

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 21, 2021

TO: Honorable James B. Frank, Chair, House Committee on Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1190 by Krause (Relating to the procedures required before an individual's name is added to the central child abuse or neglect registry.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1190, As Introduced : a negative impact of (\$136,480,573) through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$71,696,548)
2023	(\$64,784,025)
2024	(\$53,369,375)
2025	(\$53,369,375)
2026	(\$53,369,375)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Probable (Cost) from GR Match For Medicaid 758</i>	<i>Probable (Cost) from Federal Funds 555</i>	<i>Probable (Cost) from Interagency Contracts 777</i>
2022	(\$71,627,819)	(\$68,729)	(\$6,804,136)	(\$7,709,250)
2023	(\$64,724,618)	(\$59,407)	(\$5,581,260)	(\$38,665,500)
2024	(\$53,310,142)	(\$59,233)	(\$5,864,116)	(\$58,627,873)
2025	(\$53,310,142)	(\$59,233)	(\$5,864,116)	(\$59,113,173)
2026	(\$53,310,142)	(\$59,233)	(\$5,864,116)	(\$59,113,173)

<i>Fiscal Year</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	753.5
2023	1,048.0
2024	1,113.0
2025	1,113.0
2026	1,113.0

Fiscal Analysis

The bill would amend the Family Code by altering and expanding the current process in which the State Office of Administrative Hearings (SOAH) conducts child abuse and child neglect central registry hearings as referred by the Health and Human Services Commission (HHSC).

Section 1 of the bill would amend Family Code to provide that the Department of Family and Protective Services (DFPS) may not place a person's name on the central registry unless investigative findings are sustained by a SOAH administrative law judge. Based on data over the last five fiscal years provided by DFPS, this will result in an estimated 52,000 additional Child Protective Investigation administrative hearings at SOAH each year.

Section 2 of the bill would require DFPS to refer all cases for a contested case hearing within 14 days, and for SOAH to conduct a hearing within 60 days of the initial findings of abuse and/or neglect. Based on data over the last five fiscal years provided by DFPS, this will result in as assumed 345 additional Child Care Investigation cases referred to SOAH annually.

Further, Section 2 of the bill would create a new process to allow a perpetrator in the central registry to initiate a contested case directly at SOAH via written request for hearing. Based on data over the last five fiscal years provided by DFPS, an average of 51,800 individuals were placed in the central registry annually. The agency projects that if 5.0 percent of all such individuals request a good cause hearing, passage of the bill will result in 12,950 new hearings for persons already in the registry, and 2,590 new hearings annually.

Methodology

The analysis assumes each case will take 6.35 hours, including 1.0 hour dedicated to each hearing, based on similar DFPS cases. The agency calculates 1,350 hours of casework per year. This analysis also estimates that child protective investigators would spend approximately 8.0 hours preparing, including reading reports, conducting staffing with attorneys, and traveling to the hearings and testifying. This would result in a need of 304.0 Investigator caseworkers Full-time Equivalents (FTEs) and 51.0 supervisor FTEs.

This analysis assumes that DFPS would need to provide their own legal representation due to the fact the requirements of the bill would not fall within the services that HHSC currently provides DFPS. This would result in a need of 250.0 additional attorney III FTEs, and 25.0 legal assistants FTEs and 10.0 administrative assistant FTEs to support the attorneys.

This analysis assumes it would take DFPS 1.5 hours to redact information of each SOAH hearing resulting in the need for an additional 50.0 redaction specialist FTEs. In addition, each FTE would require access to an Adobe Acrobat Pro DC license at an annual cost of \$193 per license.

This analysis assumes the need of 1.0 Investigator II FTE to monitor and track administrative hearings for persons who had a background check submitted through DFPS.

SOAH proposes a staggered approach to implementation, hiring teams by category and working with the Facilities Commission to build out new space. The analysis assumes costs related to capacity ramp up, including human resources and IT staff, temporary contractors, and temporary office space, to be fully staffed and functioning at full capacity by the beginning of the third fiscal year.

Ongoing funding will be through a lump-sum Interagency Contract with HHSC. One-time startup costs in the first and second fiscal years will be funded with General Revenue.

Technology

Ongoing and annual technology costs for SOAH include increased cloud storage capacity assumed at \$288,000 and software licenses at \$422,000. One-time technology costs include indigent party software at \$400,000, hearing room audio equipment at \$1,598,000, switches for new offices at \$55,000, and laptops at \$970,600.

This analysis assumes changes to the Information Management Protecting Adults and Children in Texas (IMPACT) system at DFPS will be required to return sustained perpetrator results from the batch job for

Central Registry Check matches; modify the records retention stored procedure; and update multiple auto-generated notification letters. It is assumed that this would cost \$116,743 and would required 1.0 systems analyst V FTE in fiscal year 2022.

This analysis assumes changes are required for HHSC's Childcare Licensing Automated Support System (CLASS) system estimated to cost \$192,832 in fiscal year 2022 to update data fields.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 360 Office Adm Hearings, 529 Hlth & Human Svcs Comm, 530 Family & Protective Services

LBB Staff: JMc, AKI, JLI, AN, MPUK