

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 25, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1196 by Birdwell (Relating to the procedures and notice required before an individual's name is added to the central child abuse or neglect registry.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1196, As Introduced: a negative impact of (\$35,837,384) 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 | (\$19,539,944) |
| 2027 | (\$16,297,440) |
| 2028 | (\$16,299,251) |
| 2029 | (\$16,300,758) |
| 2030 | (\$16,302,299) |

All Funds, Five-Year Impact:

| <i>Fiscal Year</i> | <i>Probable (Cost) from General Revenue Fund</i> | <i>Probable Savings/(Cost) from GR Match For Medicaid</i> | <i>Probable Savings/(Cost) from Federal Funds</i> | <i>Change in Number of State Employees from FY 2025</i> |
|--------------------|--|---|---|---|
| | 1 | 758 | 555 | |
| 2026 | (\$19,522,998) | (\$16,946) | (\$144,525) | 131.0 |
| 2027 | (\$16,285,675) | (\$11,765) | (\$1,589,363) | 131.0 |
| 2028 | (\$16,287,460) | (\$11,791) | (\$1,589,532) | 131.0 |
| 2029 | (\$16,288,946) | (\$11,812) | (\$1,589,672) | 131.0 |
| 2030 | (\$16,290,465) | (\$11,834) | (\$1,589,814) | 131.0 |

Fiscal Analysis

The bill would prohibit the Department of Family and Protective Services from adding an individual's name to the DFPS central registry unless a final order is issued by the State Office of Administrative Hearings (SOAH) after an administrative hearing or by a court in a civil proceeding, or includes a finding that the individual abused or neglected a child. The bill would require DFPS to conduct an internal department review of the department's determination while an administrative hearing is pending or by an order by a county court at law, an associate judge, a district court, a court of appeals, or the supreme court.

The bill would require DFPS, if the department determines an individual has abused or neglected a child, not later than the 10th day after the date the determination is made, to provide written notice to the individual of the department's prospective addition of the individual's name to the central registry.

The bill would add that not later than the 30th day after the date an individual receives a notice, the individual may request a hearing with SOAH to review the finding of abuse and neglect.

Methodology

SOAH estimates that 15.0 percent of all individuals who are alleged by DFPS to have committed abuse or neglect would request a SOAH hearing. This analysis assumes an additional 5,919 individuals would request a hearing each fiscal year at SOAH to challenge the inclusion of their name in the Central Registry. According to SOAH, current DFPS central registry cases take on average 14.0 hours to complete. This includes time spent scheduling hearings, addressing prehearing motions or disputes, reviewing and considering evidence and drafting a decision. This analysis assumes that at current billing rate of \$207.90 per administrative law judge (ALJ), which includes overhead for benefits reimbursements, multiplied by the time required to complete each case (14.0 hours) and the number of cases (5,919) this would result in a need of \$17,227,841 in All Funds in each fiscal year. This funding would be provided to SOAH through an Interagency Contact with DFPS beginning in fiscal year 2027. This analysis assumes that in fiscal year 2026, SOAH would be appropriated the funding from the General Revenue Fund to begin start-up activities, hire staff, acquire lease space and make technology adjustments. SOAH assumes a one-time need of \$946,168 in General Revenue in fiscal year 2026 in addition to the \$17,227,841 to accomplish these activities. This analysis also assumes the need for 61.0 Administrative Law Judge FTEs and 61.0 Support Staff FTEs in each fiscal year to address the increase in cases and related casework.

For DFPS to provide SOAH records for hearings as well as conduct the internal department review, this analysis assumes the need for 3.0 Record Analyst I FTEs and 5.0 Record Analyst II FTEs in each fiscal year. This is based on the assumption that there would be 5,919 cases per year and includes the time it takes to redact documents and to research and gather data. This analysis also includes adobe licenses for the additional FTEs which total \$755 in General Revenue each fiscal year.

According to DFPS, it is assumed that a portion of cases would be handled by Administrative Review of Investigation Finding (ARIF). This analysis assumes that 141.0 ARIFs would be handled each fiscal year. This analysis assumes 1.0 Appeal Resolution Specialist I FTE would be needed to address the workload including documentation, uploading desk reviews to the Information Management Protecting Adults and Children in Texas (IMAPCT) system and provide reports.

This analysis assumes DFPS IMPACT system enhancements are needed to capture and document cases, document the internal department review as well to track documentation with expungement panel decisions. This analysis assumes 2.0 System Analyst V Contracted FTEs in fiscal year 2026 are needed to complete 4,079 hours of work.

It is assumed any costs to the Office of Court Administration and the Health and Human Services Commission could be absorbed within existing resources.

Technology

Technology costs at SOAH for technology changes are estimated to be \$305,000 in All Funds in fiscal year 2026. DFPS IMPACT enhancement costs are estimated to be \$455,341 in All Funds in fiscal year 2026.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 360 State Office of Administrative Hearings, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of

LBB Staff: JMc, NPe, ER, AN, NV, KSi