

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 17, 2019

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

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

IN RE: SB569 by Huffman (Relating to the regulation of listed family homes.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB569, As Introduced: a negative impact of (\$3,865,074) through the biennium ending August 31, 2021.

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
2020	(\$2,097,421)
2021	(\$1,767,653)
2022	(\$1,556,953)
2023	(\$1,556,953)
2024	(\$1,556,953)

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>Other Funds</i> 997	Change in Number of State Employees from FY 2019
2020	(\$2,097,421)	(\$475,463)	(\$54,951)	23.8
2021	(\$1,767,653)	(\$280,437)	(\$37,988)	23.8
2022	(\$1,556,953)	(\$12,931)	(\$16,585)	20.7
2023	(\$1,556,953)	(\$12,931)	(\$16,585)	20.7
2024	(\$1,556,953)	(\$12,931)	(\$16,585)	20.7

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to adopt minimum standards for listed family homes. The bill would amend Chapter 42 of the Human Resources Code to authorize the inspection of listed family homes, require HHSC to complete an unannounced inspection of listed family homes at least once every three years, and include listed family homes as the potential subject of a regulatory investigation.

The bill would require HHSC to provide a minimum of five years of inspection data for listed family homes.

The bill would require an applicant for a listing to operate a family home to complete safe sleep training in accordance with HHSC rules.

The bill would require listed family homes to maintain liability insurance.

The bill would amend language on a listed family home listing regarding minimum standards and inspections, and amend the requirements for an advertisement for a listed family home to include language reflecting that listed family homes have limited minimum standards and inspections.

The bill would require HHSC to adopt rules necessary to implement the bill as soon as practicable after the effective date.

The bill would take effect September 1, 2019.

Methodology

The bill would require HHSC to inspect listed family homes once every three years. HHSC estimates that 2,678 listed family homes would need to be inspected under the provisions of the bill, requiring 893 inspections each year. According to HHSC, these activities would require 16.0 FTEs to conduct new inspections in listed family homes, 3.0 FTEs to act as regional supervisors, and 1.0 FTE to maintain current administrative support levels in each fiscal year. The bill would also require 0.5 FTEs in fiscal years 2020 and 2021, and 0.4 FTEs in future fiscal years, to act as program specialists and support the regulatory changes above. This would cost \$1,741,551 in fiscal year 2020, \$1,563,532 in fiscal year 2021, and \$1,553,610 in future fiscal years. This includes FTE-related technology costs of \$153,346 in fiscal year 2020, \$106,858 in fiscal year 2021, and \$106,361 in future fiscal years.

According to HHSC, adopting minimum standards for listed family homes and authorizing and requiring inspections of these homes would require application and system modifications to the CLASS, CLASSMate, and Public and Provider systems, at a cost of \$793,467 in fiscal year 2020.

Other modifications to the CLASS and Public and Provider systems, including extending the current site data from three years to five years, updating language on the public site, and tracking the successful completion of safe sleep training, would cost \$454,405 in fiscal year 2021.

HHSC indicates that the bill would require staff support to gather and analyze data. This would require 0.30 FTEs in each fiscal year, at a cost of \$35,075 in fiscal year 2020 and \$32,859 in future fiscal years.

According to HHSC, the bill would require 3.0 FTEs fiscal years 2020 and 2021 as staff augmentation contractors. The direct cost of these contractors is included in amounts above, and

HHSC estimates that support costs for these FTEs would be \$57,027 in fiscal year 2020 and \$35,283 in fiscal year 2021.

HHSC estimates that the bill would have a cost to Other Funds of \$54,951 in fiscal year 2020, \$37,988 in fiscal year 2021, and \$16,585 in future fiscal years, largely from interagency contracts. Interagency contract costs are a projection of funding that HHSC estimates would be paid by DFPS and DSHS for the new system benefit provided by HHSC as a result of implementing this legislation.

The estimated total to comply with the provisions of the bill would be \$2,627,836 in All Funds in fiscal year 2020, \$2,086,078 in All Funds in fiscal year 2021, and \$1,586,469 in each subsequent fiscal year.

Technology

HHSC estimates technology costs of \$966,554 in fiscal year 2020, \$577,654 in fiscal year 2021, and \$107,851 in future fiscal years, relating to application and system modifications and FTE seat management services and data storage.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: WP, AKi, JQ, MNa, RC