

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 4, 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.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB569, Committee Report 1st House, Substituted: a negative impact of (\$1,309,025) through the biennium ending August 31, 2021. The Health and Human Services Commission is required to implement a provision of this bill only if the Legislature appropriates money specifically for that purpose. If the Legislature does not appropriate money specifically for that purpose, the Health and Human Services Commission may, but is not required to, implement a provision of this bill using other appropriations available for that purpose.

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	(\$745,896)
2021	(\$563,129)
2022	(\$344,485)
2023	(\$344,485)
2024	(\$344,485)

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 Other Funds 997	Change in Number of State Employees from FY 2019
2020	(\$745,896)	(\$454,095)	(\$41,969)	8.5
2021	(\$563,129)	(\$280,131)	(\$27,597)	8.5
2022	(\$344,485)	(\$2,540)	(\$5,387)	5.4
2023	(\$344,485)	(\$2,540)	(\$5,387)	5.4
2024	(\$344,485)	(\$2,540)	(\$5,387)	5.4

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to adopt minimum standards for listed family homes. The bill would authorize the inspection of listed family homes 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 Health and Human Services Commission is required to implement a provision of this bill only if the Legislature appropriates money specifically for that purpose. If the Legislature does not appropriate money specifically for that purpose, the Health and Human Services Commission may, but is not required to, implement a provision of this bill using other appropriations available for that purpose.

The bill would take effect September 1, 2019.

Methodology

The bill would require HHSC to investigate listed family homes when minimum standard complaints are received. HHSC estimates that 2,678 listed family homes would be subject to minimum standard investigations, and that 5 percent (134) of these homes would be investigated each year. According to HHSC, these activities would require 4.0 FTEs as regional inspectors for each year, and 1.0 FTE to act as regional supervisor. These additional FTEs would cost \$374,608 in fiscal year 2020, \$329,474 in fiscal year 2021, and \$319,552 in future fiscal years. The bill would also require 0.2 FTEs in fiscal years 2020 and 2021, and 0.1 FTEs in subsequent fiscal years, to act as program specialists and support the regulatory changes above.

According to HHSC, enforcing the bill's new standards for listed family homes would require application and system modifications to the CLASS, CLASSMate, and Public and Provider systems, at a cost of \$774,534 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 implementing administrative penalty logic for liability insurance, would cost \$473,242 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 subsequent fiscal years.

According to HHSC, the bill would require 3.0 FTEs in 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 \$57,743 in fiscal year 2020 and \$35,283 in fiscal year 2021.

The estimated total to comply with the provisions of the bill would be \$1,241,960 in fiscal year 2020, \$870,857 in fiscal year 2021, and \$352,412 in each subsequent fiscal year.

Technology

Technology costs are estimated to be \$833,108 in fiscal year 2020, \$516,726 in fiscal year 2021, and \$28,087 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