

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 9, 2019**

**TO:** Honorable Senfronia Thompson, Chair, House Committee on Public Health

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB1113** by Davis, Sarah (Relating to state contract limitations and programs for sex trafficking prevention and victim treatment.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time. Depending on the amount, number, and timing of grants distributed by the matching grant program for municipal sex trafficking prevention programs and the sex trafficking prevention grant program for local law enforcement there would be some fiscal impact to the state.

This bill would require the Comptroller to bar a vendor from participating in certain state contracts if the vendor has taken an action that directly supports or promotes human trafficking. The bill would also require the Health and Human Services Commission (HHSC), in collaboration with a designated health-related institution of higher learning, to establish a program to provide inpatient and outpatient care for victims of child sex trafficking. The bill would also require HHSC to establish a matching grant program for municipal sex trafficking prevention programs. The Office of the Governor (OOG) would establish and administer a program that awards grants to local law enforcement agencies to train officers to recognize signs of child sex trafficking.

The number of victims that may qualify for services at an inpatient and outpatient level is unknown. This analysis assumes HHSC would contract with a health-related institution of higher education to operate the treatment program for victims of child sex trafficking, including operation of a 20-bed unit to provide inpatient care for victims of child sex trafficking. This analysis assumes an average daily cost per inpatient bed of \$562.21 in fiscal year 2020 and \$597.26 in fiscal years 2021 through 2024, for a total of \$4.1 million in General Revenue in fiscal year 2020 and \$4.4 million in fiscal years 2021 through 2024. This analysis also assumes the program would provide outpatient care for approximately 216 victims of child sex trafficking per year at an annual cost of \$5,100 per victim served, for a total of \$1.1 million in General Revenue per fiscal year. These estimates could vary depending on the number of beds at the inpatient unit and the number of victims receiving outpatient care. In addition, funding amounts to create opportunities for research and workforce expansion related to treatment of victims of child sex trafficking, and to assist other health-related institutions of higher education to establish similar programs are unknown at this time and would vary depending on funds appropriated for that purpose.

Costs of the grants may vary depending on the infrastructure and existing resources of the municipalities and local law enforcement agencies. For illustrative purposes, HHSC estimates that grants to five municipalities would cost approximately \$1.9 million per year. In addition, HHSC indicated it would need one additional contract manager to oversee the grant program.

Based on the costs of comparable law enforcement training projects, OOG estimated the cost of developing, implementing, and hosting a training is approximately \$12,500 per session. Forty sessions per fiscal year would result in a cost of \$1.0 million for the biennium. OOG also estimated that they would require an additional FTE, a grant coordinator, to implement provisions of the bill. It is assumed this could be absorbed within existing resources.

### **Local Government Impact**

There could be some impact to local units of government from receiving and/or providing matching funds for a grant under the bill.

**Source Agencies:** 300 Truusted Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 781 Higher Education Coordinating Board

**LBB Staff:** WP, AKi, JQ, BH, SB, JSm