

## **BILL ANALYSIS**

C.S.H.B. 1517  
By: Frank  
Human Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

State data indicates that more than 1,000 beds for children in foster care were lost during FY 2021. This has resulted in a dramatic increase in the number of children entering care without a safe, stable placement. The legislature's investigation into the placement crisis revealed a number of contributing factors, including an increasingly complex, disjointed, and inefficient process for licensing and overseeing the agencies and families who are on the front lines of serving our state's most vulnerable children. The current regulatory environment is inhibiting the state's ability to ensure the safety and effectively meet the complex needs of children in the state's care. C.S.H.B. 1517 aims to increase the capacity and quality of child welfare services, including the number of available foster and adoptive placements, in the state by providing for a third-party assessment of rules and standards governing the provision of foster care and adoptive services.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1517 amends the Human Resources Code to require the Health and Human Services Commission (HHSC), not later than March 31, 2024, to contract with an independent entity that has demonstrated expertise in evaluating state child welfare systems and conducting statistical and operational analysis to conduct an assessment of the following:

- HHSC's rules, minimum standards, and contract requirements that apply to child-placing agencies, residential child-care facilities, relative caregivers, and adoptive homes; and
- the standards or oversight requirements prescribed by law to determine:
  - the relevance of the standard or oversight requirement;
  - whether the standard or oversight requirement complies with federal laws, rules, or guidelines; and
  - whether the standard or oversight requirement is the best practice.

C.S.H.B. 1517 requires the independent entity, not later than September 30, 2024, or the date of HHSC's next comprehensive review, whichever occurs first, to complete the assessment and

submit to HHSC and the Department of Family and Protective Services (DFPS) a report that includes the findings of the assessment and recommendations for the following:

- simplifying HHSC's minimum standards for the following purposes:
  - prioritizing the health, safety, and well-being of children residing in a residential child-care facility or the home of a relative caregiver or an adoptive parent; and
  - reducing any barriers to opening a child-placing agency or a residential child-care facility or becoming a relative caregiver or an adoptive parent;
- adjusting HHSC's system for assigning weights to minimum standards to ensure that the system is methodical, consistent, and reflective of a strategic model for increasing the focus on the health, safety, and well-being of children residing in a residential child-care facility or the home of a relative caregiver or an adoptive parent, including an explanation of the recommended adjustments;
- taking into consideration the model licensing standards recommended by the federal Administration for Children and Families, eliminating any minimum standards that are weighted as low, medium-low, or medium by HHSC and are not directly related to child safety;
- addressing any licensing, training, or oversight requirements that are barriers to retaining high-quality residential child-care facilities, relative caregivers, or adoptive parents;
- updating licensing standards for the following purposes:
  - prioritizing the health, safety, and well-being of children residing in a residential child-care facility or the home of a relative caregiver or an adoptive parent; and
  - reducing any barriers to the hiring and retention of high-quality leadership, administrators, and staff at child-placing agencies and residential child-care facilities;
- providing flexibility in applying standards to ensure that services are provided in response to the needs of each individual child residing in a residential child-care facility or the home of a relative caregiver or an adoptive parent;
- defining the role of HHSC in licensing, investigating, contract oversight, and any other regulatory activity to eliminate duplicate functions among divisions within HHSC; and
- promoting transparency and clarity of HHSC'S expectations for child-placing agencies, residential child-care facilities, relative caregivers, and adoptive parents.

The bill requires the independent entity to make any recommendations for legislative action necessary to implement the entity's recommendations and, in conducting the assessment, to solicit and consider the input of relevant stakeholders, including those affected by HHSC's rules, minimum standards, and contract requirements that apply to child-placing agencies, residential child-care facilities, relative caregivers, or adoptive parents.

C.S.H.B. 1517 requires HHSC to publish the independent entity's report on the HHSC website and submit a copy of the report to the governor, the lieutenant governor, the speaker of the house of representatives, and the standing committee of each house of the legislature with primary jurisdiction over HHSC. The bill requires HHSC, in collaboration with DFPS and not later than the 90th day after receiving the report, to submit to those authorities a report that includes a description of the following:

- HHSC's and DFPS's plan to implement the independent entity's assessment recommendations; and
- any recommendation HHSC or DFPS decides not to implement and a written justification for not implementing the recommendation.

The bill's provisions expire September 1, 2025.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 1517 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the bill from requiring an audit to requiring an assessment and requires the independent entity contracted to perform the assessment to have demonstrated expertise in evaluating state child welfare systems and conducting statistical and operational analysis. The introduced did not contain requirements regarding who the independent entity is.

The substitute changes the deadline for HHSC to contract with the independent entity from December 31, 2023, as in the introduced, to March 31, 2024, and changes the deadline for the assessment to be completed from December 31, 2024, as in the introduced, to September 30, 2024.

The substitute clarifies that the rules, minimum standards, and contract requirements to be assessed are those applicable to child-placing agencies, residential child-care facilities, relative caregivers, and adoptive homes. The introduced had mentioned rules, minimum standards, and contract requirements applicable to licensed child-placing agencies, residential child-care facilities, foster homes, kinship care homes, and adoptive homes.

The substitute revises the required recommendations to be provided by the independent entity as follows:

- requires the recommendations for simplifying minimum standards and the recommendations for updating licensing standards to be for purposes of prioritizing the health, safety, and well-being of children, whereas the introduced mentioned only the prioritization of child safety;
- requires additional recommendations to be included for adjusting HHSC's system for assigning weights to minimum standards to ensure that the system is methodical, consistent, and reflective of a strategic model for increasing the focus on the health, safety, and well-being of children residing in a residential child-care facility or the home of a relative caregiver or an adoptive parent; and
- clarifies that the recommendations regarding the defining of roles to eliminate duplicative functions applies to HHSC and to the divisions within HHSC.

Whereas the introduced required recommendations to be made for eliminating any standards weighted "low," "medium-low," and "medium" that are not in line with certain federal model licensing standards, the substitute requires instead only that the model standards be considered in making recommendations for eliminating any of these standards.

The substitute requires the independent entity, in conducting the assessment, to solicit and consider the input of relevant stakeholders, whereas the introduced did not. The substitute requires the assessment to look at whether a given standard or oversight requirement complies

with federal laws, rules, or guidelines, whereas the introduced dealt only with compliance with federal guidelines.

The introduced required the audit and recommendations to be delivered to the executive commissioner of HHSC, commissioner of DFPS, governor, lieutenant governor, speaker, and chairs of the House Human Services and Senate Health and Human Services Committees. The substitute requires instead that the report containing the results of the assessment and the recommendations be provided to HHSC and DFPS and requires a copy of the report to be submitted to the governor, lieutenant governor, speaker, and the standing committee of each house of the legislature with primary jurisdiction over HHSC.

The substitute establishes a 2025 expiration date for the bill's provisions, whereas the introduced did not.