

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 20, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3121 by Turner, John (Relating to a voluntary quality standards certification process for certain private residential psychiatric treatment facilities that provide treatments and services to youth; imposing fees; authorizing civil and administrative penalties.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3121, As Engrossed : a negative impact of (\$4,630,637) 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	(\$2,719,352)
2023	(\$1,911,285)
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Revenue Gain/(Loss) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$2,719,352)	\$0	16.0
2023	(\$1,911,285)	\$0	13.4
2024	(\$1,081,005)	\$1,081,005	9.0
2025	(\$1,082,634)	\$1,082,634	9.0
2026	(\$1,084,317)	\$1,084,317	9.0

Fiscal Analysis

The bill would amend the Health and Safety Code to require the Health and Human Services Commission (HHSC) to develop and implement a voluntary quality standards certification process to certify that a psychiatric residential youth treatment facility meets certain standards. HHSC would be required to establish application and renewal fees in amounts necessary to cover the costs of administering the provisions of the bill. Facilities that violate certain laws and rules would be subject to civil and/or administrative penalties.

Methodology

The analysis assumes HHSC would need an additional 3.2 full-time equivalents (FTEs) in Regulatory Services in fiscal years 2022 and 2023 to coordinate IT changes and develop rules and standards and 1.0 FTE in subsequent years to monitor standards long-term. The estimated cost for the additional FTEs is \$0.4 million in fiscal year 2022, \$0.3 million in fiscal year 2023, and \$0.1 million in each subsequent year.

According to HHSC, updates would need to be made to the Childcare Licensing Automated Support System (CLASS), Public Provider Portal, and CLASSMate systems. It is assumed HHSC would require a total of 12.8 FTEs in fiscal year 2022, 10.2 FTEs in fiscal year 2023, and 8.0 FTEs in subsequent years to make necessary technology changes and provide ongoing support. The estimated cost for the upgrades and ongoing support are \$2.3 million in fiscal year 2022, \$1.6 million in fiscal year 2023, \$1.0 million in subsequent years.

It is assumed that start-up activities and technology changes would occur during fiscal year 2022 and 2023, and no facilities would be certified during this time, therefore no revenue from application and renewal fees would be generated. It is assumed revenue generated from application and renewal fees in fiscal years 2024 through 2026 would be sufficient to cover costs related to implementing the provisions of the bill.

The analysis cannot determine the cost to certify psychiatric residential youth treatment facilities and manage related workload. Because psychiatric residential youth treatment facilities would be considered a type of residential child care operation, HHSC would need enough staff to comply with caseload guidelines imposed in relation to the foster care litigation.

The amount of civil and administrative penalties cannot be determined at this time as it is unknown how many penalties would be levied by HHSC and the amount of the penalties.

Technology

Upgrades to CLASS, the Public Provider Portal, and CLASSMate are assumed to require a total of 12.8 FTEs in fiscal year 2022, 10.2 FTEs in fiscal year 2023, and 8.0 FTEs in subsequent fiscal years at an estimated cost of \$2.3 million in fiscal year 2022, \$1.6 million in fiscal year 2023, \$1.0 million in subsequent years. FTE-related IT costs are estimated to be \$26,001 in fiscal year 2022, \$7,719 in fiscal year 2023, and \$5,185 in subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Admin, 304 Comptroller of Public Accounts, 529 Hlth & Human Svcs Comm

LBB Staff: JMc, AKI, RD, JLI