

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 11, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3815 by Hunter (Relating to transitional living services provided to foster youth transitioning to independent living.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3815, As Introduced : a negative impact of (\$4,561,200) 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	(\$1,986,600)
2023	(\$2,574,600)
2024	(\$3,360,000)
2025	(\$3,675,000)
2026	(\$3,675,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>
2022	(\$1,986,600)
2023	(\$2,574,600)
2024	(\$3,360,000)
2025	(\$3,675,000)
2026	(\$3,675,000)

Fiscal Analysis

The bill would amend Chapter 264 of the Family Code to expand eligibility for the Transitional Living Services Program and Medicaid for former foster child until age 23 if the youth is regularly attending an institution of higher education or a postsecondary vocational or technical program.

Methodology

According to the Health and Human Services Commission (HHSC), updates would need to be made to the Texas Integrated Eligibility Redesign System (TIERS) in order to implement the provisions of the bill. The analysis

assumes updates to TIERS would occur in fiscal year 2022 at an estimated cost of \$0.7 million in General Revenue. It is assumed that the change in eligibility would become effective on September 1, 2022 and would result in an increase in the caseload for the Former Foster Care in Higher Education program in fiscal year 2023 and subsequent fiscal years. However, the caseload increase is expected to be minimal and it is assumed the costs could be absorbed within existing resources.

Currently, the Department of Family and Protective Services (DFPS) provides Transitional Living Services upon a youth's transition out of foster care up to age 21. This analysis assumes for youth who were 14 years of age or older when removed and who exit foster care prior to turning 18 years of age, that there would be a ramp up in the number of children who would meet the new criteria beginning with 350 youth in fiscal year 2022, increasing to 1,100 youths in fiscal year 2025. This analysis assumes 75.0 percent of eligible youth and their families would choose to access these services. Each youth is assumed to receive \$1,000 in Transitional Living Allowance and \$3,000 in After Care Room and Board. These capped amounts are consistent with DFPS resources provided to the currently eligible population.

To offer services to youth up to age 23, this analysis assumes 10.0 percent of the estimated population, or 500 youth, based on available data would access these services. These youth would also receive the Transitional Living Allowance and After Care Room and Board amount.

In addition, this analysis assumes that DFPS would incur costs to compensate a contractor to distribute benefits to eligible youth. It is assumed that 5.0 percent of the total benefit amount would be paid for administration of expanded services.

Technology

Updates to TIERS are estimated to cost \$0.7 million in fiscal year 2022.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Hlth & Human Svcs Comm, 530 Family & Protective Services

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