

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 19, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4244 by Toth (Relating to the appointment of a representative payee or fiduciary for a child in the conservatorship of the Department of Family and Protective Services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4244, As Introduced : a negative impact of (\$16,452,898) 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>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	(\$8,263,923)
2023	(\$8,188,975)
2024	(\$8,087,020)
2025	(\$8,038,539)
2026	(\$8,038,539)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings/(Cost) from Federal Funds 555	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$8,249,305)	(\$14,618)	(\$327,392)	19.5
2023	(\$8,176,953)	(\$12,022)	(\$310,706)	19.5
2024	(\$8,076,501)	(\$10,519)	(\$300,089)	17.0
2025	(\$8,028,553)	(\$9,986)	(\$295,294)	17.0
2026	(\$8,028,553)	(\$9,986)	(\$295,294)	17.0

Fiscal Analysis

The bill would amend Family Code to direct the Department of Family and Protective Services (DFPS) to work with the child's legal representative to appoint a representative payee or fiduciary for a child in the conservatorship of the state who is eligible for such benefits or services.

In cases where DFPS serves as the payee, the bill would require DFPS to conserve a specific percent of the benefit funds received beginning when the child is 14 years of age until DFPS is no longer the payee.

The bill would also direct DFPS to establish and use certain accounts when funds received would be in excess of eligibility. Furthermore, the bill would require DFPS to provide annual accounting to the child and legal representative, and to provide certain information prior to each placement review hearing in circumstances when DFPS is serving as the payee.

Methodology

This analysis assumes that in each situation when a child enters foster care receiving Supplemental Security Income or Retirement, Survivors and Disability Insurance (RSDI) that DFPS would work with the child's legal representative to identify a representative payee. In situations where the parties cannot agree on a representative, a court may order a certain individual or agency to apply to be the payee and then the Social Security Administration (SSA) would make the determination on who will be the payee. Currently, DFPS applies to be the representative payee in every case and this analysis assumes that now DFPS would only be the payee in half the cases, or 800 children.

Based on information from DFPS, the agency uses the monthly benefit amounts received on behalf of the children to offset the daily cost of foster care, to provide funds to relatives if the child is placed in a relative home, and to manage a small number of dedicated accounts for youth who receive a lump sum from SSA of monthly benefits not previously received. This analysis assumes for the children who DFPS is no longer the representative payee, the monthly benefits would no longer be available to offset the cost of foster care. This would result in an increase of \$36.4 million in foster care costs for the period from fiscal years 2022 to fiscal year 2026.

This analysis assumes to establish an Achieving a Better Life Experience (ABLE), Social Security Plan to Achieve Self-Support, Individual Development account, or a special trust as identified in the bill, DFPS would require 1.0 Attorney III Full-time Equivalent (FTE). The agency would also need 1.0 Program Specialist VI FTE and 1.0 Program Specialist IV FTE to provide training and guidance for SSI coordinators, to monitor federal or state changes to the various programs identified in the bill to conserve the youth's funding in the different accounts, and to respond to requests by the court appointed special advocate, the child's legal representation or the child's caregiver as required by the bill.

In addition, this analysis assumes the need of 9.0 Accountant II FTEs to perform accounts payable and accounts receivable functions including: recording deposits from SSA; transferring funds between accounts to ensure the assets do not exceed the resources limits; and process requests for purchases are for the best interest of the child. To perform duties such as establishing new accounts, close existing accounts upon request, perform monthly reconciliations, annual and ad-hoc reporting, and monitoring account balances, the agency would need 3.0 Accountant IV FTEs. Furthermore, DFPS would need 1.0 Accountant V FTE to lead the staff training, support management, policy development and compliance as well as to act as an liaison to the regional SSI coordinators as well as 1.0 Manager V FTE to oversee the unit.

This analysis also assumes the need to modify the Information Management Protecting Adults and Child in Texas (IMPACT) system and would require 2.5 System Analyst V FTEs in fiscal year 2022 and fiscal year 2023 for 9,886.5 hours of work. The modifications would include enabling more than one checking account per child, check writing for multiple accounts, reconciling the balances in IMPACT to bank statements, creating new and updating current reports, creating of an Application Programming Interface to exchange information with banks and new security roles for payables and receivables.

Based on analysis of the Office of Court Administration, it is assumed that any costs associated with implementing the provisions of the bill could be absorbed within existing resources.

Technology

This analysis assumes 2.5 System Analyst V FTEs in fiscal year 2022 and fiscal year 2023 for 9,886.5 hours of work to modify the IMPACT system at an estimated cost of \$0.2 million in each fiscal year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Admin, 530 Family & Protective Services

LBB Staff: JMc, AKI, JLI, AN