

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 28, 2009

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB2080 by Uresti (Relating to the establishment of a strategy for reducing child abuse and neglect and improving child welfare.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2080, As Passed 2nd House: a negative impact of (\$24,530,108) through the biennium ending August 31, 2011.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$13,577,318)
2011	(\$10,952,790)
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable Savings from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>Federal Funds</i> 555	Probable Savings from <i>Federal Funds</i> 555
2010	(\$13,577,318)	\$0	(\$357,584)	\$0
2011	(\$14,170,918)	\$3,218,128	(\$2,635,337)	\$4,343,942
2012	\$0	\$0	\$0	\$0
2013	\$0	\$0	\$0	\$0
2014	\$0	\$0	\$0	\$0

Fiscal Year	Change in Number of State Employees from FY 2009
2010	17.0
2011	(45.5)
2012	0.0
2013	0.0
2014	0.0

Fiscal Analysis

The bill as amended by House Floor Amendment 2 would create a 9-member task force to establish a strategy for reducing child abuse and neglect and improving child welfare. The members would be

entitled to reimbursement for travel expenses as provided by Chapter 660, Government Code, and the General Appropriations Act.

House Floor Amendment 1 would require the Department of State Health Services (DSHS) to establish the Texas Medical Child Abuse Resources and Education System (MEDCARES) program to award grants for the purpose of developing and supporting regional programs to improve the assessment, diagnosis, and treatment of child abuse and neglect as described by the report submitted to the 80th Legislature by the Advisory Committee on Pediatric Centers of Excellence relating to abuse and neglect. It would also require the Executive Commissioner of Health and Human Services to establish a committee to advise on the creation of rules and priorities for the use of the grant funds. And it would require DSHS to submit a report to the governor and the legislature regarding the activities of the grant program.

House Floor Amendment 3 would implement certain optional provisions in the federal Fostering Connections and Increasing Adoptions Act of 2008. These provisions allow the state to use Title IV-E federal funds to (a) extend eligibility for adoption assistance benefits to children who are 18, 19, or 20 years old (b) extend eligibility for foster care benefits to children who are 18, 19, 20, or 21 years old (c) provide kinship guardianship assistance benefits for children who are 0 to 17 years old and (d) extend eligibility for kinship guardianship assistance benefits to children who are age 18, 19, or 20 years old. The federal law makes children receiving any of the optional benefits categorically eligible for Medicaid.

The federal law does not extend benefits to children who are ineligible for Title IV-E federal financial assistance; however, it is assumed that the intent of the amendment is to have the Executive Commissioner of Health and Human Services adopt rules providing equivalent benefits for these children using 100 percent General Revenue Funds. Approximately 27 percent of children receiving foster care benefits, and 22 percent of children receiving adoption assistance benefits, are not eligible to receive Title IV-E federal financial assistance in Texas.

House Floor Amendment 3 would amend Section 162.3041, Family Code, to extend adoption assistance benefits to age 21 for a child who is covered by an adoption assistance agreement that was first entered into after the child's 16th birthday, and who is (a) regularly attending high school or enrolled in a program leading to a high school diploma or its equivalent (b) regularly attending an institution of higher education or postsecondary vocational or technical program (c) participating in a program or activity that promotes or removes barriers to employment (d) employed for at least 80 hours a month or (e) incapable of doing any of these activities due to a documented medical condition. It would also amend Section 264.101, Family Code, to extend foster care benefits to age 22 for a child who is regularly attending high school or enrolled in a program leading to a high school diploma or its equivalent, and to age 21 for a child who meets other eligibility criteria such as participating in a program or activity that promotes or removes barriers to employment. These provisions would be effective on October 1, 2010.

House Floor Amendment 3 would also amend Chapter 264, Family Code, to establish a new permanency care assistance program to provide kinship guardianship assistance benefits for eligible children. The amendment would require the Department of Family and Protective Services (DFPS) to enter into an agreement with a kinship provider who is eligible to receive permanency care assistance benefits. The agreement must be in writing and provide for the payment of monthly benefits to the kinship provider. The agreement may also provide for reimbursement of up to \$2,000 in non-recurring expenses incurred by the kinship provider while obtaining permanent managing conservatorship of the child. The amendment would extend eligibility for permanency care assistance benefits until a child's 21st birthday under circumstances similar to those noted above for the extension of adoption subsidy payments. It would also require the Executive Commissioner of Health and Human Services to adopt rules establishing eligibility requirements for the program and ensuring that the program conforms to requirements for federal assistance under the Fostering Connections and Increasing Adoptions Act of 2008. And it would require the Executive Commissioner of Health and Human Services to set the maximum monthly permanency care assistance payment in an amount that does not exceed the monthly foster care maintenance payment that would have been paid on behalf of the child. The extension of permanency care assistance benefits would be effective on October 1, 2010. The Executive Commissioner of Health and Human Services would be required to adopt rules

implementing the provisions of House Floor Amendment 3 by April 1, 2010.

The Act would take effect on September 1, 2009, and expire on September 1, 2011.

Methodology

It is assumed that any costs associated with the task force to establish a strategy for reducing child abuse and neglect and improving child welfare would be minimal and can be absorbed within available resources.

House Floor Amendment 1 would allow DSHS to solicit and accept gifts, grants, and donations from any public or private sources for purposes of implementing the MEDCARES grant program. DSHS would not be required to award a MEDCARES grant unless the agency is specifically appropriated money to do so. According to DSHS, the Pediatric Centers of Excellence Advisory Committee Findings and Recommendations Report submitted to the 80th Legislature recommends that MEDCARES grant funding be provided to 12 medical facilities across the state at a cost of \$975,000 per facility, which represents 65 percent of the total cost to implement a medical child abuse program. It is assumed that all 12 facilities would receive grant funds of \$975,000 annually for a total cost of \$11.7 million per fiscal year. It is also assumed that these costs would come out of General Revenue Funds. It is assumed that any administrative costs associated with implementing the MEDCARES grant program can be absorbed within existing agency resources.

House Floor Amendment 3 Extension of Adoption Assistance Benefits. State law currently provides adoption assistance benefits for children with special needs who are 0 to 17 years old; extends the benefits to age 19 if the child is receiving financial support from parents and is enrolled in a high school, vocational or technical program; and extends the benefits to age 21 if the child is receiving financial support from parents, has a disability, and an application has been filed for Supplemental Security Income. DFPS estimates that 50 children would be eligible for extended adoption assistance benefits starting on October 1, 2010. It is assumed that the average monthly payment would be \$428.30 and that 79.2 percent of the children would be eligible for Title IV-E federal financial assistance. It is also assumed that General Revenue Funds freed-up by the use of federal matching funds for payments that would have been made under current law would be negligible. The cost to provide extended adoption assistance benefits for these children would be \$0.1 million in General Revenue Funds and \$0.3 million in All Funds in fiscal year 2011. The cost to provide Medicaid coverage for these children would be \$0.1 million in General Revenue Funds and \$0.2 million in All Funds in fiscal year 2011.

House Floor Amendment 3 Extension of Foster Care Benefits. State law currently provides foster care benefits for children who are 0 to 17 years old; extends the benefits until the child graduates from high school, or ceases to be enrolled in a secondary school program leading toward a high school diploma; and extends the benefits to age 21 if the child is regularly attending an institution of higher education or a vocational or technical program. DFPS reports that extended foster care benefits were paid on behalf of 461 children who were 18, 19, or 20 years old in November 2008. The agency assumes there would be 3 percent annual growth in this population which is already eligible for extended foster care benefits. It is assumed that the average monthly number of children living in extended foster care arrangements would be 489 in fiscal year 2011. Because some of these children would be eligible for Title IV-E federal financial assistance under the bill, there would be a savings of \$0.9 million in General Revenue Funds and \$2.4 million in TANF Federal Funds in fiscal year 2011, which would be offset by an equal amount of Title IV-E federal matching funds.

Because House Floor Amendment 3 would extend foster care benefits to new groups of children (such as those working at least 80 hours a month), it is assumed that there would be a 10 percent increase in the number of children willing to accept extended foster care benefits in fiscal year 2011. The average monthly number of new children would be 49, the average monthly payment would range from \$1,043 to \$5,217 (only two of the children would qualify for the highest monthly payment), and 73 percent of the children would be eligible for Title IV-E federal financial assistance. The cost to provide extended foster care benefits for these children would be \$0.6 million in General Revenue Funds and \$0.9 million in All Funds in fiscal year 2011. It is assumed that any cost associated with providing Medicaid coverage for these children would be negligible because Medicaid coverage is already

provided to former foster youth up to age 21.

House Floor Amendment 3 New Permanency Care Assistance Program. It is assumed that 612 children would enter the permanency care assistance program from paid foster care during fiscal year 2011. The cost to provide permanency care assistance benefits for these children would be \$1.3 million in General Revenue Funds and \$2.3 million in All Funds in fiscal year 2011. The foster care savings would be \$1.6 million in General Revenue Funds and \$4.1 million in All Funds (including \$1.0 million in TANF Federal Funds) in fiscal year 2011. It is assumed that these children would already be eligible for Medicaid coverage under current law. There would be additional savings because conservatorship caseworkers would no longer have to visit the children. It is assumed that 50 percent of the children would have been visited once a month by a caseworker who has 140 hours of work time each month. It is also assumed that each visit would have required two hours of work time (including travel). There would be a reduction of 39.1 caseworker positions and a related reduction of 22.0 functional unit positions at DFPS in fiscal year 2011. There would also be a reduction in enterprise support services costs and FTEs (1.4 positions at the Health and Human Services Commission in fiscal year 2011). The total savings would be \$1.6 million in General Revenue Funds and \$3.5 million in All Funds in fiscal year 2011 (including \$1.1 million in TANF Federal Funds).

DFPS indicates it would need 1 FTE (Program Specialist VI) to coordinate and develop rules and policy for the permanency care assistance program, and 12 FTEs (Program Specialist IVs) to negotiate permanency assistance agreements starting in June 2010. The total cost would be \$0.4 million in General Revenue Funds and \$0.5 million in All Funds in fiscal year 2010, and \$0.9 million in General Revenue Funds and \$1.1 million in All Funds in fiscal year 2011.

Technology

DFPS indicates it would need to make significant changes to the IMPACT automation system to allow the payment of monthly permanency care assistance benefits. The estimated cost for these changes includes a one-time cost of \$1.4 million in fiscal year 2010, and \$0.3 million in ongoing costs associated with adding 4.0 FTE positions (2 Systems Analysts IV and 2 Systems Analysts III) in fiscal year 2010. The total cost would be \$1.5 million in General Revenue Funds and \$1.7 million in All Funds in fiscal year 2010, and \$0.3 million in General Revenue Funds and All Funds in fiscal year 2011. These costs are included above.

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, 537 State Health Services, Department of

LBB Staff: JOB, CL, NM, MB