

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 19, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1549 by Burkett (Relating to the provision of services by the Department of Family and Protective Services, including child protective services and prevention and early intervention services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1549, As Introduced: a negative impact of (\$811,006,641) through the biennium ending August 31, 2019.

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	(\$404,256,872)
2019	(\$406,749,769)
2020	(\$406,748,126)
2021	(\$409,229,199)
2022	(\$412,101,777)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from Federal Funds 555	Probable Savings/(Cost) from GR Match For Medicaid 758	Change in Number of State Employees from FY 2017
2018	(\$407,894,327)	\$3,322,226	\$3,637,455	26.0
2019	(\$410,386,157)	\$4,567,385	\$3,636,388	26.0
2020	(\$410,407,625)	\$6,506,611	\$3,659,499	10.0
2021	(\$412,878,863)	\$6,488,962	\$3,649,664	10.0
2022	(\$415,751,441)	\$6,488,962	\$3,649,664	10.0

Fiscal Analysis

The bill would require a local justice of the peace to order an autopsy if the deceased was a child younger than six years of age whose death was determined to be unexpected or the result of abuse or neglect.

The bill would require the Department of Family and Protective Services (DFPS) to either designate caseworkers or create a specialized unit of DFPS employees to conduct investigations involving child fatalities.

The bill would require DFPS, in geographic areas with demonstrated need, to designate employees to be investigators and responders for after-hours reports of abuse and neglect.

The bill would require DFPS to use a web-based system to assist in making the best placement decision for a foster child, including certain criteria related to level of care, location, provider preferences, and history.

The bill would require DFPS to create a foster care provider recruitment plan.

The bill would require DFPS to implement an evidence-based program providing frequent in-home visits to families with a history of, or risk factors for, child abuse or neglect.

The bill would add additional members to the child fatality review team committee.

The bill would require the Department of State Health Services (DSHS) to develop and implement training for justices of the peace and medical examiners regarding inquests into child death cases, evaluate and use child fatality data to create public health strategies for the prevention of child fatalities, and include near fatality child abuse and neglect cases in the child fatality case database. DSHS would be required to track and analyze near fatality data and produce a report on the topic. DSHS would be required to provide child fatality review teams with electronic access to the preliminary death certificate for a deceased child.

The bill would require local county commissioners courts to adopt regulations relating to the timelines for conducting an inquest into the death of a child, and would require the county's medical examiner or justice of the peace to notify the appropriate county child fatality review team not later than the 120th day after the death is reported.

The bill would allow the executive commissioner the ability to set the payment structure for the Relative and Other Designated Caregiver (RODC) program. The new payment structure would be subject to the appropriation of funds and the maximum amount could not exceed the amounts DFPS pays to licensed foster parents.

The bill would allow DFPS to enter into new caregiver assistance agreements with those participating in Parental Child Safety Placements. DFPS would be able to enter into caregiver agreements at the same payment structure as the RODC program. The bill would direct DFPS to expedite the evaluation of the potential caregivers.

The bill would set a goal of providing prevention and early intervention (PEI) services to 50 percent of the highest risk families that are eligible to receive services, defined as a family that has children five years of age or younger and whose family income is at or below 50 percent of the federal poverty limit. The bill would direct DFPS to use a geographic focus to direct PEI services to families with the greatest need.

The bill would require DFPS and the Texas Higher Education Coordinating Board (THECB) to enter into agreements with institutions of higher education to conduct efficacy reviews of certain PEI services.

The bill would require DFPS to develop a program to provide ongoing support, including critical stress debriefing, to caseworkers who experience secondary trauma from being exposed to trauma during employment.

The bill would require the department to develop and implement a caseload management system for child protective services caseworkers and managers.

The bill would require the creation of a Prevention Advisory board to advise on the prevention of child abuse and neglect.

Methodology

The bill is estimated to result in a net cost of \$400.9 million in All Funds in fiscal year 2018, \$402.2 million in All Funds in fiscal year 2019, \$400.2 million in All Funds in fiscal year 2020, \$402.7 million in All Funds in fiscal year 2021, and \$405.6 million in All Funds in fiscal year 2022.

The Texas Medical Board anticipates that any additional work resulting from bill provisions related to autopsies or fatality notifications could be reasonably absorbed within current resources.

DFPS assumes that 7.0 additional FTEs would be required for the creation of a specialized unit to investigate child fatalities, resulting in an All Funds cost of \$0.8 million in fiscal year 2018 for salary and benefits and \$0.7 million in each fiscal year thereafter.

To develop the web-based placement system, DFPS assumed the need for one-time information technology of \$3.1 million in All Funds, including \$1.6 million in General Revenue funds, in fiscal year 2018 and \$3.5 million in All Funds, including \$1.7 million in General Revenue funds, in fiscal year 2019. Additionally, DFPS estimates the need for 16.0 FTEs in fiscal years 2018 and 2019, resulting in an All Funds cost of \$1.8 million, including \$1.6 million in General Revenue, in fiscal year 2018 and an All Funds cost of \$1.7 million, including \$1.5 million in General Revenue, in fiscal year 2019 for salary and benefits.

DFPS served 30,051 families through Family Preservation Review and closed 3,288 reunification stages through Family Reunification in fiscal year 2015. Using an estimated cost of \$3,972 for an evidence-based model, this analysis assumes a cost of \$132.4 million in General Revenue annually to implement an evidence-based program providing frequent in-home visits to families with a history of, or risk factors for, child abuse or neglect.

DSHS assumes that existing resources could be used to develop and implement training for justices of the peace and medical examiners regarding inquests in child death cases. DSHS assumes that 2.0 FTEs would be required to support evaluation, training, and reporting on child near-fatality data at a General Revenue cost of \$0.2 million beginning in fiscal year 2018. DSHS reports that no technology costs would be required to support this provision, as the National Center for Fatality Review and Prevention Online Database currently maintains the ability to capture data on near fatalities. DFPS assumes that \$0.4 million in All Funds, including \$0.2 million in General Revenue, would be required in fiscal year 2018 for one-time technology costs to add

additional data elements related to caseworkers to IMPACT.

It is assumed all recipients of relative caregiver monetary assistance payments would be eligible to receive the current daily basic foster care rate. Based on this estimate, projected recipients of monetary assistance payments under this structure, and an assumed payment duration of eighteen months, it is assumed that 11,861 average monthly caregivers in fiscal year 2018 will receive a daily payment of \$23.10 (100 percent of the current daily basic foster care rate) increasing each year to 13,399 average monthly caregivers by fiscal year 2022. After accounting for savings from no longer making the current annual payments to these caregivers, the estimated cost under the new structure of payments to families is \$87.8 million in General Revenue in fiscal year 2018 increasing each fiscal year to \$100.0 million in General Revenue by fiscal year 2022.

It is assumed the new payment structure will increase placements of children with relatives who will receive monetary assistance, reducing paid foster care placements. It is assumed 15 percent of foster care children at the basic level of care will be diverted to the relative caregiver program, resulting in an estimated increase of 1,399 average monthly recipients of the \$23.10 daily payment in fiscal year 2018 and an estimated cost of \$11.8 million in General Revenue, increasing each fiscal year to 1,417 average monthly recipients and an estimated cost of \$11.9 million in General Revenue Funds by fiscal year 2022. The estimated savings to paid foster care for these children, assuming the projected weighted average daily rate across placement types at the basic level of care, is \$20.5 to \$20.7 million in All Funds, including \$14.0 to \$14.1 million in General Revenue and \$6.5 to \$6.6 million in Federal Funds, in each of fiscal years 2018 to 2022. The net savings to General Revenue Funds for children diverted from paid foster care to a relative placement is estimated to be \$2.2 million in each of fiscal years 2018 to 2022.

DFPS estimates a one-time cost of \$0.3 million in All Funds in fiscal year 2018 for modifications to the IMPACT system to allow payments to be processed under the new structure. This analysis assumes IMPACT upgrades are completed in a timely manner. The agency may need to employ temporary employees for manual payment processing if modifications are delayed. This analysis does not reflect any cost for those temporary employees.

It is assumed all Parental Child Safety Placements (PCSP) participants would be eligible to receive the current daily basic foster care rate. According to DFPS, this would be an estimated increase of 4,550 average monthly recipients receiving a caregiver payment. The estimated cost for this new payment structure of payments is \$38.4 million in General Revenue in each of fiscal years 2018 to 2022.

DFPS estimates a one-time cost of \$2.0 million in All Funds, including \$1.0 million in General Revenue, in fiscal year 2018 for modifications to the IMPACT system to incorporate the new stage for PCSP caregiver assistance payments.

Based on US Census data, there are an estimated 126,701 families in Texas with children under the age of five living at or below 50 percent of the federal poverty limit. The bill would set a target of 50 percent receiving PEI services. Costs would vary widely dependent on the level of services provided and dependent on whether services were able to be partially funded through federal, local, or private resources. Additionally, costs could be lower to the extent that families are already being served. This analysis assumes that half of eligible families (31,675) would complete a full program of services at an annual cost of \$3,000 per family, and half would receive partial services at an annual cost of \$1,500, for a total cost of \$142.5 million in General Revenue in each fiscal year.

THECB assumes that 1.0 FTEs will be required to conduct the PEI review, at a General Revenue

cost of \$45,875 in fiscal year 2018 and \$40,875 in each fiscal year thereafter.

It is assumed any other provisions of the bill related to DFPS can be implemented within the available resources of the department.

Based on the analysis of Texas A&M University and the University of Texas, any work resulting from provisions of the bill related to evaluation of PEI programs could reasonably be absorbed within current resources.

Technology

Technology costs are estimated to be \$9.3 million in the 2018-19 biennium for one-time implementation costs. This includes \$2.7 million for upgrades to IMPACT, \$6.6 million for the new web-based placement system, and \$1,600 per additional FTE for computer and laptop accessories.

Local Government Impact

According to the Texas Association of Counties, the fiscal impact to counties cannot be determined.

Source Agencies: 503 Texas Medical Board, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 537 State Health Services, Department of, 696 Department of Criminal Justice, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 781 Higher Education Coordinating Board

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