

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 27, 2021**

**TO:** Honorable Dade Phelan, Speaker of the House, House of Representatives

**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 Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3121, As Passed 2nd House : a negative impact of (\$1,531,686) 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. The Health and Human Services Commission is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the commission may, but is not required to, implement a provision of this Act using other appropriations available for that purpose.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$1,323,108)
2023	(\$208,578)
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	(\$1,323,108)	\$0	6.4
2023	(\$208,578)	\$0	2.0
2024	(\$104,465)	\$104,465	1.0
2025	(\$104,646)	\$104,646	1.0
2026	(\$104,833)	\$104,833	1.0

## **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 3.0 full-time equivalents (FTEs) in Regulatory Services in fiscal years 2022 and 2.0 in fiscal year 2023 to coordinate information technology (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 \$0.3 million in fiscal year 2022, \$0.2 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 3.4 FTEs in fiscal year 2022 to make necessary technology changes. The estimated cost for the upgrades is \$1.0 million in fiscal year 2022.

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 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 3.4 FTEs in fiscal year 2022 at an estimated cost of \$1.0 million in fiscal year 2022. FTE-related IT costs are estimated to be less than \$0.1 million each fiscal year.

## **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

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