

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 20, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1141 by Cortez (Relating to establishment of an employee grievance procedure by the Health and Human Services Commission and Department of Family and Protective Services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1141, As Introduced : a negative impact of (\$5,796,126) through the biennium ending August 31, 2025.

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
2024	(\$2,935,110)
2025	(\$2,861,016)
2026	(\$2,862,929)
2027	(\$2,864,864)
2028	(\$2,866,821)

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	Change in Number of State Employees from FY 2023
2024	(\$2,218,807)	(\$716,303)	(\$716,303)	26.3
2025	(\$2,158,236)	(\$702,780)	(\$702,780)	26.3
2026	(\$2,159,721)	(\$703,208)	(\$703,208)	26.3
2027	(\$2,161,224)	(\$703,640)	(\$703,640)	26.3
2028	(\$2,162,745)	(\$704,076)	(\$704,076)	26.3

Fiscal Analysis

The bill would require the Executive Commissioner of the Health and Human Services Commission (HHSC) and the Commissioner of the Department of Family and Protective Services (DFPS) to establish a grievance procedure for HHSC and DFPS employees, respectively. The procedure must allow an HHSC employee and a DFPS employee to appeal employment action taken by the agency regarding disciplinary actions and the employee's compensation or working conditions. The bill would take effect September 1, 2023.

Methodology

According to HHSC, only HHSC employees at the State Supported Living Centers and the Mental Health State Hospitals have the right to file a grievance for disciplinary action. According to DFPS, there is no formal grievance procedure currently in place at the agency.

Based on full-time-equivalent (FTE) authority at HHSC and DFPS included in House Bill 1, Eighty-eighth Legislature, Regular Session, 2023, it is assumed that this bill as filed would expand the right to file a grievance for disciplinary action for an estimated 18,857.0 full-time-equivalents (FTEs) at HHSC and 11,896.5 FTEs at DFPS.

This analysis assumes that 25 percent of the HHSC employees, identified above, would file a formal complaint, or 4,714.3 FTEs. It is assumed that HHSC would need additional staff as follows to implement the bill and respond to increased hearings: 9.4 Attorney IV to provide litigation support and represent the agency in grievance hearings, or 1.0 Attorney IV for every 500 cases; 1.0 Administrative Law Judge II to hear the grievance hearings; 1.0 Staff Services Officer III to provide hearing support for the attorneys; 1.0 Legal Assistant III to provide litigation support for the attorneys; and 1.0 Administrative Assistant IV to coordinate the hearings. Analysis assumes a total of 13.4 FTEs are needed at HHSC in fiscal years 2024 through 2028 to implement the provisions of the bill. Personnel related costs, including salaries, travel, State Bar dues, and continuing legal education, are estimated to total \$2,091,862 in All Funds in fiscal year 2024 and \$2,058,712 in All Funds in fiscal year 2025.

This analysis assumes that DFPS would need additional staff as follows to implement the bill, including the establishment of a formal grievance procedure: 7.9 Human Resources Specialists V to serve as grievance coordinators, or 1.0 Human Resources Specialists V for every 1,511.0 FTEs at DFPS; 1.0 Manager III and 1.0 Administrative Assistant III to assist the new unit of Human Resources Specialists; and 2.0 Attorney III and 1.0 Legal Assistant II to serve or help coordinate formal administrative hearings. Analysis assumes a total of 12.9 FTEs are needed at DFPS in fiscal years 2024 through 2028 to implement the provisions of the bill. Personnel related costs, including salaries and travel, are estimated to total \$1,559,550 in All Funds in fiscal year 2024 and \$1,505,083 in All Funds in fiscal year 2025.

Personnel needs for either HHSC and DFPS, as stated above, could be more or less depending on how many employees would file a grievance.

Technology

The total technology cost is estimated to be \$84,522 in fiscal year 2024 and \$13,775 in fiscal year 2025. Costs are primarily related to costs and equipment for new staff.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 530 Family and Protective Services, Department of
LBB Staff: JMc, NPe, ER, SB, NV