\$1,018,162)	(\$164,695)	(\$10,803)	20.0

Fiscal Analysis

The bill would amend the Family Code, Government Code, Human Resources Code, and Tax Code relating to the provisions of child protective services and other health and human services by certain state agencies.

The bill would require the Department of Family and Protective Services (DFPS) to create a program that would allow the placement of a child removed from their home in the care of an individual approved as a voluntary temporary caregiver. The bill would allow DFPS to charge each person applying to serve in this capacity an application fee in an amount reasonable and necessary to cover the cost of administering the program.

The bill would require DFPS to ensure any child entering conservatorship of the state receives a medical examination within three to seven business days.

The bill would require the Governor to establish and administer a grant program to support faith-based community programs that collaborate with DFPS to improve foster care.

The bill would require the Office of the Attorney General (OAG) to appoint an employee to serve as a liaison to DFPS regional offices to assist with locating absent parents of children in the managing conservatorship of the state.

The bill would require the Health and Human Services Commission (HHSC) to coordinate and oversee the development and implementation of the joint memorandum of understanding established to promote coordination of certain multiagency services.

The bill would take effect September 1, 2017.

Methodology

This analysis assumes that the duties and responsibilities associated with administering a voluntary temporary caregiver program could be accomplished by utilizing existing resources reallocated from those dedicated to the paid foster care the child would have otherwise utilized had they not entered the voluntary temporary caregiver program. However, due to the unknown number of participants in the program and the limited provisions on implementation of the application fee, this analysis estimates an indeterminate net fiscal impact to the state.

According to DFPS, the agency would require additional resources to ensure that a child taken into custody by the agency would receive a medical screening within three to seven days. Based on experiences from other states that have implemented similar provisions, the agency estimates

that half of new removals would need transportation to the required medical examination by DFPS or the Single Source Continuum Contractor (SSCC). According to the DFPS projected removals and the DFPS assumption that each medical examination would require six hours of transportation services, the agency would require 19.0 additional Full-time Equivalent (FTE) case aide positions to cover children in the legacy system. The additional FTEs would cost of approximately \$64,650 per FTE in All Funds in fiscal year 2018 and approximately \$57,000 per FTE in All Funds each subsequent fiscal year.

The provisions related to the grant program to support faith-based community programs collaborating with DFPS to improve foster care would limit the initial duration of a grant under this program to two years and no more than \$300,000, but does not include any provisions limiting or directing the number of grants awarded.

Further, the Office of the Governor anticipates the proposed program expenses as, added in Section 264.2042, Family Code, would be eligible for federal Victims of Crime Act (VOCA) funding. However, as VOCA funds have specific usage restrictions, this analysis assumes the program would be structured to only provide programs and services for VOCA-eligible victims and activities under the provisions of the bill. The Governor's office may choose to work with the Department of Justice to ensure eligibility in advance of granting the awards. Ultimately, if they are not an allowable use, the agency would need to find an alternative source of funding to pay for the program in lieu of federal VOCA funds. Based on this, and the assumption that funding is not diverted from existing programs to fund the related grants, this analysis estimates an indeterminate fiscal impact to the state associated with implementation of this provision due to inadequate available data on the number of potential grantees.

Finally, HHSC estimates that the agency would require 1.0 additional Program Specialist VI FTE to assist in the oversight and development of the joint memorandum of understanding, resulting in a cost of \$120,785 in All Funds fiscal year 2018 for salary and benefits, and \$113,323 in All Funds in each subsequent fiscal year.

Based on information provided by DFPS, HHSC, OAG, the Office of Court Administration, the Office of the Governor, and the Comptroller of Public Accounts, it is assumed that the remaining duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Technology

Technology costs are estimated to be \$32,000 in the 2018-19 biennium for one-time implementation costs. This includes \$1,600 per additional FTE for computer and laptop accessories.

Local Government Impact

According to the Texas Association of Counties, Denton County reported the fiscal impact is not anticipated to be significant.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 783

University of Houston System Administration

LBB Staff: UP, JLi, KCA, EP, TBo, JGA, LR, DM, JBi