

BILL ANALYSIS

Senate Research Center

H.B. 2789
By: Frank et al. (Sparks)
Health & Human Services
5/9/2025
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas lost more than 1,000 foster care beds between December 2020 and April 2021, increasing the number of children entering care without stable placements. The legislature's investigation into the placement crisis found a complex and inefficient system for licensing and overseeing the providers and families who are on the front lines taking care of the state's most vulnerable children. The 88th Legislature enacted S.B. 593, which required an independent third party to conduct an audit of the rules and regulations governing the provision of foster care and adoptive services and to create a report with recommendations for how the state can simplify and streamline the regulatory landscape in a manner that prioritizes child safety. However, while the Department of Family and Protective Services and the Health and Human Services Commission are in the process of implementing many of the recommendations from the report, a few require statutory changes. H.B. 2789 seeks to address some of the issues that were noted in the report.

H.B. 2789 amends current law relating to the regulation of child welfare, including licensure, community-based care contractors, family homes, and child-care facilities.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of the Department of Family and Protective Services in SECTION 10 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter C, Chapter 42, Human Resources Code, by adding Section 42.0413, as follows:

Sec. 42.0413. EXEMPTION FOR SINGLE SOURCE CONTINUUM CONTRACTORS.
(a) Defines "contractor."

(b) Provides that a contractor, notwithstanding any other provision of Chapter 42 (Regulation of Certain Facilities, Homes, and Agencies that Provide Child-Care Services), is not required to obtain a child-placing agency license for the purpose of fulfilling its contractual obligations to the Department of Family and Protective Services (DFPS).

(c) Provides that the exemption under Subsection (b) does not relieve a contractor from compliance with other applicable laws, rules, or regulations governing the provision of foster care, adoption services, or other child welfare services, including requirements to ensure the health, safety, and well-being of children in its care.

(d) Provides that nothing in this section is authorized to be construed to exempt any subcontractor or child-placing agency working under a contractor from the applicable licensing requirements under this chapter.

(e) Authorizes a contractor to choose to obtain a child-placing agency license under this chapter if it determines that obtaining such a license would facilitate the performance of its contractual obligations or provide additional operational

flexibility. Provides that obtaining a license is not a requirement for a contractor to fulfill its duties under this section.

SECTION 2. Amends Section 42.043(b), Human Resources Code, to delete existing text requiring DFPS to require each child at an appropriate age have a test for tuberculosis.

SECTION 3. Amends Section 42.049(a), Human Resources Code, to decrease from \$300,000 to \$100,000 the amount of liability insurance coverage required to be maintained by a license or registration holder under this chapter for each occurrence of negligence.

SECTION 4. Amends Section 42.0495, Human Resources Code, as follows:

(a) Decreases from \$300,000 to \$100,000 the amount of liability insurance coverage required to be maintained by a listed family home for each occurrence of negligence.

(b) Redesignates existing Subsection (c) as Subsection (b). Deletes existing text requiring a listed family home to annually file with the commission a certificate or other evidence of coverage from an insurance company demonstrating that the listed family home has an unexpired and uncanceled insurance policy or contract that meets the requirements of Section 42.0495 (Liability Insurance Required For Listed Family Homes).

(c)-(d) Redesignates existing Subsections (d)-(e) as Subsections (c)-(d) and makes a conforming change.

SECTION 5. Amends Section 42.051(b), Human Resources Code, to increase from six to 12 the number of months from the date an initial license for which it is issued is valid and authorizes it to be renewed for an additional six months.

SECTION 6. Amends Section 42.068, Human Resources Code, as follows:

(a) Deletes existing text requiring each general residential operation operating as a residential treatment center to post "No Trespassing" notices in certain locations on the grounds of the general residential operation.

(b) Redesignates existing Subsection (c) as Subsection (b). Deletes existing text requiring that each "No Trespassing" notice posted on the grounds of a general residential operation operating as a residential treatment center meet certain requirements.

(c)-(d) Redesignates existing Subsections (d)-(e) as Subsections (c)-(d) and makes no further changes.

SECTION 7. Amends Sections 43.004(a) and (b), Human Resources Code, as follows:

(a) Requires a person, to be eligible for a child-care administrator's license, to meet certain requirements, including having an experiential or educational equivalent to that of a bachelor's degree in social work, child development, or a similar field, rather than having certain educational and experience qualifications.

(b) Makes conforming and nonsubstantive changes to this subsection.

SECTION 8. Amends Section 43.009(e), Human Resources Code, to authorize a person, if the person's license has been expired for longer than 90 days but less than one year, to renew the license by paying to DFPS one and one-half times, rather than two times, the required renewal fee.

SECTION 9. Repealer: Section 42.0431(b) (relating to rules necessary to ensure that children receiving care at certain day-care facilities receive certain screenings), Human Resources Code.

SECTION 10. (a) Requires the commissioner of the DFPS to adopt rules necessary to implement the changes in law made by this Act not later than December 1, 2025.

(b) Requires that the rules adopted to implement Section 42.0413, Human Resources Code, as added by this Act, ensure that single source continuum contractors operate in a manner that continues to prioritize the safety and well-being of children in the foster care system.

SECTION 11. (a) Effective date, Sections 3 and 4 of this Act: January 1, 2026.

(b) Effective date, except as provided by Subsection (a) of this section: September 1, 2025.