

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

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**March 29, 2023**

**TO:** Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB1849** by Kolkhorst (Relating to the establishment of an interagency child protection database.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1849, As Introduced : a negative impact of (\$17,401,293) 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>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2024	(\$9,195,804)
2025	(\$8,205,489)
2026	(\$7,964,697)
2027	(\$6,998,089)
2028	(\$7,011,827)

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<b>Probable (Cost) from General Revenue Fund 1</b>	<b>Probable Savings/(Cost) from GR Match For Medicaid 758</b>	<b>Probable Savings/(Cost) from Federal Funds 555</b>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$9,174,156)	(\$21,648)	(\$272,217)	59.0
2025	(\$8,174,842)	(\$30,647)	(\$291,528)	71.0
2026	(\$7,933,946)	(\$30,751)	(\$276,760)	71.0
2027	(\$6,967,230)	(\$30,859)	(\$277,728)	71.0
2028	(\$6,980,857)	(\$30,970)	(\$278,726)	71.0

**Fiscal Analysis**

The bill would require the Department of Information Resources (DIR) to collaborate with the Department of Family and Protective Services (DFPS), the Health and Human Services Commission (HHSC), the Texas Education Agency (TEA), and the Texas Juvenile Justice Department to establish an interagency child protection database that is machine readable to compile and aggregate reportable conduct maintained by each agency. This would include instances of abuse, neglect, exploitation or misconduct for which a final determination has been issued.

The bill would require the executive head of each participating agency to designate eligible employees or

contractors to use reportable conduct in the database to determine whether an individual is ineligible for employment or licensure with the agency or establishment licensed by the agency. The agencies would collaborate to designate additional eligible persons to determine whether an individual is ineligible for employment with the person. This would include licensed child care providers, licensed long term care providers, providers under a Section 1915(c) waiver program, county juvenile justice departments, and independent school districts and charter schools. The bill would require each agency to issue revocable user credentials to each eligible person that authorizes them to access the database.

The bill outlines the information that would be stored on the database, and states that an individual who engaged in reportable conduct would not be entitled notice or an opportunity for a hearing before their information is included on the database.

The bill would require DIR and each participating agency to enter into a memorandum of understanding which specifies roles and duties of each agency with respect to establishing and maintaining the database.

## **Methodology**

### **COSTS TO DFPS:**

It is assumed that the interagency database will take one fiscal year to complete and be fully operational by fiscal year 2025. Therefore, analysis assumes that 7.0 Investigator II FTEs would be needed beginning in fiscal year 2025, to research and verify information of a person prior to adding that information to the interagency database. Currently Information Management Protecting Adults and Children in Texas (IMPACT) does not always capture information such as date of birth or social security number. These staff would also check those individuals who have engaged in reportable conduct in the interagency database against the agency's IMPACT system. This analysis assumes 10.0 percent of checks would require further processing, resulting in 86,851 checks each fiscal year. In addition, 3.0 Investigator III FTEs would be needed to process new searches through the search engine for DFPS agency staff, volunteers, interns and contractors. This analysis assumes 23,868 checks would be conducted each fiscal year.

This analysis assumes 1.0 Manager I FTE is needed to create positions, develop job descriptions, and hire staff. In addition, 2.0 Program Specialist VI FTEs and 9.0 Administrative Assistant II FTEs are assumed to be needed to respond to requests for information, address any case related concerns, and provide quality assurance reviews. These staff would track to a final determination has been reached under child care investigations and special investigations.

Currently, a "reason to believe" allegation is the final determination unless an administrative review of finding (ARIF) is requested. The agency assumes 110.0 State Office of Administrative Hearings (SOAH) hearings may be requested each fiscal year to review the finding. Based on targeted caseloads for SOAH hearings at HHSC, this analysis assumes the need of 2.0 Attorney IV FTEs and 1.0 Legal Assistant IV FTE to staff the hearings as well as 2.0 Program Specialist VI FTEs to handle the legal sufficiency reviews that may be requested by legal services staff. Since DFPS is not listed in SOAH, Rider 7, Billing Rate for Workload, the agency would need enter into an interagency contract to pay SOAH for costs. It is assumed that SOAH's current hourly rate is \$150 per hour, including fringe of \$37.50 per hour. This analysis assumes the methodology for annual projected increase in IAC costs would be 6.35 SOAH hours total per hearing x 110.0 hearings x 187.50 per hour totaling \$130,969 annually.

To coordinate human resources functions related to hiring, transfers and ongoing employee checks with the DFPS background check unit, this analysis assumes the need of 1.0 Human Resources VI FTE beginning in fiscal year 2025. In addition, 1.0 Records Analyst II FTE is needed to redact information before uploading information to the interagency database. The agency assumes approximately 520.0 cases would need redaction work.

The agency assumes the need of 1.0 Program Specialist IV FTE to provision access to the interagency database and troubleshoot any issues. In addition, 2.0 Cybersecurity Analysts I FTEs would be needed to create, update, delete and give proper access to the interagency database in a timely manner as well as provide technical support.

In addition, this analysis assumes the need of 1.0 Contracted IT FTE in fiscal year 2024 and 0.5 Contracted IT FTE in fiscal year 2025 to make IT system modifications including, change configurations of the Azure active directory to incorporate new user accounts as well as the creation of new interfaces to receive data from the Department of Information Resources.

Total costs to DFPS would be \$6,241,325, and 33.0 FTEs over the 2024-25 biennium.

#### **COSTS TO DIR:**

It is assumed that the Department of Information Resources (DIR) will require additional staff to implement and administer an interagency child protection database. It is assumed DIR would need additional staff as follows to implement the bill: 1.0 Systems Administrator V to support the pilot phase, and another 1.0 Systems Administrator to support the ongoing service and ultimate expansion of the number of users. Analysis assumes a total of 2.0 FTEs are needed in fiscal year 2024 through 2028 to implement the provisions of the bill. The All Funds cost for the two FTEs would be \$193,440 per fiscal year, plus an additional cost of \$61,572 per fiscal year for employee retirement, OSAI, group insurance, and agency payroll contribution.

Total costs to DIR would be \$3,610,024, and 2.0 FTEs over the 2024-25 biennium.

#### **COSTS TO HHSC:**

It is assumed that the Health and Human Services Commission (HHSC) will require additional staff to allow access to the information stored in the database. It is assumed HHSC would need additional staff as follows to implement the bill: 19.0 Customer Service Representative IIIs, 6.0 Inspector Vs, and 3.0 Manager IIs to identify individuals who have engaged in reportable conduct, as reported in the database; and 0.4 Program Specialist V for indirect agency functions. Analysis assumes a total of 28.4 FTEs are needed in fiscal year 2024 through 2028 to implement the provisions of the bill. Personnel related costs, including salaries, travel, and overhead, are estimated to total \$2,606,994 in All Funds in fiscal year 2024 and \$2,458,502 in All Funds in fiscal year 2025.

Total costs to HHSC would be \$6,098,880, and 28.4 FTEs over the 2024-25 biennium.

#### **COSTS TO TEA:**

It is assumed that the Texas Education Agency (TEA) will require additional staff to allow access to the information stored in the database. It is assumed TEA would need additional staff as follows to implement the bill: 3.0 Program Specialist Vs, 1.0 Investigator VI, and 1.0 Program Specialist IV to work with 1,200 school districts and charter schools to look-up employees or applicants for employment. Analysis assumes a total of 4.0 FTEs are needed in fiscal year 2024 through 2028 to implement the provisions of the bill. Personnel related costs, including salaries, travel, and overhead, are estimated to total \$529,424 in All Funds in fiscal year 2024 and \$513,725 in All Funds in fiscal year 2025.

Total costs to TEA would be \$1,377,632, and 4.0 FTEs over the 2024-25 biennium.

#### **COSTS TO JJD:**

It is assumed that the Juvenile Justice Department (JJD) will require additional staff to allow access to the information stored in the database. It is assumed JJD would need additional staff as follows to implement the bill: 3.0 Investigators II to investigate reportable conduct, and 1.0 Systems Administrator III to help integrate the IT systems. Analysis assumes a total of 4.0 FTEs are needed in fiscal year 2024 through 2028 to implement the provisions of the bill. Personnel related costs, including salaries and benefits, travel, and overhead, are estimated to total \$322,096 in All Funds in fiscal year 2024 and \$315,081 in All Funds in fiscal year 2025.

Total costs to JJD would be \$637,177, and 4.0 FTEs over the 2024-25 biennium.

## **Technology**

To implement the provisions of the bill, the Department of Information Resources (DIR) would implement a registry search engine in three phases over a three year period, with the first two phases being completed in the 2024-25 biennium. Technology related costs including development, hardware and software, and ongoing maintenance and operations are estimated to be \$1,670,000 in fiscal year 2024 and \$1,430,000 in fiscal year

2025.

It is assumed that DFPS would need additional funding for 3 System Analyst V IT Contractor FTEs in FY 2024 for 5,585 hours of work and 0.5 System Analyst V IT Contractor FTEs in FY 2025 for 1,117 hours of work. The solution for this request includes: Support for configuration changes to the Azure Active Directory and B2C to federate user accounts, Updates to the Administrative Review of Investigation Findings, Creating new APIs to receive data from the DIR solution, Updating the database to track DIR information and Building a new gateway to communicate with the DIR solution. Adding IMPACT and ETL to track and report School-Based Investigations.

It is assumed HHSC would need one-time funding to update the Child Care Licensing Automation Support System (CLASS) to document findings from the other state agency registries impacted by the legislation. These costs, including other related software, are estimated to total \$1,033,384 in All Funds in fiscal year 2024.

It is assumed TEA would need funding to update the Educator Certification Online System (ECOS) for districts and charters to evaluate employees and applicants for employment. These costs, including other related software and Data Center Services are estimated to total in All Funds \$131,952 in fiscal year 2024 and \$202,531 in fiscal year 2025.

It is assumed that any technology costs associated with JJD could be absorbed using existing resources.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 313 Department of Information Resources, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 644 Juvenile Justice Department, 701 Texas Education Agency

**LBB Staff:** JMc, NPe, LCO, CSmi, NV, SB