

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

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**April 30, 2025**

**TO:** Honorable Lacey Hull, Chair, House Committee on Human Services

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

**IN RE: HB3941** by Hunter (Relating to services provided to foster youth transitioning to independent living, including transitional living services and Medicaid eligibility.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3941, Committee Report 1st House, Substituted: a negative impact of (\$11,149,282) through the biennium ending August 31, 2027.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$5,754,354)
2027	(\$5,394,928)
2028	(\$5,394,928)
2029	(\$5,394,928)
2030	(\$5,394,928)

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

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Probable Savings/(Cost) from GR Match For Medicaid 758</i>	<i>Probable Savings/(Cost) from Federal Funds 555</i>
2026	(\$5,751,152)	(\$3,202)	(\$47,154)
2027	(\$5,394,928)	\$0	\$0
2028	(\$5,394,928)	\$0	\$0
2029	(\$5,394,928)	\$0	\$0
2030	(\$5,394,928)	\$0	\$0

**Fiscal Analysis**

The bill would increase the age eligible to receive extended foster care and transitional living services from age 21 to 23 and Medicaid coverage from age 21 to age 26.

**Methodology**

According to DFPS, they project 250 youth would receive extended foster care services based on current populations. The agency assumes 68 youth would be served each month out of foster home settings at a daily rate of \$46.90 and 182 youth would be served under Supervised Independent Living at a daily rate of \$45.00. This would result in a total assumed need of \$4,153,408 in General Revenue annually. Federal funds are not available due to federal rules only allowing for foster care maintenance payments up to age 21.

According to DFPS, they assume more youth will access transitional living services. In fiscal year 2024, there were 2,438 total youth served. Based on current projections, DFPS assumes they will serve 937 more youth and that utilization rates will continue to decline with age as they do in the existing served population. DFPS noted in fiscal year 2024, the cost to serve the current population was \$3,233,125. Therefore, it is estimated that to serve an additional 937 youth, the cost would be assumed to be \$1,241,520 in General Revenue annually. Federal funds are not available since the federal grant that supports this program is capped and the agency has seen a decrease in funding over the last few fiscal years.

Lastly, the agency assumes the need to modify the Information Management Protecting Adults and Children in Texas (IMPACT) system to add data elements for the extension of eligibility and re-entry to the transitional living services program. In addition, IMPACT modifications would be needed to batch processing to capture Medicaid information and updates to required reporting. It is assumed this would require 3,169 hours of work and 2.0 System Analyst V Contracted Full-Time Equivalents in fiscal year 2026.

It is assumed that any costs to the Health and Human Services Commission could be absorbed within existing resources.

### **Technology**

Technology costs to modify the IMPACT system are estimated to be \$353,764 in All Funds in fiscal year 2026.

### **Local Government Impact**

No 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, AN, NV