

Chapter 319

S.B. No. 11

AN ACT

1
2 relating to the provision of child protective services and other
3 health and human services by certain state agencies or under
4 contract with a state agency, including foster care, child
5 protective, relative and kinship caregiver support, prevention and
6 early intervention health care, and adoption services.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

8 SECTION 1. Section 71.004, Family Code, is amended to read
9 as follows:

10 Sec. 71.004. FAMILY VIOLENCE. "Family violence" means:

11 (1) an act by a member of a family or household against
12 another member of the family or household that is intended to result
13 in physical harm, bodily injury, assault, or sexual assault or that
14 is a threat that reasonably places the member in fear of imminent
15 physical harm, bodily injury, assault, or sexual assault, but does
16 not include defensive measures to protect oneself;

17 (2) abuse, as that term is defined by Sections
18 261.001(1)(C), (E), (G), (H), (I), (J), [~~and~~] (K), and (M), by a
19 member of a family or household toward a child of the family or
20 household; or

21 (3) dating violence, as that term is defined by
22 Section 71.0021.

23 SECTION 2. Section 107.002(b-1), Family Code, is amended to
24 read as follows:

1 (b-1) In addition to the duties required by Subsection (b),
2 a guardian ad litem appointed for a child in a proceeding under
3 Chapter 262 or 263 shall:

4 (1) review the medical care provided to the child;
5 ~~and~~

6 (2) in a developmentally appropriate manner, seek to
7 elicit the child's opinion on the medical care provided; and

8 (3) for a child at least 16 years of age, ascertain
9 whether the child has received the following documents:

10 (A) a certified copy of the child's birth
11 certificate;

12 (B) a social security card or a replacement
13 social security card;

14 (C) a driver's license or personal
15 identification certificate under Chapter 521, Transportation Code;
16 and

17 (D) any other personal document the Department of
18 Family and Protective Services determines appropriate.

19 SECTION 3. Section 107.003(b), Family Code, is amended to
20 read as follows:

21 (b) In addition to the duties required by Subsection (a), an
22 attorney ad litem appointed for a child in a proceeding under
23 Chapter 262 or 263 shall:

24 (1) review the medical care provided to the child;

25 (2) in a developmentally appropriate manner, seek to
26 elicit the child's opinion on the medical care provided; and

27 (3) for a child at least 16 years of age;

1 (A) [7] advise the child of the child's right to
2 request the court to authorize the child to consent to the child's
3 own medical care under Section 266.010; and

4 (B) ascertain whether the child has received the
5 following documents:

6 (i) a certified copy of the child's birth
7 certificate;

8 (ii) a social security card or a
9 replacement social security card;

10 (iii) a driver's license or personal
11 identification certificate under Chapter 521, Transportation Code;
12 and

13 (iv) any other personal document the
14 Department of Family and Protective Services determines
15 appropriate.

16 SECTION 4. Section 162.005, Family Code, is amended by
17 adding Subsection (c) to read as follows:

18 (c) The department shall ensure that each licensed
19 child-placing agency, single source continuum contractor, or other
20 person placing a child for adoption receives a copy of any portion
21 of the report prepared by the department.

22 SECTION 5. Section 162.0062, Family Code, is amended by
23 adding Subsections (a-1) and (c-1) to read as follows:

24 (a-1) If a child is placed with a prospective adoptive
25 parent prior to adoption, the prospective adoptive parent is
26 entitled to examine any record or other information relating to the
27 child's health history, including the portion of the report

1 prepared under Section 162.005 for the child that relates to the
2 child's health. The department, licensed child-placing agency,
3 single source continuum contractor, or other person placing a child
4 for adoption shall inform the prospective adoptive parent of the
5 prospective adoptive parent's right to examine the records and
6 other information relating to the child's health history. The
7 department, licensed child-placing agency, single source continuum
8 contractor, or other person placing the child for adoption shall
9 edit the records and information to protect the identity of the
10 biological parents and any other person whose identity is
11 confidential.

12 (c-1) If the prospective adoptive parents of a child
13 indicate they want to proceed with the adoption under Subsection
14 (c), the department, licensed child-placing agency, or single
15 source continuum contractor shall provide the prospective adoptive
16 parents with access to research regarding underlying health issues
17 and other conditions of trauma that could impact child development
18 and permanency.

19 SECTION 6. Section 162.007, Family Code, is amended by
20 amending Subsection (a) and adding Subsection (g) to read as
21 follows:

22 (a) The health history of the child must include information
23 about:

- 24 (1) the child's health status at the time of placement;
25 (2) the child's birth, neonatal, and other medical,
26 psychological, psychiatric, and dental history information,
27 including to the extent known by the department:

1 (A) whether the child's birth mother consumed
2 alcohol during pregnancy; and

3 (B) whether the child has been diagnosed with
4 fetal alcohol spectrum disorder;

5 (3) a record of immunizations for the child; and

6 (4) the available results of medical, psychological,
7 psychiatric, and dental examinations of the child.

8 (g) In this section, "fetal alcohol spectrum disorder"
9 means any of a group of conditions that can occur in a person whose
10 mother consumed alcohol during pregnancy.

11 SECTION 7. Section 261.001, Family Code, is amended by
12 amending Subdivisions (1), (4), and (5) and adding Subdivision (3)
13 to read as follows:

14 (1) "Abuse" includes the following acts or omissions
15 by a person:

16 (A) mental or emotional injury to a child that
17 results in an observable and material impairment in the child's
18 growth, development, or psychological functioning;

19 (B) causing or permitting the child to be in a
20 situation in which the child sustains a mental or emotional injury
21 that results in an observable and material impairment in the
22 child's growth, development, or psychological functioning;

23 (C) physical injury that results in substantial
24 harm to the child, or the genuine threat of substantial harm from
25 physical injury to the child, including an injury that is at
26 variance with the history or explanation given and excluding an
27 accident or reasonable discipline by a parent, guardian, or

S.B. No. 11

1 managing or possessory conservator that does not expose the child
2 to a substantial risk of harm;

3 (D) failure to make a reasonable effort to
4 prevent an action by another person that results in physical injury
5 that results in substantial harm to the child;

6 (E) sexual conduct harmful to a child's mental,
7 emotional, or physical welfare, including conduct that constitutes
8 the offense of continuous sexual abuse of young child or children
9 under Section 21.02, Penal Code, indecency with a child under
10 Section 21.11, Penal Code, sexual assault under Section 22.011,
11 Penal Code, or aggravated sexual assault under Section 22.021,
12 Penal Code;

13 (F) failure to make a reasonable effort to
14 prevent sexual conduct harmful to a child;

15 (G) compelling or encouraging the child to engage
16 in sexual conduct as defined by Section 43.01, Penal Code,
17 including compelling or encouraging the child in a manner that
18 constitutes an offense of trafficking of persons under Section
19 20A.02(a)(7) or (8), Penal Code, prostitution under Section
20 43.02(b), Penal Code, or compelling prostitution under Section
21 43.05(a)(2), Penal Code;

22 (H) causing, permitting, encouraging, engaging
23 in, or allowing the photographing, filming, or depicting of the
24 child if the person knew or should have known that the resulting
25 photograph, film, or depiction of the child is obscene as defined by
26 Section 43.21, Penal Code, or pornographic;

27 (I) the current use by a person of a controlled

S.B. No. 11

1 substance as defined by Chapter 481, Health and Safety Code, in a
2 manner or to the extent that the use results in physical, mental, or
3 emotional injury to a child;

4 (J) causing, expressly permitting, or
5 encouraging a child to use a controlled substance as defined by
6 Chapter 481, Health and Safety Code;

7 (K) causing, permitting, encouraging, engaging
8 in, or allowing a sexual performance by a child as defined by
9 Section 43.25, Penal Code; [~~or~~]

10 (L) knowingly causing, permitting, encouraging,
11 engaging in, or allowing a child to be trafficked in a manner
12 punishable as an offense under Section 20A.02(a)(5), (6), (7), or
13 (8), Penal Code, or the failure to make a reasonable effort to
14 prevent a child from being trafficked in a manner punishable as an
15 offense under any of those sections; or

16 (M) forcing or coercing a child to enter into a
17 marriage.

18 (3) "Exploitation" means the illegal or improper use
19 of a child or of the resources of a child for monetary or personal
20 benefit, profit, or gain by an employee, volunteer, or other
21 individual working under the auspices of a facility or program as
22 further described by rule or policy.

23 (4) "Neglect":

24 (A) includes:

25 (i) the leaving of a child in a situation
26 where the child would be exposed to a substantial risk of physical
27 or mental harm, without arranging for necessary care for the child,

S.B. No. 11

1 and the demonstration of an intent not to return by a parent,
2 guardian, or managing or possessory conservator of the child;

3 (ii) the following acts or omissions by a
4 person:

5 (a) placing a child in or failing to
6 remove a child from a situation that a reasonable person would
7 realize requires judgment or actions beyond the child's level of
8 maturity, physical condition, or mental abilities and that results
9 in bodily injury or a substantial risk of immediate harm to the
10 child;

11 (b) failing to seek, obtain, or follow
12 through with medical care for a child, with the failure resulting in
13 or presenting a substantial risk of death, disfigurement, or bodily
14 injury or with the failure resulting in an observable and material
15 impairment to the growth, development, or functioning of the child;

16 (c) the failure to provide a child
17 with food, clothing, or shelter necessary to sustain the life or
18 health of the child, excluding failure caused primarily by
19 financial inability unless relief services had been offered and
20 refused;

21 (d) placing a child in or failing to
22 remove the child from a situation in which the child would be
23 exposed to a substantial risk of sexual conduct harmful to the
24 child; or

25 (e) placing a child in or failing to
26 remove the child from a situation in which the child would be
27 exposed to acts or omissions that constitute abuse under

S.B. No. 11

1 Subdivision (1)(E), (F), (G), (H), or (K) committed against another
2 child; [~~or~~]

3 (iii) the failure by the person responsible
4 for a child's care, custody, or welfare to permit the child to
5 return to the child's home without arranging for the necessary care
6 for the child after the child has been absent from the home for any
7 reason, including having been in residential placement or having
8 run away; or

9 (iv) a negligent act or omission by an
10 employee, volunteer, or other individual working under the auspices
11 of a facility or program, including failure to comply with an
12 individual treatment plan, plan of care, or individualized service
13 plan, that causes or may cause substantial emotional harm or
14 physical injury to, or the death of, a child served by the facility
15 or program as further described by rule or policy; and

16 (B) does not include the refusal by a person
17 responsible for a child's care, custody, or welfare to permit the
18 child to remain in or return to the child's home resulting in the
19 placement of the child in the conservatorship of the department if:

20 (i) the child has a severe emotional
21 disturbance;

22 (ii) the person's refusal is based solely on
23 the person's inability to obtain mental health services necessary
24 to protect the safety and well-being of the child; and

25 (iii) the person has exhausted all
26 reasonable means available to the person to obtain the mental
27 health services described by Subparagraph (ii).

S.B. No. 11

1 (5) "Person responsible for a child's care, custody,
2 or welfare" means a person who traditionally is responsible for a
3 child's care, custody, or welfare, including:

4 (A) a parent, guardian, managing or possessory
5 conservator, or foster parent of the child;

6 (B) a member of the child's family or household
7 as defined by Chapter 71;

8 (C) a person with whom the child's parent
9 cohabits;

10 (D) school personnel or a volunteer at the
11 child's school; ~~[or]~~

12 (E) personnel or a volunteer at a public or
13 private child-care facility that provides services for the child or
14 at a public or private residential institution or facility where
15 the child resides; or

16 (F) an employee, volunteer, or other person
17 working under the supervision of a licensed or unlicensed
18 child-care facility, including a family home, residential
19 child-care facility, employer-based day-care facility, or shelter
20 day-care facility, as those terms are defined in Chapter 42, Human
21 Resources Code.

22 SECTION 8. Subchapter A, Chapter 261, Family Code, is
23 amended by adding Section 261.004 to read as follows:

24 Sec. 261.004. TRACKING OF RECURRENCE OF CHILD ABUSE OR
25 NEGLECT REPORTS. (a) The department shall collect and monitor
26 data regarding repeated reports of abuse or neglect:

27 (1) involving the same child, including reports of

1 abuse or neglect of the child made while the child resided in other
2 households and reports of abuse or neglect of the child by different
3 alleged perpetrators made while the child resided in the same
4 household; or

5 (2) by the same alleged perpetrator.

6 (b) In monitoring reports of abuse or neglect under
7 Subsection (a), the department shall group together separate
8 reports involving different children residing in the same
9 household.

10 (c) The department shall consider any report collected
11 under Subsection (a) involving any child or adult who is a part of a
12 child's household when making case priority determinations or when
13 conducting service or safety planning for the child or the child's
14 family.

15 SECTION 9. Sections 261.301(b) and (c), Family Code, are
16 amended to read as follows:

17 (b) A state agency shall investigate a report that alleges
18 abuse, ~~or~~ neglect, or exploitation occurred in a facility
19 operated, licensed, certified, or registered by that agency as
20 provided by Subchapter E. In conducting an investigation for a
21 facility operated, licensed, certified, registered, or listed by
22 the department, the department shall perform the investigation as
23 provided by:

- 24 (1) Subchapter E; and
- 25 (2) the Human Resources Code.

26 (c) The department is not required to investigate a report
27 that alleges child abuse, ~~or~~ neglect, or exploitation by a person

S.B. No. 11

1 other than a person responsible for a child's care, custody, or
2 welfare. The appropriate state or local law enforcement agency
3 shall investigate that report if the agency determines an
4 investigation should be conducted.

5 SECTION 10. Section 261.401(b), Family Code, is amended to
6 read as follows:

7 (b) Except as provided by Section 261.404 of this code and
8 Section 531.02013(1)(D), Government Code, a state agency that
9 operates, licenses, certifies, registers, or lists a facility in
10 which children are located or provides oversight of a program that
11 serves children shall make a prompt, thorough investigation of a
12 report that a child has been or may be abused, neglected, or
13 exploited in the facility or program. The primary purpose of the
14 investigation shall be the protection of the child.

15 SECTION 11. Sections 261.405(a) and (c), Family Code, are
16 amended to read as follows:

17 (a) Notwithstanding Section 261.001, in [In] this section:

18 (1) "Abuse" means an intentional, knowing, or reckless
19 act or omission by an employee, volunteer, or other individual
20 working under the auspices of a facility or program that causes or
21 may cause emotional harm or physical injury to, or the death of, a
22 child served by the facility or program as further described by rule
23 or policy.

24 (2) "Exploitation" means the illegal or improper use
25 of a child or of the resources of a child for monetary or personal
26 benefit, profit, or gain by an employee, volunteer, or other
27 individual working under the auspices of a facility or program as

1 further described by rule or policy.

2 (3) "Juvenile justice facility" means a facility
3 operated wholly or partly by the juvenile board, by another
4 governmental unit, or by a private vendor under a contract with the
5 juvenile board, county, or other governmental unit that serves
6 juveniles under juvenile court jurisdiction. The term includes:

7 (A) a public or private juvenile
8 pre-adjudication secure detention facility, including a holdover
9 facility;

10 (B) a public or private juvenile
11 post-adjudication secure correctional facility except for a
12 facility operated solely for children committed to the Texas
13 Juvenile Justice Department; and

14 (C) a public or private non-secure juvenile
15 post-adjudication residential treatment facility that is not
16 licensed by the Department of Family and Protective Services or the
17 Department of State Health Services.

18 (4) [~~2~~] "Juvenile justice program" means a program
19 or department operated wholly or partly by the juvenile board or by
20 a private vendor under a contract with a juvenile board that serves
21 juveniles under juvenile court jurisdiction. The term includes:

22 (A) a juvenile justice alternative education
23 program;

24 (B) a non-residential program that serves
25 juvenile offenders under the jurisdiction of the juvenile court;
26 and

27 (C) a juvenile probation department.

1 (5) "Neglect" means a negligent act or omission by an
2 employee, volunteer, or other individual working under the auspices
3 of a facility or program, including failure to comply with an
4 individual treatment plan, plan of care, or individualized service
5 plan, that causes or may cause substantial emotional harm or
6 physical injury to, or the death of, a child served by the facility
7 or program as further described by rule or policy.

8 (c) The Texas Juvenile Justice Department shall make a
9 prompt, thorough [~~conduct an~~] investigation as provided by this
10 chapter if that department receives a report of alleged abuse,
11 neglect, or exploitation in any juvenile justice program or
12 facility. The primary purpose of the investigation shall be the
13 protection of the child.

14 SECTION 12. Section 263.401, Family Code, is amended to
15 read as follows:

16 Sec. 263.401. DISMISSAL AFTER ONE YEAR; NEW TRIALS;
17 EXTENSION. (a) Unless the court has commenced the trial on the
18 merits or granted an extension under Subsection (b) or (b-1), on the
19 first Monday after the first anniversary of the date the court
20 rendered a temporary order appointing the department as temporary
21 managing conservator, the court's jurisdiction over [~~court shall~~
22 ~~dismiss~~] the suit affecting the parent-child relationship filed by
23 the department that requests termination of the parent-child
24 relationship or requests that the department be named conservator
25 of the child is terminated and the suit is automatically dismissed
26 without a court order.

27 (b) Unless the court has commenced the trial on the merits,

S.B. No. 11

1 the court may not retain the suit on the court's docket after the
2 time described by Subsection (a) unless the court finds that
3 extraordinary circumstances necessitate the child remaining in the
4 temporary managing conservatorship of the department and that
5 continuing the appointment of the department as temporary managing
6 conservator is in the best interest of the child. If the court
7 makes those findings, the court may retain the suit on the court's
8 docket for a period not to exceed 180 days after the time described
9 by Subsection (a). If the court retains the suit on the court's
10 docket, the court shall render an order in which the court:

11 (1) schedules the new date on which the suit will be
12 automatically dismissed if the trial on the merits has not
13 commenced, which date must be not later than the 180th day after the
14 time described by Subsection (a);

15 (2) makes further temporary orders for the safety and
16 welfare of the child as necessary to avoid further delay in
17 resolving the suit; and

18 (3) sets the trial on the merits on a date not later
19 than the date specified under Subdivision (1).

20 (b-1) If, after commencement of the initial trial on the
21 merits within the time required by Subsection (a) or (b), the court
22 grants a motion for a new trial or mistrial, or the case is remanded
23 to the court by an appellate court following an appeal of the
24 court's final order, the court shall retain the suit on the court's
25 docket and render an order in which the court:

26 (1) schedules a new date on which the suit will be
27 automatically dismissed if the new trial has not commenced, which

1 must be a date not later than the 180th day after the date on which:

2 (A) the motion for a new trial or mistrial is
3 granted; or

4 (B) the appellate court remanded the case;

5 (2) makes further temporary orders for the safety and
6 welfare of the child as necessary to avoid further delay in
7 resolving the suit; and

8 (3) sets the new trial on the merits for a date not
9 later than the date specified under Subdivision (1).

10 (c) If the court grants an extension under Subsection (b) or
11 (b-1) but does not commence the trial on the merits before the
12 dismissal date, the court's jurisdiction over ~~[court shall dismiss]~~
13 the suit is terminated and the suit is automatically dismissed
14 without a court order. The court may not grant an additional
15 extension that extends the suit beyond the required date for
16 dismissal under Subsection (b) or (b-1), as applicable.

17 SECTION 13. Section 263.402, Family Code, is amended to
18 read as follows:

19 Sec. 263.402. LIMIT ON EXTENSION[~~, WAIVER~~]. [~~(a)~~] The
20 parties to a suit under this chapter may not extend the deadlines
21 set by the court under this subchapter by agreement or otherwise.

22 [~~(b) A party to a suit under this chapter who fails to make a~~
23 ~~timely motion to dismiss the suit under this subchapter waives the~~
24 ~~right to object to the court's failure to dismiss the suit. A~~
25 ~~motion to dismiss under this subsection is timely if the motion is~~
26 ~~made before the trial on the merits commences.]~~

27 SECTION 14. Section 264.018, Family Code, is amended by

1 adding Subsections (d-1) and (d-2) to read as follows:

2 (d-1) Except as provided by Subsection (d-2), as soon as
3 possible but not later than 24 hours after a change in placement of
4 a child in the conservatorship of the department, the department
5 shall give notice of the placement change to the managed care
6 organization that contracts with the commission to provide health
7 care services to the child under the STAR Health program. The
8 managed care organization shall give notice of the placement change
9 to the primary care physician listed in the child's health passport
10 before the end of the second business day after the day the
11 organization receives the notification from the department.

12 (d-2) In this subsection, "catchment area" has the meaning
13 assigned by Section 264.152. In a catchment area in which
14 community-based care has been implemented, the single source
15 continuum contractor that has contracted with the commission to
16 provide foster care services in that catchment area shall, as soon
17 as possible but not later than 24 hours after a change in placement
18 of a child in the conservatorship of the department, give notice of
19 the placement change to the managed care organization that
20 contracts with the commission to provide health care services to
21 the child under the STAR Health program. The managed care
22 organization shall give notice of the placement change to the
23 child's primary care physician in accordance with Subsection (d-1).

24 SECTION 15. (a) Subchapter B, Chapter 264, Family Code, is
25 amended by adding Section 264.1076 to read as follows:

26 Sec. 264.1076. MEDICAL EXAMINATION REQUIRED. (a) This
27 section applies only to a child who has been taken into the

S.B. No. 11

1 conservatorship of the department and remains in the
2 conservatorship of the department for more than three business
3 days.

4 (b) The department shall ensure that each child described by
5 Subsection (a) receives an initial medical examination from a
6 physician or other health care provider authorized under state law
7 to conduct medical examinations not later than the end of the third
8 business day after the date the child is removed from the child's
9 home, if the child:

10 (1) is removed as the result of sexual abuse, physical
11 abuse, or an obvious physical injury to the child; or

12 (2) has a chronic medical condition, a medically
13 complex condition, or a diagnosed mental illness.

14 (c) Notwithstanding Subsection (b), the department shall
15 ensure that any child who enters the conservatorship of the
16 department receives any necessary emergency medical care as soon as
17 possible.

18 (d) A physician or other health care provider conducting an
19 examination under Subsection (b) may not administer a vaccination
20 as part of the examination without parental consent, except that a
21 physician or other health care provider may administer a tetanus
22 vaccination to a child in a commercially available preparation if
23 the physician or other health care provider determines that an
24 emergency circumstance requires the administration of the
25 vaccination. The prohibition on the administration of a
26 vaccination under this subsection does not apply after the
27 department has been named managing conservator of the child after a

1 hearing conducted under Subchapter C, Chapter 262.

2 (e) Whenever possible, the department shall schedule the
3 medical examination for a child before the last business day of the
4 appropriate time frame provided under Subsection (b).

5 (f) The department shall collaborate with the commission
6 and selected physicians and other health care providers authorized
7 under state law to conduct medical examinations to develop
8 guidelines for the medical examination conducted under this
9 section, including guidelines on the components to be included in
10 the examination. The guidelines developed under this subsection
11 must provide assistance and guidance regarding:

12 (1) assessing a child for:

13 (A) signs and symptoms of child abuse and
14 neglect;

15 (B) the presence of acute or chronic illness; and

16 (C) signs of acute or severe mental health
17 conditions;

18 (2) monitoring a child's adjustment to being in the
19 conservatorship of the department;

20 (3) ensuring a child has necessary medical equipment
21 and any medication prescribed to the child or needed by the child;
22 and

23 (4) providing appropriate support and education to a
24 child's caregivers.

25 (g) Notwithstanding any other law, the guidelines developed
26 under Subsection (f) do not create a standard of care for a
27 physician or other health care provider authorized under state law

1 to conduct medical examinations, and a physician or other health
2 care provider may not be subject to criminal, civil, or
3 administrative penalty or civil liability for failure to adhere to
4 the guidelines.

5 (h) The department shall make a good faith effort to contact
6 a child's primary care physician to ensure continuity of care for
7 the child regarding medication prescribed to the child and the
8 treatment of any chronic medical condition.

9 (i) Not later than December 31, 2019, the department shall
10 submit a report to the standing committees of the house of
11 representatives and the senate with primary jurisdiction over child
12 protective services and foster care evaluating the statewide
13 implementation of the medical examination required by this section.
14 The report must include the level of compliance with the
15 requirements of this section in each region of the state.

16 (b) Section 264.1076, Family Code, as added by this section,
17 applies only to a child who enters the conservatorship of the
18 Department of Family and Protective Services on or after the
19 effective date of this Act. A child who enters the conservatorship
20 of the Department of Family and Protective Services before the
21 effective date of this Act is governed by the law in effect on the
22 date the child entered the conservatorship of the department, and
23 the former law is continued in effect for that purpose.

24 (c) The Department of Family and Protective Services shall
25 implement Section 264.1076, Family Code, as added by this section,
26 not later than December 31, 2018.

27 SECTION 16. (a) Subchapter B, Chapter 264, Family Code, is

1 amended by adding Section 264.1252 to read as follows:

2 Sec. 264.1252. FOSTER PARENT RECRUITMENT STUDY. (a) In
3 this section, "young adult caregiver" means a person who:

4 (1) is at least 21 years of age but younger than 36
5 years of age; and

6 (2) provides foster care for children who are 14 years
7 of age and older.

8 (b) The department shall conduct a study on the feasibility
9 of developing a program to recruit and provide training for young
10 adult caregivers.

11 (c) The department shall complete the study not later than
12 December 31, 2018. In evaluating the feasibility of the program,
13 the department shall consider methods to recruit young adult
14 caregivers and the potential impact that the program will have on
15 the foster children participating in the program, including whether
16 the program may result in:

17 (1) increased placement stability;

18 (2) fewer behavioral issues;

19 (3) fewer instances of foster children running away
20 from a placement;

21 (4) increased satisfactory academic progress in
22 school;

23 (5) increased acquisition of independent living
24 skills; and

25 (6) an improved sense of well-being.

26 (d) The department shall report the results of the study to
27 the governor, lieutenant governor, speaker of the house of

1 representatives, and members of the legislature as soon as possible
2 after the study is completed.

3 (e) This section expires September 1, 2019.

4 (b) As soon as practicable after the effective date of this
5 Act, the Department of Family and Protective Services shall begin
6 the study required by Section 264.1252, Family Code, as added by
7 this section.

8 SECTION 17. (a) Subchapter B, Chapter 264, Family Code, is
9 amended by adding Sections 264.1261 and 264.128 to read as follows:

10 Sec. 264.1261. FOSTER CARE CAPACITY NEEDS PLAN. (a) In
11 this section, "community-based care" has the meaning assigned by
12 Section 264.152.

13 (b) Appropriate department management personnel from a
14 child protective services region in which community-based care has
15 not been implemented, in collaboration with foster care providers,
16 faith-based entities, and child advocates in that region, shall use
17 data collected by the department on foster care capacity needs and
18 availability of each type of foster care and kinship placement in
19 the region to create a plan to address the substitute care capacity
20 needs in the region. The plan must identify both short-term and
21 long-term goals and strategies for addressing those capacity needs.

22 (c) A foster care capacity needs plan developed under
23 Subsection (b) must be:

24 (1) submitted to and approved by the commissioner; and

25 (2) updated annually.

26 (d) The department shall publish each initial foster care
27 capacity needs plan and each annual update to a plan on the

1 department's Internet website.

2 Sec. 264.128. SINGLE CHILD PLAN OF SERVICE INITIATIVE.

3 (a) In this section, "community-based care" has the meaning
4 assigned by Section 264.152.

5 (b) In regions of the state where community-based care has
6 not been implemented, the department shall:

7 (1) collaborate with child-placing agencies to
8 implement the single child plan of service model developed under
9 the single child plan of service initiative; and

10 (2) ensure that a single child plan of service is
11 developed for each child in foster care in those regions.

12 (b) Notwithstanding Section 264.128(b), Family Code, as
13 added by this section, the Department of Family and Protective
14 Services shall develop and implement a single child plan of service
15 for each child in foster care in a region of the state described by
16 that section not later than September 1, 2017.

17 SECTION 18. (a) Chapter 264, Family Code, is amended by
18 adding Subchapter B-1 to read as follows:

19 SUBCHAPTER B-1. COMMUNITY-BASED CARE

20 Sec. 264.151. LEGISLATIVE INTENT. (a) It is the intent of
21 the legislature that the department contract with community-based
22 nonprofit and local governmental entities that have the ability to
23 provide child welfare services. The services provided by the
24 entities must include direct case management to ensure child
25 safety, permanency, and well-being, in accordance with state and
26 federal child welfare goals.

27 (b) It is the intent of the legislature that the provision

1 of community-based care for children be implemented with measurable
2 goals relating to:

3 (1) the safety of children in placements;

4 (2) the placement of children in each child's home
5 community;

6 (3) the provision of services to children in the least
7 restrictive environment possible and, if possible, in a family home
8 environment;

9 (4) minimal placement changes for children;

10 (5) the maintenance of contact between children and
11 their families and other important persons;

12 (6) the placement of children with siblings;

13 (7) the provision of services that respect each
14 child's culture;

15 (8) the preparation of children and youth in foster
16 care for adulthood;

17 (9) the provision of opportunities, experiences, and
18 activities for children and youth in foster care that are available
19 to children and youth who are not in foster care;

20 (10) the participation by children and youth in making
21 decisions relating to their own lives;

22 (11) the reunification of children with the biological
23 parents of the children when possible; and

24 (12) the promotion of the placement of children with
25 relative or kinship caregivers if reunification is not possible.

26 Sec. 264.152. DEFINITIONS. Except as otherwise provided,
27 in this subchapter:

1 (1) "Alternative caregiver" means a person who is not
2 the foster parent of the child and who provides temporary care for
3 the child for more than 12 hours but less than 60 days.

4 (2) "Case management" means the provision of case
5 management services to a child for whom the department has been
6 appointed temporary or permanent managing conservator or to the
7 child's family, a young adult in extended foster care, a relative or
8 kinship caregiver, or a child who has been placed in the catchment
9 area through the Interstate Compact on the Placement of Children,
10 and includes:

11 (A) caseworker visits with the child;

12 (B) family and caregiver visits;

13 (C) convening and conducting permanency planning
14 meetings;

15 (D) the development and revision of child and
16 family plans of service, including a permanency plan and goals for a
17 child or young adult in care;

18 (E) the coordination and monitoring of services
19 required by the child and the child's family;

20 (F) the assumption of court-related duties
21 regarding the child, including:

22 (i) providing any required notifications or
23 consultations;

24 (ii) preparing court reports;

25 (iii) attending judicial and permanency
26 hearings, trials, and mediations;

27 (iv) complying with applicable court

1 orders; and

2 (v) ensuring the child is progressing
3 toward the goal of permanency within state and federally mandated
4 guidelines; and

5 (G) any other function or service that the
6 department determines necessary to allow a single source continuum
7 contractor to assume responsibility for case management.

8 (3) "Catchment area" means a geographic service area
9 for providing child protective services that is identified as part
10 of community-based care.

11 (4) "Community-based care" means the foster care
12 redesign required by Chapter 598 (S.B. 218), Acts of the 82nd
13 Legislature, Regular Session, 2011, as designed and implemented in
14 accordance with the plan required by Section 264.153.

15 Sec. 264.154. QUALIFICATIONS OF SINGLE SOURCE CONTINUUM
16 CONTRACTOR; SELECTION. (a) To enter into a contract with the
17 commission or department to serve as a single source continuum
18 contractor to provide foster care service delivery, an entity must
19 be a nonprofit entity that has an organizational mission focused on
20 child welfare or a governmental entity.

21 (b) In selecting a single source continuum contractor, the
22 department shall consider whether a prospective contractor for a
23 catchment area has demonstrated experience in providing services to
24 children and families in the catchment area.

25 Sec. 264.155. REQUIRED CONTRACT PROVISIONS. A contract
26 with a single source continuum contractor to provide
27 community-based care services in a catchment area must include

1 provisions that:

2 (1) establish a timeline for the implementation of
3 community-based care in the catchment area, including a timeline
4 for implementing:

5 (A) case management services for children,
6 families, and relative and kinship caregivers receiving services in
7 the catchment area; and

8 (B) family reunification support services to be
9 provided after a child receiving services from the contractor is
10 returned to the child's family;

11 (2) establish conditions for the single source
12 continuum contractor's access to relevant department data and
13 require the participation of the contractor in the data access and
14 standards governance council created under Section 264.159;

15 (3) require the single source continuum contractor to
16 create a single process for the training and use of alternative
17 caregivers for all child-placing agencies in the catchment area to
18 facilitate reciprocity of licenses for alternative caregivers
19 between agencies, including respite and overnight care providers,
20 as those terms are defined by department rule;

21 (4) require the single source continuum contractor to
22 maintain a diverse network of service providers that offer a range
23 of foster capacity options and that can accommodate children from
24 diverse cultural backgrounds;

25 (5) allow the department to conduct a performance
26 review of the contractor beginning 18 months after the contractor
27 has begun providing case management and family reunification

1 support services to all children and families in the catchment area
2 and determine if the contractor has achieved any performance
3 outcomes specified in the contract;

4 (6) following the review under Subdivision (5), allow
5 the department to:

6 (A) impose financial penalties on the contractor
7 for failing to meet any specified performance outcomes; or

8 (B) award financial incentives to the contractor
9 for exceeding any specified performance outcomes;

10 (7) require the contractor to give preference for
11 employment to employees of the department:

12 (A) whose position at the department is impacted
13 by the implementation of community-based care; and

14 (B) who are considered by the department to be
15 employees in good standing;

16 (8) require the contractor to provide preliminary and
17 ongoing community engagement plans to ensure communication and
18 collaboration with local stakeholders in the catchment area,
19 including any of the following:

20 (A) community faith-based entities;

21 (B) the judiciary;

22 (C) court-appointed special advocates;

23 (D) child advocacy centers;

24 (E) service providers;

25 (F) foster families;

26 (G) biological parents;

27 (H) foster youth and former foster youth;

1 (I) relative or kinship caregivers;
 2 (J) child welfare boards, if applicable;
 3 (K) attorneys ad litem;
 4 (L) attorneys that represent parents involved in
 5 suits filed by the department; and

6 (M) any other stakeholders, as determined by the
 7 contractor; and

8 (9) require that the contractor comply with any
 9 applicable court order issued by a court of competent jurisdiction
 10 in the case of a child for whom the contractor has assumed case
 11 management responsibilities or an order imposing a requirement on
 12 the department that relates to functions assumed by the contractor.

13 Sec. 264.156. READINESS REVIEW PROCESS FOR COMMUNITY-BASED
 14 CARE CONTRACTOR. (a) The department shall develop a formal review
 15 process to assess the ability of a single source continuum
 16 contractor to satisfy the responsibilities and administrative
 17 requirements of delivering foster care services and services for
 18 relative and kinship caregivers, including the contractor's
 19 ability to provide:

20 (1) case management services for children and
 21 families;

22 (2) evidence-based, promising practice, or
 23 evidence-informed supports for children and families; and

24 (3) sufficient available capacity for inpatient and
 25 outpatient services and supports for children at all service levels
 26 who have previously been placed in the catchment area.

27 (b) As part of the readiness review process, the single

1 source continuum contractor must prepare a plan detailing the
2 methods by which the contractor will avoid or eliminate conflicts
3 of interest. The department may not transfer services to the
4 contractor until the department has determined the plan is
5 adequate.

6 (c) The department and commission must develop the review
7 process under Subsection (a) before the department may expand
8 community-based care outside of the initial catchment areas where
9 community-based care has been implemented.

10 (d) If after conducting the review process developed under
11 Subsection (a) the department determines that a single source
12 continuum contractor is able to adequately deliver foster care
13 services and services for relative and kinship caregivers in
14 advance of the projected dates stated in the timeline included in
15 the contract with the contractor, the department may adjust the
16 timeline to allow for an earlier transition of service delivery to
17 the contractor.

18 Sec. 264.157. EXPANSION OF COMMUNITY-BASED CARE. (a) Not
19 later than December 31, 2019, the department shall:

20 (1) identify not more than eight catchment areas in
21 the state that are best suited to implement community-based care;
22 and

23 (2) following the implementation of community-based
24 care services in those catchment areas, evaluate the implementation
25 process and single source continuum contractor performance in each
26 catchment area.

27 (b) Notwithstanding the process for the expansion of

1 community-based care described in Subsection (a), and in accordance
2 with the community-based care implementation plan developed under
3 Section 264.153, beginning September 1, 2017, the department shall
4 begin accepting applications from entities to provide
5 community-based care services in a designated catchment area.

6 (c) In expanding community-based care, the department may
7 change the geographic boundaries of catchment areas as necessary to
8 align with specific communities.

9 (d) The department shall ensure the continuity of services
10 for children and families during the transition period to
11 community-based care in a catchment area.

12 Sec. 264.158. TRANSFER OF CASE MANAGEMENT SERVICES TO
13 SINGLE SOURCE CONTINUUM CONTRACTOR. (a) In each initial catchment
14 area where community-based care has been implemented or a contract
15 with a single source continuum contractor has been executed before
16 September 1, 2017, the department shall transfer to the single
17 source continuum contractor providing foster care services in that
18 area:

19 (1) the case management of children, relative and
20 kinship caregivers, and families receiving services from that
21 contractor; and

22 (2) family reunification support services to be
23 provided after a child receiving services from the contractor is
24 returned to the child's family for the period of time ordered by the
25 court.

26 (b) The commission shall include a provision in a contract
27 with a single source continuum contractor to provide foster care

1 services and services for relative and kinship caregivers in a
2 catchment area to which community-based care is expanded after
3 September 1, 2017, that requires the transfer to the contractor of
4 the provision of:

5 (1) the case management services for children,
6 relative and kinship caregivers, and families in the catchment area
7 where the contractor will be operating; and

8 (2) family reunification support services to be
9 provided after a child receiving services from the contractor is
10 returned to the child's family.

11 (c) The department shall collaborate with a single source
12 continuum contractor to establish an initial case transfer planning
13 team to:

14 (1) address any necessary data transfer;

15 (2) establish file transfer procedures; and

16 (3) notify relevant persons regarding the transfer of
17 services to the contractor.

18 Sec. 264.159. DATA ACCESS AND STANDARDS GOVERNANCE COUNCIL.

19 (a) The department shall create a data access and standards
20 governance council to develop protocols for the electronic transfer
21 of data from single source continuum contractors to the department
22 to allow the contractors to perform case management functions.

23 (b) The council shall develop protocols for the access,
24 management, and security of case data that is electronically shared
25 by a single source continuum contractor with the department.

26 Sec. 264.160. LIABILITY INSURANCE REQUIREMENTS. A single
27 source continuum contractor and any subcontractor of the single

1 source continuum contractor providing community-based care
2 services shall maintain minimum insurance coverage, as required in
3 the contract with the department, to minimize the risk of
4 insolvency and protect against damages. The executive commissioner
5 may adopt rules to implement this section.

6 Sec. 264.161. STATUTORY DUTIES ASSUMED BY CONTRACTOR.

7 Except as provided by Section 264.163, a single source continuum
8 contractor providing foster care services and services for relative
9 and kinship caregivers in a catchment area must, either directly or
10 through subcontractors, assume the statutory duties of the
11 department in connection with the delivery of foster care services
12 and services for relative and kinship caregivers in that catchment
13 area.

14 Sec. 264.162. REVIEW OF CONTRACTOR PERFORMANCE. The

15 department shall develop a formal review process to evaluate a
16 single source continuum contractor's implementation of placement
17 services and case management services in a catchment area.

18 Sec. 264.163. CONTINUING DUTIES OF DEPARTMENT. In a

19 catchment area in which a single source continuum contractor is
20 providing family-based safety services or community-based care
21 services, legal representation of the department in an action under
22 this code shall be provided in accordance with Section 264.009.

23 Sec. 264.164. CONFIDENTIALITY. (a) The records of a

24 single source continuum contractor relating to the provision of
25 community-based care services in a catchment area are subject to
26 Chapter 552, Government Code, in the same manner as the records of
27 the department are subject to that chapter.

1 (b) Subchapter C, Chapter 261, regarding the
2 confidentiality of certain case information, applies to the records
3 of a single source continuum contractor in relation to the
4 provision of services by the contractor.

5 Sec. 264.165. NOTICE REQUIRED FOR EARLY TERMINATION OF
6 CONTRACT. (a) A single source continuum contractor may terminate
7 a contract entered into under this subchapter by providing notice
8 to the department and the commission of the contractor's intent to
9 terminate the contract not later than the 60th day before the date
10 of the termination.

11 (b) The department may terminate a contract entered into
12 with a single source continuum contractor under this subchapter by
13 providing notice to the contractor of the department's intent to
14 terminate the contract not later than the 30th day before the date
15 of termination.

16 Sec. 264.166. CONTINGENCY PLAN IN EVENT OF EARLY CONTRACT
17 TERMINATION. (a) In each catchment area in which community-based
18 care is implemented, the department shall create a contingency plan
19 to ensure the continuity of services for children and families in
20 the catchment area in the event of an early termination of the
21 contract with the single source continuum contractor providing
22 foster care services in that catchment area.

23 (b) To support each contingency plan, the single source
24 continuum contractor providing foster care services in that
25 catchment area, subject to approval by the department, shall
26 develop a transfer plan to ensure the continuity of services for
27 children and families in the catchment area in the event of an early

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1 termination of the contract with the department. The contractor
2 shall submit an updated transfer plan each year and six months
3 before the end of the contract period, including any extension. The
4 department is not limited or restricted in requiring additional
5 information from the contractor or requiring the contractor to
6 modify the transfer plan as necessary.

7 (c) If a single source continuum contractor gives notice to
8 the department of an early contract termination, the department may
9 enter into a contract with a different contractor for the sole
10 purpose of assuming the contract that is being terminated.

11 Sec. 264.167. ATTORNEY-CLIENT PRIVILEGE. An employee,
12 agent, or representative of a single source continuum contractor is
13 considered to be a client's representative of the department for
14 purposes of the privilege under Rule 503, Texas Rules of Evidence,
15 as that privilege applies to communications with a prosecuting
16 attorney or other attorney representing the department, or the
17 attorney's representatives, in a proceeding under this subtitle.

18 Sec. 264.168. REVIEW OF CONTRACTOR RECOMMENDATIONS BY
19 DEPARTMENT. (a) Notwithstanding any other provision of this
20 subchapter governing the transfer of case management authority to a
21 single source continuum contractor, the department may review,
22 approve, or disapprove a contractor's recommendation with respect
23 to a child's permanency goal.

24 (b) Subsection (a) may not be construed to limit or restrict
25 the authority of the department to include necessary oversight
26 measures and review processes to maintain compliance with federal
27 and state requirements in a contract with a single source continuum

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1 contractor.

2 (c) The department shall develop an internal dispute
3 resolution process to decide disagreements between a single source
4 continuum contractor and the department.

5 Sec. 264.169. PILOT PROGRAM FOR FAMILY-BASED SAFETY
6 SERVICES. (a) In this section, "case management services" means
7 the direct delivery and coordination of a network of formal and
8 informal activities and services in a catchment area where the
9 department has entered into, or is in the process of entering into,
10 a contract with a single source continuum contractor to provide
11 family-based safety services and case management and includes:

12 (1) caseworker visits with the child and all
13 caregivers;

14 (2) family visits;

15 (3) family group conferencing or family group
16 decision-making;

17 (4) development of the family plan of service;

18 (5) monitoring, developing, securing, and
19 coordinating services;

20 (6) evaluating the progress of children, caregivers,
21 and families receiving services;

22 (7) assuring that the rights of children, caregivers,
23 and families receiving services are protected;

24 (8) duties relating to family-based safety services
25 ordered by a court, including:

26 (A) providing any required notifications or
27 consultations;

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1 (B) preparing court reports;
2 (C) attending judicial hearings, trials, and
3 mediations;
4 (D) complying with applicable court orders; and
5 (E) ensuring the child is progressing toward the
6 goal of permanency within state and federally mandated guidelines;
7 and
8 (9) any other function or service that the department
9 determines is necessary to allow a single source continuum
10 contractor to assume responsibility for case management.
11 (b) The department shall develop and implement in two child
12 protective services regions of the state a pilot program under
13 which the commission contracts with a single nonprofit entity that
14 has an organizational mission focused on child welfare or a
15 governmental entity in each region to provide family-based safety
16 services and case management for children and families receiving
17 family-based safety services. The contract must include a
18 transition plan for the provision of services that ensures the
19 continuity of services for children and families in the selected
20 regions.
21 (c) The contract with an entity must include
22 performance-based provisions that require the entity to achieve the
23 following outcomes for families receiving services from the entity:
24 (1) a decrease in recidivism;
25 (2) an increase in protective factors; and
26 (3) any other performance-based outcome specified by
27 the department.

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1 (d) The commission may only contract for implementation of
2 the pilot program with entities that the department considers to
3 have the capacity to provide, either directly or through
4 subcontractors, an array of evidence-based, promising practice, or
5 evidence-informed services and support programs to children and
6 families in the selected child protective services regions.

7 (e) The contracted entity must perform all statutory duties
8 of the department in connection with the delivery of the services
9 specified in Subsection (b).

10 (f) The contracted entity must give preference for
11 employment to employees of the department:

12 (1) whose position at the department is impacted by
13 the implementation of community-based care; and

14 (2) who are considered by the department to be
15 employees in good standing.

16 (g) Not later than December 31, 2018, the department shall
17 report to the appropriate standing committees of the legislature
18 having jurisdiction over child protective services and foster care
19 matters on the progress of the pilot program. The report must
20 include:

21 (1) an evaluation of each contracted entity's success
22 in achieving the outcomes described by Subsection (c); and

23 (2) a recommendation as to whether the pilot program
24 should be continued, expanded, or terminated.

25 (b) Section 264.126, Family Code, is transferred to
26 Subchapter B-1, Chapter 264, Family Code, as added by this section,
27 redesignated as Section 264.153, Family Code, and amended to read

1 as follows:

2 Sec. 264.153 [~~264.126~~]. COMMUNITY-BASED CARE [~~REDESIGN~~]
3 IMPLEMENTATION PLAN. (a) The department shall develop and
4 maintain a plan for implementing community-based [~~the foster~~] care
5 [~~redesign required by Chapter 598 (S.B. 218), Acts of the 82nd~~
6 ~~Legislature, Regular Session, 2011~~]. The plan must:

7 (1) describe the department's expectations, goals, and
8 approach to implementing community-based [~~foster~~] care [~~redesign~~];

9 (2) include a timeline for implementing
10 community-based [~~the foster~~] care [~~redesign~~] throughout this
11 state, any limitations related to the implementation, and a
12 progressive intervention plan and a contingency plan to provide
13 continuity of the delivery of foster care services and services for
14 relative and kinship caregivers [~~service delivery~~] if a contract
15 with a single source continuum contractor ends prematurely;

16 (3) delineate and define the case management roles and
17 responsibilities of the department and the department's
18 contractors and the duties, employees, and related funding that
19 will be transferred to the contractor by the department;

20 (4) identify any training needs and include long-range
21 and continuous plans for training and cross-training staff,
22 including plans to train caseworkers using the standardized
23 curriculum created by the human trafficking prevention task force
24 under Section 402.035(d)(6), Government Code, as that section
25 existed on August 31, 2017;

26 (5) include a plan for evaluating the costs and tasks
27 associated with each contract procurement, including the initial

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1 and ongoing contract costs for the department and contractor;

2 (6) include the department's contract monitoring
3 approach and a plan for evaluating the performance of each
4 contractor and the community-based [~~foster~~] care [~~redesign~~] system
5 as a whole that includes an independent evaluation of each
6 contractor's processes and fiscal and qualitative outcomes; and

7 (7) include a report on transition issues resulting
8 from implementation of community-based [~~the foster~~] care
9 [~~redesign~~].

10 (b) The department shall annually:

11 (1) update the implementation plan developed under
12 this section and post the updated plan on the department's Internet
13 website; and

14 (2) post on the department's Internet website the
15 progress the department has made toward its goals for implementing
16 community-based [~~the foster~~] care [~~redesign~~].

17 (c) Section 264.154, Family Code, as added by this section,
18 applies only to a contract entered into with a single source
19 continuum contractor on or after the effective date of this
20 section.

21 SECTION 19. (a) Subchapter C, Chapter 264, Family Code, is
22 amended by adding Section 264.2042 to read as follows:

23 Sec. 264.2042. GRANTS FOR FAITH-BASED COMMUNITY
24 COLLABORATIVE PROGRAMS. (a) Using available funds or private
25 donations, the governor shall establish and administer an
26 innovation grant program to award grants to support faith-based
27 community programs that collaborate with the department and the

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1 commission to improve foster care and the placement of children in
2 foster care.

3 (b) A faith-based community program is eligible for a grant
4 under this section if:

5 (1) the effectiveness of the program is supported by
6 empirical evidence; and

7 (2) the program has demonstrated the ability to build
8 connections between faith-based, secular, and government
9 stakeholders.

10 (c) The regional director for the department in the region
11 where a grant recipient program is located, or the regional
12 director's designee, shall serve as the liaison between the
13 department and the program for collaborative purposes. For a
14 program that operates in a larger region, the department may
15 designate a liaison in each county where the program is operating.
16 The department or the commission may not direct or manage the
17 operation of the program.

18 (d) The initial duration of a grant under this section is
19 two years. The governor may renew a grant awarded to a program
20 under this section if funds are available and the governor
21 determines that the program is successful.

22 (e) The governor may not award to a program grants under
23 this section totaling more than \$300,000.

24 (f) The governor shall adopt rules to implement the grant
25 program created under this section.

26 (b) As soon as practicable after the effective date of this
27 section, the governor shall adopt rules for the implementation and

S.B. No. 11

1 administration of the innovation grant program established under
2 Section 264.2042, Family Code, as added by this Act, and begin to
3 award grants under the program.

4 SECTION 20. Subchapter A, Chapter 265, Family Code, is
5 amended by adding Section 265.0041 to read as follows:

6 Sec. 265.0041. COLLABORATION WITH INSTITUTIONS OF HIGHER
7 EDUCATION. (a) Subject to the availability of funds, the Health
8 and Human Services Commission, on behalf of the department, shall
9 enter into agreements with institutions of higher education to
10 conduct efficacy reviews of any prevention and early intervention
11 programs that have not previously been evaluated for effectiveness
12 through a scientific research evaluation process.

13 (b) Subject to the availability of funds, the department
14 shall collaborate with an institution of higher education to create
15 and track indicators of child well-being to determine the
16 effectiveness of prevention and early intervention services.

17 SECTION 21. Section 265.005(b), Family Code, is amended to
18 read as follows:

19 (b) A strategic plan required under this section must:

20 (1) identify methods to leverage other sources of
21 funding or provide support for existing community-based prevention
22 efforts;

23 (2) include a needs assessment that identifies
24 programs to best target the needs of the highest risk populations
25 and geographic areas;

26 (3) identify the goals and priorities for the
27 department's overall prevention efforts;

1 (4) report the results of previous prevention efforts
2 using available information in the plan;

3 (5) identify additional methods of measuring program
4 effectiveness and results or outcomes;

5 (6) identify methods to collaborate with other state
6 agencies on prevention efforts; ~~and~~

7 (7) identify specific strategies to implement the plan
8 and to develop measures for reporting on the overall progress
9 toward the plan's goals; and

10 (8) identify specific strategies to increase local
11 capacity for the delivery of prevention and early intervention
12 services through collaboration with communities and stakeholders.

13 SECTION 22. Section 266.012, Family Code, is amended by
14 adding Subsection (c) to read as follows:

15 (c) A single source continuum contractor under Subchapter
16 B-1, Chapter 264, providing therapeutic foster care services to a
17 child shall ensure that the child receives a comprehensive
18 assessment under this section at least once every 90 days.

19 SECTION 23. (a) Section 531.02013, Government Code, is
20 amended to read as follows:

21 Sec. 531.02013. FUNCTIONS REMAINING WITH CERTAIN AGENCIES.
22 The following functions are not subject to transfer under Sections
23 531.0201 and 531.02011:

24 (1) the functions of the Department of Family and
25 Protective Services, including the statewide intake of reports and
26 other information, related to the following:

27 (A) child protective services, including

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S.B. No. 11

1 services that are required by federal law to be provided by this
2 state's child welfare agency;

3 (B) adult protective services, other than
4 investigations of the alleged abuse, neglect, or exploitation of an
5 elderly person or person with a disability:

6 (i) in a facility operated, or in a facility
7 or by a person licensed, certified, or registered, by a state
8 agency; or

9 (ii) by a provider that has contracted to
10 provide home and community-based services; ~~and~~

11 (C) prevention and early intervention services;
12 and

13 (D) investigations of alleged abuse, neglect, or
14 exploitation occurring at a child-care facility, as that term is
15 defined in Section 40.042, Human Resources Code; and

16 (2) the public health functions of the Department of
17 State Health Services, including health care data collection and
18 maintenance of the Texas Health Care Information Collection
19 program.

20 (b) Notwithstanding any provision of Subchapter A-1,
21 Chapter 531, Government Code, or any other law, the responsibility
22 for conducting investigations of reports of abuse, neglect, or
23 exploitation occurring at a child-care facility, as that term is
24 defined in Section 40.042, Human Resources Code, as added by this
25 Act, may not be transferred to the Health and Human Services
26 Commission and remains the responsibility of the Department of
27 Family and Protective Services.

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S.B. No. 11

1 (c) As soon as possible after the effective date of this
2 section, the commissioner of the Department of Family and
3 Protective Services shall transfer the responsibility for
4 conducting investigations of reports of abuse, neglect, or
5 exploitation occurring at a child-care facility, as that term is
6 defined in Section 40.042, Human Resources Code, as added by this
7 Act, to the child protective services division of the department.
8 The commissioner shall transfer appropriate investigators and
9 staff as necessary to implement this section.

10 (d) This section takes effect immediately if this Act
11 receives a vote of two-thirds of all the members of each house, as
12 provided by Section 39, Article III, Texas Constitution. If this
13 Act does not receive the vote necessary for this section to take
14 immediate effect, this section takes effect on the 91st day after
15 the last day of the legislative session.

16 SECTION 24. (a) Subchapter A, Chapter 533, Government
17 Code, is amended by adding Section 533.0054 to read as follows:

18 Sec. 533.0054. HEALTH SCREENING REQUIREMENTS FOR ENROLLEE
19 UNDER STAR HEALTH PROGRAM. (a) A managed care organization that
20 contracts with the commission to provide health care services to
21 recipients under the STAR Health program must ensure that enrollees
22 receive a complete early and periodic screening, diagnosis, and
23 treatment checkup in accordance with the requirements specified in
24 the contract between the managed care organization and the
25 commission.

26 (b) The commission shall include a provision in a contract
27 with a managed care organization to provide health care services to

1 recipients under the STAR Health program specifying progressive
2 monetary penalties for the organization's failure to comply with
3 Subsection (a).

4 (b) The Health and Human Services Commission shall, in a
5 contract for the provision of health care services under the STAR
6 Health program between the commission and a managed care
7 organization under Chapter 533, Government Code, that is entered
8 into, renewed, or extended on or after the effective date of this
9 section, require that the managed care organization comply with
10 Section 533.0054, Government Code, as added by this section.

11 (c) The Health and Human Services Commission may not impose
12 a monetary penalty for noncompliance with a contract provision
13 described by Section 533.0054(b), Government Code, as added by this
14 section, until September 1, 2018.

15 (d) If before implementing Section 533.0054, Government
16 Code, as added by this section, the Health and Human Services
17 Commission determines that a waiver or authorization from a federal
18 agency is necessary for implementation of that provision, the
19 agency affected by the provision shall request the waiver or
20 authorization and may delay implementing that provision until the
21 waiver or authorization is granted.

22 SECTION 25. (a) Subchapter A, Chapter 533, Government
23 Code, is amended by adding Section 533.0056 to read as follows:

24 Sec. 533.0056. STAR HEALTH PROGRAM: NOTIFICATION OF
25 PLACEMENT CHANGE. A contract between a managed care organization
26 and the commission for the organization to provide health care
27 services to recipients under the STAR Health program must require

1 the organization to ensure continuity of care for a child whose
2 placement has changed by:

3 (1) notifying each specialist treating the child of
4 the placement change; and

5 (2) coordinating the transition of care from the
6 child's previous treating primary care physician and treating
7 specialists to the child's new treating primary care physician and
8 treating specialists, if any.

9 (b) The changes in law made by this section apply only to a
10 contract for the provision of health care services under the STAR
11 Health program between the Health and Human Services Commission and
12 a managed care organization under Chapter 533, Government Code,
13 that is entered into, renewed, or extended on or after the effective
14 date of this section.

15 (c) If before implementing Section 533.0056, Government
16 Code, as added by this section, the Health and Human Services
17 Commission determines that a waiver or authorization from a federal
18 agency is necessary for implementation of that provision, the
19 health and human services agency affected by the provision shall
20 request the waiver or authorization and may delay implementing that
21 provision until the waiver or authorization is granted.

22 SECTION 26. (a) Subchapter B, Chapter 40, Human Resources
23 Code, is amended by adding Sections 40.039, 40.040, 40.041, and
24 40.042 to read as follows:

25 Sec. 40.039. REVIEW OF RECORDS RETENTION POLICY. The
26 department shall periodically review the department's records
27 retention policy with respect to case and intake records relating

1 to department functions. The department shall make changes to the
2 policy consistent with the records retention schedule submitted
3 under Section 441.185, Government Code, that are necessary to
4 improve case prioritization and the routing of cases to the
5 appropriate division of the department. The department may adopt
6 rules necessary to implement this section.

7 Sec. 40.040. CASE MANAGEMENT VENDOR QUALITY OVERSIGHT AND
8 ASSURANCE DIVISION; MONITORING OF CONTRACT ADHERENCE. (a) In this
9 section, "case management," "catchment area," and "community-based
10 care" have the meanings assigned by Section 264.152, Family Code.

11 (b) The department shall create within the department the
12 case management services vendor quality oversight and assurance
13 division. The division shall:

14 (1) oversee quality and ensure accountability of any
15 vendor that provides community-based care and full case management
16 services for the department under community-based care;

17 (2) conduct assessments on the fiscal and qualitative
18 performance of any vendor that provides foster care services for
19 the department under community-based care;

20 (3) create and administer a dispute resolution process
21 to resolve conflicts between vendors that contract with the
22 department to provide foster care services under community-based
23 care and any subcontractor of a vendor; and

24 (4) monitor the transfer from the department to a
25 vendor of full case management services for children and families
26 receiving services from the vendor, including any transfer
27 occurring under a pilot program.

1 (c) The commission shall contract with an outside vendor
2 with expertise in quality assurance to develop, in coordination
3 with the department, a contract monitoring system and standards for
4 the continuous monitoring of the adherence of a vendor providing
5 foster care services under community-based care to the terms of the
6 contract entered into by the vendor and the commission. The
7 standards must include performance benchmarks relating to the
8 provision of case management services in the catchment area where
9 the vendor operates.

10 (d) The division shall collect and analyze data comparing
11 outcomes on performance measures between catchment areas where
12 community-based care has been implemented and regions where
13 community-based care has not been implemented.

14 Sec. 40.041. OFFICE OF DATA ANALYTICS. The department
15 shall create an office of data analytics. The office shall report
16 to the deputy commissioner and may perform any of the following
17 functions, as determined by the department:

18 (1) monitor management trends;
19 (2) analyze employee exit surveys and interviews;
20 (3) evaluate the effectiveness of employee retention
21 efforts, including merit pay;

22 (4) create and manage a system for handling employee
23 complaints submitted by the employee outside of an employee's
24 direct chain of command, including anonymous complaints;

25 (5) monitor and provide reports to department
26 management personnel on:

27 (A) employee complaint data and trends in

1 employee complaints;

2 (B) compliance with annual department
3 performance evaluation requirements; and

4 (C) the department's use of positive performance
5 levels for employees;

6 (6) track employee tenure and internal employee
7 transfers within both the child protective services division and
8 the department;

9 (7) use data analytics to predict workforce shortages
10 and identify areas of the department with high rates of employee
11 turnover, and develop a process to inform the deputy commissioner
12 and other appropriate staff regarding the office's findings;

13 (8) create and monitor reports on key metrics of
14 agency performance;

15 (9) analyze available data, including data on employee
16 training, for historical and predictive department trends; and

17 (10) conduct any other data analysis the department
18 determines to be appropriate for improving performance, meeting the
19 department's current business needs, or fulfilling the powers and
20 duties of the department.

21 Sec. 40.042. INVESTIGATIONS OF CHILD ABUSE, NEGLECT, AND
22 EXPLOITATION. (a) In this section, "child-care facility"
23 includes a facility, licensed or unlicensed child-care facility,
24 family home, residential child-care facility, employer-based
25 day-care facility, or shelter day-care facility, as those terms are
26 defined in Chapter 42.

27 (b) For all investigations of child abuse, neglect, or

1 exploitation conducted by the child protective services division of
2 the department, the department shall adopt the definitions of
3 abuse, neglect, and exploitation provided in Section 261.001,
4 Family Code.

5 (c) The department shall establish standardized policies to
6 be used during investigations.

7 (d) The commissioner shall establish units within the child
8 protective services division of the department to specialize in
9 investigating allegations of child abuse, neglect, and
10 exploitation occurring at a child-care facility.

11 (e) The department may require that investigators who
12 specialize in allegations of child abuse, neglect, and exploitation
13 occurring at child-care facilities receive ongoing training on the
14 minimum licensing standards for any facilities that are applicable
15 to the investigator's specialization.

16 (f) After an investigation of abuse, neglect, or
17 exploitation occurring at a child-care facility, the department
18 shall provide the state agency responsible for regulating the
19 facility with access to any information relating to the
20 department's investigation. Providing access to confidential
21 information under this subsection does not constitute a waiver of
22 confidentiality.

23 (g) The department may adopt rules to implement this
24 section.

25 (b) As soon as possible after the effective date of this
26 Act, the commissioner of the Department of Family and Protective
27 Services shall establish the office of data analytics required by

S.B. No. 11

1 Section 40.041, Human Resources Code, as added by this section. The
2 commissioner and the executive commissioner of the Health and Human
3 Services Commission shall transfer appropriate staff as necessary
4 to conduct the duties of the office.

5 (c) The Department of Family and Protective Services must
6 implement the standardized definitions and policies required under
7 Sections 40.042(b) and (c), Human Resources Code, as added by this
8 Act, not later than December 1, 2017.

9 SECTION 27. (a) Section 40.058(f), Human Resources Code,
10 is amended to read as follows:

11 (f) A contract for residential child-care services provided
12 by a general residential operation or by a child-placing agency
13 must include provisions that:

14 (1) enable the department and commission to monitor
15 the effectiveness of the services;

16 (2) specify performance outcomes, financial penalties
17 for failing to meet any specified performance outcomes, and
18 financial incentives for exceeding any specified performance
19 outcomes;

20 (3) authorize the department or commission to
21 terminate the contract or impose monetary sanctions for a violation
22 of a provision of the contract that specifies performance criteria
23 or for underperformance in meeting any specified performance
24 outcomes;

25 (4) authorize the department or commission, an agent
26 of the department or commission, and the state auditor to inspect
27 all books, records, and files maintained by a contractor relating

1 to the contract; and

2 (5) are necessary, as determined by the department or
3 commission, to ensure accountability for the delivery of services
4 and for the expenditure of public funds.

5 (b) The Health and Human Services Commission shall, in a
6 contract for residential child-care services between the
7 commission and a general residential operation or child-placing
8 agency that is entered into on or after the effective date of this
9 section, including a renewal contract, include the provisions
10 required by Section 40.058(f), Human Resources Code, as amended by
11 this section.

12 (c) The Health and Human Services Commission shall seek to
13 amend contracts for residential child-care services entered into
14 with general residential operations or child-placing agencies
15 before the effective date of this section to include the provisions
16 required by Section 40.058(f), Human Resources Code, as amended by
17 this section.

18 (d) The Department of Family and Protective Services and the
19 Health and Human Services Commission may not impose a financial
20 penalty against a general residential operation or child-placing
21 agency under a contract provision described by Section 40.058(f)(2)
22 or (3), Human Resources Code, as amended by this section, until
23 September 1, 2018.

24 SECTION 28. (a) Subchapter C, Chapter 40, Human Resources
25 Code, is amended by adding Section 40.0581 to read as follows:

26 Sec. 40.0581. PERFORMANCE MEASURES FOR CERTAIN SERVICE
27 PROVIDER CONTRACTS. (a) The commission, in collaboration with the

1 department, shall contract with a vendor or enter into an agreement
2 with an institution of higher education to develop, in coordination
3 with the department, performance quality metrics for family-based
4 safety services and post-adoption support services providers. The
5 quality metrics must be included in each contract with those
6 providers.

7 (b) Each provider whose contract with the commission to
8 provide department services includes the quality metrics developed
9 under Subsection (a) must prepare and submit to the department a
10 report each calendar quarter regarding the provider's performance
11 based on the quality metrics.

12 (c) The commissioner shall compile a summary of all reports
13 prepared and submitted to the department by family-based safety
14 services providers as required by Subsection (b) and distribute the
15 summary to appropriate family-based safety services caseworkers
16 and child protective services region management once each calendar
17 quarter.

18 (d) The commissioner shall compile a summary of all reports
19 prepared and submitted to the department by post-adoption support
20 services providers as required by Subsection (b) and distribute the
21 summary to appropriate conservatorship and adoption caseworkers
22 and child protective services region management.

23 (e) The department shall make the summaries prepared under
24 Subsections (c) and (d) available to families that are receiving
25 family-based safety services and to adoptive families.

26 (f) This section does not apply to a provider that has
27 entered into a contract with the commission to provide family-based

1 safety services under Section 264.169, Family Code.

2 (b) The quality metrics required by Section 40.0581, Human
3 Resources Code, as added by this section, must be developed not
4 later than September 1, 2018, and included in any contract,
5 including a renewal contract, entered into by the Health and Human
6 Services Commission with a family-based safety services provider or
7 a post-adoption support services provider on or after January 1,
8 2019, except as provided by Section 40.0581(f), Human Resources
9 Code, as added by this section.

10 SECTION 29. Section 42.002(23), Human Resources Code, is
11 amended to read as follows:

12 (23) "Other maltreatment" means:

13 (A) abuse, as defined by Section 261.001 [~~or~~
14 ~~261.401~~], Family Code; or

15 (B) neglect, as defined by Section 261.001 [~~or~~
16 ~~261.401~~], Family Code.

17 SECTION 30. (a) Subchapter C, Chapter 42, Human Resources
18 Code, is amended by adding Section 42.0432 to read as follows:

19 Sec. 42.0432. HEALTH SCREENING REQUIREMENTS FOR CHILD
20 PLACED WITH CHILD-PLACING AGENCY. (a) A child-placing agency or
21 general residential operation that contracts with the department to
22 provide services must ensure that the children that are in the
23 managing conservatorship of the department and are placed with the
24 child-placing agency or general residential operation receive a
25 complete early and periodic screening, diagnosis, and treatment
26 checkup in accordance with the requirements specified in the
27 contract between the child-placing agency or general residential

1 operation and the department.

2 (b) The commission shall include a provision in a contract
3 with a child-placing agency or general residential operation
4 specifying progressive monetary penalties for the child-placing
5 agency's or general residential operation's failure to comply with
6 Subsection (a).

7 (b) A child-placing agency or general residential operation
8 that contracts to provide services for the Department of Family and
9 Protective Services must comply with the requirements of Section
10 42.0432, Human Resources Code, as added by this section, not later
11 than August 31, 2018. The department and the Health and Human
12 Services Commission may not impose a monetary penalty for
13 noncompliance with a contract provision described by that section
14 until September 1, 2018.

15 SECTION 31. Section 42.044(c-1), Human Resources Code, is
16 amended to read as follows:

17 (c-1) The department:

18 (1) shall investigate a listed family home if the
19 department receives a complaint that:

20 (A) a child in the home has been abused or
21 neglected, as defined by Section 261.001 [~~261.401~~], Family Code; or

22 (B) otherwise alleges an immediate risk of danger
23 to the health or safety of a child being cared for in the home; and

24 (2) may investigate a listed family home to ensure
25 that the home is providing care for compensation to not more than
26 three children, excluding children who are related to the
27 caretaker.

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S.B. No. 11

1 SECTION 32. Section 261.401(a), Family Code, is repealed.

2 SECTION 33. The changes in law made by this Act to Section
3 263.401, Family Code, apply only to a suit affecting the
4 parent-child relationship filed on or after the effective date of
5 this Act. A suit affecting the parent-child relationship filed
6 before the effective date of this Act is governed by the law in
7 effect on the date the suit was filed, and the former law is
8 continued in effect for that purpose.

9 SECTION 34. Except as otherwise provided by this Act, this
10 Act takes effect September 1, 2017.

Don Patuck
President of the Senate

Joe Straus
Speaker of the House

I hereby certify that S.B. No. 11 passed the Senate on March 1, 2017, by the following vote: Yeas 31, Nays 0; May 25, 2017, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 26, 2017, House granted request of the Senate; May 28, 2017, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0.

Patsey Spaw
Secretary of the Senate

I hereby certify that S.B. No. 11 passed the House, with amendments, on May 19, 2017, by the following vote: Yeas 109, Nays 34, one present not voting; May 26, 2017, House granted request of the Senate for appointment of Conference Committee; May 28, 2017, House adopted Conference Committee Report by the following vote: Yeas 107, Nays 41, one present not voting.

Robert Haney
Chief Clerk of the House

Approved:

5-31-2017
Date

Brian Kopp
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
11 AM O'CLOCK

MAY 31 2017
Secretary of State

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 27, 2017

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB11 by Schwertner (Relating to the provision of child protective services and other health and human services by certain state agencies or under contract with a state agency, including foster care, child protective, relative and kinship caregiver support, prevention and early intervention health care, and adoptive services.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for SB11, Conference Committee Report: a negative impact of (\$11,848,701) through the biennium ending August 31, 2019.

Due to the unknown number of potential grantees in the newly created grant program at the Office of the Governor to support faith-based community programs that collaborate with DFPS to improve foster care, the fiscal impact of the total awards cannot be determined at this time.

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
2018	(\$6,634,076)
2019	(\$5,214,625)
2020	(\$6,880,769)
2021	(\$8,555,254)
2022	(\$10,238,430)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings/(Cost) from Federal Funds 555	Change in Number of State Employees from FY 2017
2018	(\$6,563,142)	(\$70,934)	(\$709,342)	(203.3)
2019	(\$5,166,008)	(\$48,617)	(\$486,169)	(297.0)
2020	(\$6,832,266)	(\$48,503)	(\$485,033)	(298.0)
2021	(\$8,506,758)	(\$48,496)	(\$484,960)	(298.7)
2022	(\$10,189,821)	(\$48,609)	(\$486,087)	(299.5)

Fiscal Analysis

The bill would amend the Family Code, Government Code, and Human Resources Code relating to the provisions of child protective services and other health and human services by certain state agencies or under contract with a state agency, including foster care, child protective, relative and kinship caregiver support, prevention and early intervention health care, and adoption services.

The bill would require DFPS to ensure any child entering conservatorship of the state receives a medical examination within three business days if they have been removed as a result of sexual or physical abuse, or if they have a chronic medical condition.

The bill would require DFPS to identify not more than eight catchment areas in the state best suited to implement community-based foster care, and then upon development and completion of a readiness review process, begin expanding community-based foster care into those areas. The bill would also require DFPS to transfer case management services in catchment areas that have been executed before September 1, 2017.

The bill would require DFPS to establish a pilot program to contract Family Based Safety Services (FBSS) case management services in two regions in the state.

The bill would require DFPS to establish a contract provision process for single source continuum contractors (SSCCs) to report the results of the SSCC's best interest determination for a child when the contractor concludes that the determination conflicts with a contract performance measure.

The bill would require the creation of a data access and standards governance council.

The bill would require DFPS to develop a formal review process to evaluate a single source continuum contractor's implementation of placement and case management services, and to review contractor's decisions related to case management.

The bill would require all Child Care Licensing abuse and neglect investigations to remain at DFPS instead of transferring to the Health and Human Services Commission (HHSC) and allows the two agencies to coordinate certain investigative services.

The bill would require DFPS to create a foster care services contract compliance, oversight, and quality assurance division.

The bill would require the Governor to establish and administer a grant program to support faith-based community programs that collaborate with DFPS to improve foster care.

The bill would require DFPS to complete a foster parent recruitment study.

The bill would take effect September 1, 2017.

Methodology

According to DFPS, the agency would require additional resources to ensure that a child taken into custody by the agency would receive a medical screening within three days if they have been removed as a result of sexual or physical abuse, or if they have a chronic medical condition. Based on experiences from other states that have implemented similar provisions, the agency estimates that half of new removals would need transportation to the required medical examination by DFPS or the Single Source Continuum Contractor (SSCC). According to the DFPS projected removals and the DFPS assumption that each medical examination would require six hours of transportation services, the agency would require 19.0 additional Full-time Equivalent (FTE) case aide positions to cover children in the legacy system. The additional FTEs would cost of approximately \$64,650 per FTE in All Funds in fiscal year 2018 and approximately \$57,000 per FTE in All Funds each subsequent fiscal year.

This analysis assumes the expansion of community-based foster care into one additional catchment area each year beginning in fiscal year 2019. This analysis assumes that rates paid to SSCCs, including the foster care blended and enhanced rate, Quality and Utilization Management, Resource Transfers, and Indirect Cost Rates, would be cost-neutral to DFPS due to the transfer of corresponding duties away from DFPS. Authorizing DFPS to adjust rates could result in increased costs not reflected in this analysis. Based on rollout of community-based foster care expansion, this analysis assumes that the Enhanced Network Support payment of \$1,200 per child would represent a new cost to General Revenue Funds of \$0.8 million in fiscal year 2019, increasing each fiscal year as each new catchment area is added to \$5.9 million by fiscal year 2022.

In addition, while the analysis assumes that any cost to transfer case management services would be offset by corresponding savings at DFPS and the Employee Retirement System (ERS), the expansion of case management oversight requirements in community-based foster care would result in increased costs at DFPS. The reduction of direct delivery FTEs providing case management services at DFPS would total 144.1 FTEs in fiscal year 2018, 212.9 FTEs in fiscal year 2019, 214.0 FTEs in fiscal year 2020, 214.7 in fiscal year 2021, and 215.6 in fiscal year 2022, and would be offset by additional staff needed for the purposes of case management oversight services.

The analysis assumes that the agency would require 1.0 FTE for each 200 children served in community-based foster care. Assuming the transfer of case management services in Region 3B beginning in fiscal year 2018 and Region 2C beginning in fiscal year 2019, DFPS would require 8.6 FTEs for case management oversight in fiscal year 2018, growing to 9.9 FTEs by fiscal year 2022. The ongoing cost per FTE is assumed at \$6,500 per FTE/per month plus benefits, with an additional one-time set up cost of \$5,400 per FTE.

Similarly, for the FBSS case management pilot, the analysis assumes that the agency would require 1.0 FTE for each 200 children served in community-based care and 1.0 FTE for each 200 children served in the two FBSS pilot regions. Based on the projected number of children in foster care in Region 3B and the projected average number of children receiving FBSS services in one additional region of the state, DFPS would require 6.0 FTEs for case management oversight each fiscal year. The ongoing cost per FTE is assumed at \$6,500 per FTE per month plus benefits, with an additional one-time set up cost of \$5,400 per FTE. Costs for these FTEs are estimated to be approximately \$0.6 million in All Funds in each fiscal year.

According to DFPS, there would be an additional one-time startup cost of \$1,997,000 for initial case management transfer planning and an annual cost of \$393,000 in General Revenue Funds for an independent evaluation of processes and outcomes in community-based foster care.

According to DFPS, one Program Specialist VI would be needed to oversee establishment of a Data Access and Governance Council, at an initial cost of \$98,922 in All Funds in fiscal year 2018 and \$92,262 in ongoing All Funds costs in each subsequent fiscal year. The agency also anticipates that they would need 1.0 Quality Improvement Leader and 4.0 Case Analysts would be needed to complete the required contract provision work, at an initial cost of \$489,499 in All Funds in fiscal year 2018 and \$457,568 in All Funds in each subsequent fiscal year.

This analysis assumes that in order to create a new division within the agency to oversee contract compliance, oversight, and quality assurance, the agency would require 10.0 additional direct delivery FTEs along with 1.0 supervisor beginning in fiscal years 2018. The ongoing cost per FTE is assumed at \$6,500 per FTE per month plus benefits, with an additional one-time set up cost of \$5,400 per FTE. Costs for these FTEs are estimated to be \$1.2 million in All Funds in each fiscal year.

The analysis also assumes that the requirements related to Child Care Licensing investigations services would result in a net zero net impact to the state, as the two agencies are allowed to coordinate services, and any increased cost to either DFPS or HHSC would be offset by a corresponding decrease in costs at the other agency.

The provisions related to the grant program to support faith-based community programs collaborating with DFPS to improve foster care would limit the initial duration of a grant under this program to two years and no more than \$300,000, but does not include any provisions limiting or directing the number of grants awarded.

Further, the Office of the Governor anticipates the proposed program expenses as, added in Section 264.2042, Family Code, would be eligible for federal Victims of Crime Act (VOCA) funding. However, as VOCA funds have specific usage restrictions, this analysis assumes the program would be structured to only provide programs and services for VOCA-eligible victims and activities under the provisions of the bill. The Governor's office may choose to work with the Department of Justice to ensure eligibility in advance of granting the awards. Ultimately, if they are not an allowable use, the agency would need to find an alternative source of funding to pay for the program in lieu of federal VOCA funds. Based on this, and the assumption that funding is not diverted from existing programs to fund the related grants, this analysis estimates an indeterminate fiscal impact to the state associated with implementation of this provision due to inadequate available data on the number of potential grantees.

Finally, the agency anticipates the cost to complete the foster parent recruitment study would require \$250,000 in General Revenue in fiscal year 2018.

Based on information provided by DFPS, HHSC, and the Office of the Governor, this analysis assumes that the remaining duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing agency resources.

Technology

Technology costs in the 2018-19 biennium are estimated to total \$82,720 for one-time employee implementation costs for computer and laptop accessories.

Local Government Impact

According to the Texas Association of Counties, there is a possible fiscal impact to counties to implement the provisions of the bill. However, the impact is not anticipated to be significant in most counties.

Source Agencies: 530 Family and Protective Services, Department of, 529 Health and Human Services Commission

LBB Staff: UP, KCA, EP, JLi, SD, LR, JBi, JGA, RC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 21, 2017

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB11 by Schwertner (Relating to the administration of services provided by the Department of Family and Protective Services, including foster care, child protective services, and prevention and early intervention services.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for SB11, As Passed 2nd House: a negative impact of (\$25,044,249) through the biennium ending August 31, 2019.

Due to the unknown number of potential grantees in the newly created grant program at the Office of the Governor to support faith-based community programs that collaborate with DFPS to improve foster care, the fiscal impact of the total awards cannot be determined at this time.

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
2018	(\$12,616,248)
2019	(\$12,428,001)
2020	(\$11,658,323)
2021	(\$13,372,066)
2022	(\$15,095,285)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings/(Cost) from GR Match For Title IV-E FMAP 8008	Probable Savings/(Cost) from Federal Funds 555
2018	(\$11,786,196)	(\$104,467)	(\$725,585)	(\$2,066,168)
2019	(\$10,849,586)	(\$85,962)	(\$1,492,453)	(\$4,661,333)
2020	(\$10,093,636)	(\$58,363)	(\$1,506,324)	(\$4,406,983)
2021	(\$11,792,540)	(\$58,356)	(\$1,521,170)	(\$4,428,280)
2022	(\$13,500,503)	(\$58,469)	(\$1,536,313)	(\$4,451,205)

Fiscal Year	Change in Number of State Employees from FY 2017
2018	(185 3)
2019	(279 0)
2020	(296 0)
2021	(296 7)
2022	(297 5)

Fiscal Analysis

The bill would amend the Family Code, Government Code, and Human Resources Code relating to the administration of services provided by the Department of Family and Protective Services (DFPS), including foster care, child protective services, and prevention and early intervention services.

The bill would require the agency to provide prospective adoptive parents with access to research from recognized professional organizations or individuals regarding underlying health issues and other conditions of trauma that could impact child development and permanency.

The bill would require DFPS to ensure any child entering conservatorship of the state receives a medical examination within three to seven business days

The bill would require the DFPS to pay for day care for qualifying foster children if the foster parent is employed on a part-time basis.

The bill would require DFPS to identify not more than eight catchment areas in the state best suited to implement community-based foster care, and then upon development and completion of a readiness review process, begin expanding community-based foster care into those areas. The bill would also require DFPS to transfer case management services to not more than two catchment areas after the implementation of community-based foster care.

The bill would require DFPS to establish a pilot program to contract Family Based Safety Services (FBSS) case management services in two regions in the state.

The bill would require DFPS to establish a community engagement oversight group in each catchment area.

The bill would require DFPS to establish a contract provision process for single source continuum contractors (SSCCs) to report the results of the SSCC's best interest determination for a child when the contractor concludes that the determination conflicts with a contract performance measure.

The bill would require the creation of a data access and standards governance council.

The bill would require DFPS to develop a formal review process to evaluate a single source continuum contractor's implementation of placement and case management services, and to review contractor's decisions related to case management.

The bill would require all Child Care Licensing abuse and neglect investigations to remain at DFPS instead of transferring to the Health and Human Services Commission (HHSC) and allows the two agencies to coordinate certain investigative services.

The bill would require DFPS to create a foster care services contract compliance, oversight, and quality assurance division.

The bill would modify the existing Child Care Licensing licensure process to allow a child-placing agency to issue a provisional verification to a prospective agency foster home.

The bill would require the Governor to establish and administer a grant program to support faith-based community programs that collaborate with DFPS to improve foster care.

The bill would require DFPS give priority in placement to family homes with the fewest number of foster children, and to the extent possible, place a sibling group in the same home.

The bill would require DFPS to complete a foster parent recruitment study

The bill would take effect September 1, 2017

Methodology

According to DFPS, the agency anticipates that 75 percent of prospective adoptive parents would want access to information from recognized professional organizations or individuals regarding underlying health issues and other conditions of trauma. Assuming that 25 percent of those would parents would require a paid consultation and that the number of children awaiting adoption remains constant at 6,031 children, the agency would require \$311,000 in All Funds each fiscal year in order to provide this service.

According to DFPS, the agency would require additional resources to ensure that a child taken into custody by the agency would receive a medical screening within three to seven days. Based on experiences from other states that have implemented similar provisions, the agency estimates that half of new removals would need transportation to the required medical examination by DFPS or the Single Source Continuum Contractor (SSCC). According to the DFPS projected removals and the DFPS assumption that each medical examination would require six hours of transportation services, the agency would require 19.0 additional Full-time Equivalent (FTE) case aide positions to cover children in the legacy system. The additional FTEs would cost of approximately \$64,650 per FTE in All Funds in fiscal year 2018 and approximately \$57,000 per FTE in All Funds each subsequent fiscal year.

According to DFPS, there are 6,381 children eligible for day care based on age and school enrollment. It is assumed that 13 percent of these children (830) are currently not eligible for day care reimbursement because of the part-time employment of the foster parent. It is assumed that 61.3 percent of these children (509) are already in a regular child care arrangement that DFPS would be obligated to pay for under the provisions of the bill. It is assumed that each of these children would receive an average of 18.6 days of paid day care each month at an average daily cost of \$24.53 in fiscal year 2018, \$25.02 in fiscal year 2019, and increasing by 2.5 percent each year thereafter. The total estimated cost of new day care services is \$2.9 million in All Funds, including \$1.9 million in General Revenue Funds and \$1.0 million in Federal Funds, in fiscal year 2018 increasing each year to \$3.2 million in All Funds, including \$2.0 million in General Revenue Funds and \$1.1 million in Federal Funds, by fiscal year 2022. Additionally, this analysis assumes that the expanded services would require the addition of 1.0 employee at an initial cost, including benefits, of \$114,745 in fiscal year 2018 and \$104,221 in ongoing cost in each year thereafter.

This analysis assumes the expansion of community-based foster care into one additional catchment area each year beginning in fiscal year 2019. This analysis assumes that rates paid to

SSCCs, including the foster care blended and enhanced rate, Quality and Utilization Management, Resource Transfers, and Indirect Cost Rates, would be cost-neutral to DFPS due to the transfer of corresponding duties away from DFPS. Authorizing DFPS to adjust rates could result in increased costs not reflected in this analysis. Based on rollout of community-based foster care expansion, this analysis assumes that the Enhanced Network Support payment of \$1,200 per child would represent a new cost to General Revenue Funds of \$0.8 million in fiscal year 2019, increasing each fiscal year as each new catchment area is added to \$5.9 million by fiscal year 2022.

In addition, while the analysis assumes that any cost to transfer case management services would be offset by corresponding savings at DFPS and the Employee Retirement System (ERS), the expansion of case management oversight requirements in community-based foster care would result in increased costs at DFPS. The reduction of direct delivery FTEs providing case management services at DFPS would total 144.1 FTEs in fiscal year 2018, 212.9 FTEs in fiscal year 2019, 214.0 FTEs in fiscal year 2020, 214.7 in fiscal year 2021, and 215.6 in fiscal year 2022, and would be offset by additional staff needed for the purposes of case management oversight services.

The analysis assumes that the agency would require 1.0 FTE for each 200 children served in community-based foster care. Assuming the transfer of case management services in Region 3B beginning in fiscal year 2018 and Region 2C beginning in fiscal year 2019, DFPS would require 8.6 FTEs for case management oversight in fiscal year 2018, growing to 9.9 FTEs by fiscal year 2022. The ongoing cost per FTE is assumed at \$6,500 per FTE/per month plus benefits, with an additional one-time set up cost of \$5,400 per FTE.

Similarly, for the FBSS case management pilot, the analysis assumes that the agency would require 1.0 FTE for each 200 children served in community-based care and 1.0 FTE for each 200 children served in the two FBSS pilot regions. Based on the projected number of children in foster care in Region 3B and the projected average number of children receiving FBSS services in one additional region of the state, DFPS would require 6.0 FTEs for case management oversight each fiscal year. The ongoing cost per FTE is assumed at \$6,500 per FTE per month plus benefits, with an additional one-time set up cost of \$5,400 per FTE. Costs for these FTEs are estimated to be approximately \$0.6 million in All Funds in each fiscal year.

According to DFPS, there would be an additional one-time startup cost of \$1,997,000 for initial case management transfer planning and an annual cost of \$393,000 in General Revenue Funds for an independent evaluation of processes and outcomes in community-based foster care.

According to DFPS, one Program Specialist VI would be needed to oversee establishment of a community engagement oversight group in each catchment area, at an initial cost of \$138,437 in All Funds in fiscal year 2018 and \$131,777 in ongoing All Funds cost in each fiscal year thereafter. Additionally, one Program Specialist VI would be needed to oversee establishment of a Data Access and Governance Council, at an initial cost of \$98,922 in All Funds in fiscal year 2018 and \$92,262 in ongoing All Funds costs in each subsequent fiscal year. The agency also anticipates that they would need 1.0 Quality Improvement Leader and 4.0 Case Analysts would be needed to complete the required contract provision work, at an initial cost of \$489,499 in All Funds in fiscal year 2018 and \$457,568 in All Funds in each subsequent fiscal year.

This analysis assumes that in order to create a new division within the agency to oversee contract compliance, oversight, and quality assurance, the agency would require 10.0 additional direct delivery FTEs along with 1.0 supervisor beginning in fiscal years 2018. The ongoing cost per FTE is assumed at \$6,500 per FTE per month plus benefits, with an additional one-time set up cost of \$5,400 per FTE. Costs for these FTEs are estimated to be \$1.2 million in All Funds in each fiscal

year

In addition, the analysis assumes that provisions of the bill related to provisional verification of foster homes would allow kinship caregivers who are going through the process of becoming verified foster parents to receive foster care payments at an earlier date. According to DFPS, the average kinship foster family takes three months to achieve full licensure. Under current law, no new Permanency Care Assistance agreements may be entered into after the close of fiscal year 2017. It is assumed that this will result in a 50 percent reduction in the number of families entering paid kinship care, as federal and state law requires that a home must be verified for a minimum of six consecutive months to be eligible for Permanency Care Assistance and many families undertake the verification process in order to receive Permanency Care.

This analysis assumes that provisional licensure will begin on September 1, 2018 to provide time to promulgate program rules. Based on fiscal year 2016 data, it is assumed that approximately 1,200 children would enter paid kinship care annually. The children would be eligible for an extra three months of payments, at an average monthly cost of \$1,214. Total costs would be \$1.6 million in General Revenue and \$4.4 million in All Funds in fiscal year 2019 and each year thereafter. This analysis assumes that IV-E eligibility and method of finance would remain constant. In the event that the Permanency Care Assistance program is continued, DFPS assumes that any costs associated with provisional verification would be offset by a faster exit from the foster system.

The analysis also assumes that the requirements related to Child Care Licensing investigations services would result in a net zero net impact to the state, as the two agencies are allowed to coordinate services, and any increased cost to either DFPS or HHSC would be offset by a corresponding decrease in costs at the other agency.

The provisions related to the grant program to support faith-based community programs collaborating with DFPS to improve foster care would limit the initial duration of a grant under this program to two years and no more than \$300,000, but does not include any provisions limiting or directing the number of grants awarded.

Further, the Office of the Governor anticipates the proposed program expenses as, added in Section 264.2042, Family Code, would be eligible for federal Victims of Crime Act (VOCA) funding. However, as VOCA funds have specific usage restrictions, this analysis assumes the program would be structured to only provide programs and services for VOCA-eligible victims and activities under the provisions of the bill. The Governor's office may choose to work with the Department of Justice to ensure eligibility in advance of granting the awards. Ultimately, if they are not an allowable use, the agency would need to find an alternative source of funding to pay for the program in lieu of federal VOCA funds. Based on this, and the assumption that funding is not diverted from existing programs to fund the related grants, this analysis estimates an indeterminate fiscal impact to the state associated with implementation of this provision due to inadequate available data on the number of potential grantees.

According to DFPS, the agency would need to upgrade their placement portal in order to implement the provisions related to priority placements in foster care. The agency estimates that this would require \$6,598,547 in All Funds and 16.0 FTEs in the 2018-2019 biennium in order to upgrade their database, and \$750,000 in All Funds each subsequent year for maintenance.

Finally, the agency anticipates the cost to complete the foster parent recruitment study would require \$250,000 in General Revenue in fiscal year 2018.

Based on information provided by DFPS, HHSC, and the Office of the Governor, this analysis

assumes that the remaining duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing agency resources.

Technology

Technology costs in the 2018-19 biennium are estimated to total \$6,598,547 to upgrade the DFPS placement portal, and \$111,520 for one-time employee implementation costs for computer and laptop accessories.

Local Government Impact

According to the Texas Association of Counties, there is a possible fiscal impact to counties to implement the provisions of the bill. However, the impact is not anticipated to be significant in most counties

Source Agencies: 530 Family and Protective Services, Department of, 529 Health and Human Services Commission

LBB Staff: UP, KCA, EP, JLi, SD, LR, JBi, JGA, RC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 5, 2017

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB11 by Schwertner (Relating to the administration of services provided by the Department of Family and Protective Services, including foster care, child protective services, and prevention and early intervention services.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB11, Committee Report 2nd House, Substituted: a negative impact of (\$17,556,024) through the biennium ending August 31, 2019.

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
2018	(\$8,915,044)
2019	(\$8,640,980)
2020	(\$10,344,930)
2021	(\$12,058,671)
2022	(\$13,782,215)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings/(Cost) from GR Match For Title IV-E FMAP 8008	Probable Savings/(Cost) from Federal Funds 555
2018	(\$8,119,883)	(\$69,576)	(\$725,585)	(\$1,717,257)
2019	(\$7,101,188)	(\$47,339)	(\$1,492,453)	(\$4,275,108)
2020	(\$8,791,380)	(\$47,226)	(\$1,506,324)	(\$4,295,606)
2021	(\$10,490,283)	(\$47,218)	(\$1,521,170)	(\$4,316,903)
2022	(\$12,198,567)	(\$47,335)	(\$1,536,313)	(\$4,339,864)

Fiscal Year	Change in Number of State Employees from FY 2017
2018	(205.3)
2019	(299.0)
2020	(300.0)
2021	(300.7)
2022	(301.5)

Fiscal Analysis

The bill would amend the Family Code, Government Code, and Human Resources Code relating to the administration of services provided by the Department of Family and Protective Services (DFPS), including foster care, child protective services, and prevention and early intervention services.

The bill would require DFPS to ensure any child entering conservatorship of the state receives a medical examination within three to five business days.

The bill would require the DFPS to pay for day care for qualifying foster children if the foster parent is employed on a part-time basis.

The bill would require DFPS to identify not more than eight catchment areas in the state best suited to implement community-based foster care, and then upon development and completion of a readiness review process, begin expanding community-based foster care into those areas. The bill would also require DFPS to transfer case management services to not more than two catchment areas after the implementation of community-based foster care.

The bill would require DFPS to establish a pilot program to contract Family Based Safety Services (FBSS) case management services in two regions in the state.

The bill would require DFPS to establish a community engagement oversight group in each catchment area.

The bill would require the creation of a data access and standards governance council.

The bill would require DFPS to develop a formal review process to evaluate a single source continuum contractor's implementation of placement and case management services, and to review contractor's decisions related to case management.

The bill would create a Child Protective Services Legislative Oversight Committee.

The bill would require all Child Care Licensing abuse and neglect investigations to remain at DFPS instead of transferring to the Health and Human Services Commission (HHSC) and allows the two agencies to coordinate certain investigative services.

The bill would require DFPS to create a foster care services contract compliance, oversight, and quality assurance division.

The bill would modify the existing Child Care Licensing licensure process to allow a child-placing agency to issue a provisional verification to a prospective agency foster home.

The bill would take effect September 1, 2017.

Methodology

According to DFPS, the agency would require additional resources to ensure that a child taken into custody by the agency would receive a medical screening within three to five days. Based on experiences from other states that have implemented similar provisions, the agency estimates that half of new removals would need transportation to the required medical examination by DFPS or the Single Source Continuum Contractor (SSCC). According to the DFPS projected removals and the DFPS assumption that each medical examination would require six hours of transportation services, the agency would require 19.0 additional Full-time Equivalent (FTE) case aide positions to cover children in the legacy system. The additional FTEs would cost of approximately \$64,650 per FTE in All Funds in fiscal year 2018 and approximately \$57,000 per FTE in All Funds each subsequent fiscal year.

According to DFPS, there are 6,381 children eligible for day care based on age and school enrollment. It is assumed that 13 percent of these children (830) are currently not eligible for day care reimbursement because of the part-time employment of the foster parent. It is assumed that 61.3 percent of these children (509) are already in a regular child care arrangement that DFPS would be obligated to pay for under the provisions of the bill. It is assumed that each of these children would receive an average of 18.6 days of paid day care each month at an average daily cost of \$24.53 in fiscal year 2018, \$25.02 in fiscal year 2019, and increasing by 2.5 percent each year thereafter. The total estimated cost of new day care services is \$2.9 million in All Funds, including \$1.9 million in General Revenue Funds and \$1.0 million in Federal Funds, in fiscal year 2018 increasing each year to \$3.2 million in All Funds, including \$2.0 million in General Revenue Funds and \$1.1 million in Federal Funds, by fiscal year 2022. Additionally, this analysis assumes that the expanded services would require the addition of 1.0 employee at an initial cost, including benefits, of \$114,745 in fiscal year 2018 and \$104,221 in ongoing cost in each year thereafter.

This analysis assumes the expansion of community-based foster care into one additional catchment area each year beginning in fiscal year 2019. This analysis assumes that rates paid to SSCCs, including the foster care blended and enhanced rate, Quality and Utilization Management, Resource Transfers, and Indirect Cost Rates, would be cost-neutral to DFPS due to the transfer of corresponding duties away from DFPS. Authorizing DFPS to adjust rates could result in increased costs not reflected in this analysis. Based on rollout of community-based foster care expansion, this analysis assumes that the Enhanced Network Support payment of \$1,200 per child would represent a new cost to General Revenue Funds of \$0.8 million in fiscal year 2019, increasing each fiscal year as each new catchment area is added to \$5.9 million by fiscal year 2022.

In addition, while the analysis assumes that any cost to transfer case management services would be offset by corresponding savings at DFPS and the Employee Retirement System (ERS), the expansion of case management oversight requirements in community-based foster care would result in increased costs at DFPS. The reduction of direct delivery FTEs providing case management services at DFPS would total 144.1 FTEs in fiscal year 2018, 212.9 FTEs in fiscal year 2019, 214.0 FTEs in fiscal year 2020, 214.7 in fiscal year 2021, and 215.6 in fiscal year 2022, and would be offset by additional staff needed for the purposes of case management oversight services.

The analysis assumes that the agency would require 1.0 FTE for each 200 children served in community-based foster care. Assuming the transfer of case management services in Region 3B beginning in fiscal year 2018 and Region 2C beginning in fiscal year 2019, DFPS would require 8.6 FTEs for case management oversight in fiscal year 2018, growing to 9.9 FTEs by fiscal year 2022. The ongoing cost per FTE is assumed at \$6,500 per FTE/per month plus benefits, with an

additional one-time set up cost of \$5,400 per FTE.

Similarly, for the FBSS case management pilot, the analysis assumes that the agency would require 1.0 FTE for each 200 children served in community-based care and 1.0 FTE for each 200 children served in the two FBSS pilot regions. Based on the projected number of children in foster care in Region 3B and the projected average number of children receiving FBSS services in one additional region of the state, DFPS would require 6.0 FTEs for case management oversight each fiscal year. The ongoing cost per FTE is assumed at \$6,500 per FTE per month plus benefits, with an additional one-time set up cost of \$5,400 per FTE. Costs for these FTEs are estimated to be approximately \$0.6 million in All Funds in each fiscal year.

According to DFPS, there would be an additional one-time startup cost of \$1,997,000 for initial case management transfer planning and an annual cost of \$393,000 in General Revenue Funds for an independent evaluation of processes and outcomes in community-based foster care.

According to DFPS, one Program Specialist VI would be needed to oversee establishment of a community engagement oversight group in each catchment area, at an initial cost of \$138,437 in All Funds in fiscal year 2018 and \$131,777 in ongoing All Funds cost in each fiscal year thereafter. Additionally, one Program Specialist VI would be needed to oversee establishment of a Data Access and Governance Council, at an initial cost of \$98,922 in All Funds in fiscal year 2018 and \$92,262 in ongoing All Funds costs in each subsequent fiscal year. Finally, according to DFPS, one Program Specialist VI would be needed to oversee establishment the Child Protective Services Legislative Oversight Committee, at an initial cost of \$100,457 in All Funds in fiscal year 2018 and \$93,797 in ongoing All Funds cost in each fiscal year thereafter.

This analysis assumes that in order to create a new division within the agency to oversee contract compliance, oversight, and quality assurance, the agency would require 10.0 additional direct delivery FTEs along with 1.0 supervisor beginning in fiscal years 2018. The ongoing cost per FTE is assumed at \$6,500 per FTE per month plus benefits, with an additional one-time set up cost of \$5,400 per FTE. Costs for these FTEs are estimated to be \$1.2 million in All Funds in each fiscal year.

In addition, the analysis assumes that provisions of the bill related to provisional verification of foster homes would allow kinship caregivers who are going through the process of becoming verified foster parents to receive foster care payments at an earlier date. According to DFPS, the average kinship foster family takes three months to achieve full licensure. Under current law, no new Permanency Care Assistance agreements may be entered into after the close of fiscal year 2017. It is assumed that this will result in a 50 percent reduction in the number of families entering paid kinship care, as federal and state law requires that a home must be verified for a minimum of six consecutive months to be eligible for Permanency Care Assistance and many families undertake the verification process in order to receive Permanency Care.

This analysis assumes that provisional licensure will begin on September 1, 2018 to provide time to promulgate program rules. Based on fiscal year 2016 data, it is assumed that approximately 1,200 children would enter paid kinship care annually. The children would be eligible for an extra three months of payments, at an average monthly cost of \$1,214. Total costs would be \$1.6 million in General Revenue and \$4.4 million in All Funds in fiscal year 2019 and each year thereafter. This analysis assumes that IV-E eligibility and method of finance would remain constant. In the event that the Permanency Care Assistance program is continued, DFPS assumes that any costs associated with provisional verification would be offset by a faster exit from the foster system.

The analysis also assumes that the requirements related to Child Care Licensing investigations

services would result in a net zero net impact to the state, as the two agencies are allowed to coordinate services, and any increased cost to either DFPS or HHSC would be offset by a corresponding decrease in costs at the other agency.

Based on information provided by DFPS and HHSC, this analysis assumes that the remaining duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing agency resources.

Technology

Technology costs are estimated to be \$79,520 in the 2018-19 biennium for one-time implementation costs. This includes \$1,600 per additional FTE for computer and laptop accessories.

Local Government Impact

According to the Texas Association of Counties, there is a possible fiscal impact to counties to implement the provisions of the bill. However, the impact is not anticipated to be significant in most counties.

Source Agencies: 530 Family and Protective Services, Department of, 529 Health and Human Services Commission

LBB Staff: UP, KCA, EP, JLi, SD, LR, JBi, JGA, RC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 14, 2017

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB11 by Schwertner (Relating to the administration of services provided by the Department of Family and Protective Services, including foster care, child protective, relative and kinship caregiver support, and prevention and early intervention services.),
As Engrossed

Estimated Two-year Net Impact to General Revenue Related Funds for SB11, As Engrossed: a negative impact of (\$5,726,332) through the biennium ending August 31, 2019.

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
2018	(\$3,474,266)
2019	(\$2,252,066)
2020	(\$2,252,066)
2021	(\$2,252,066)
2022	(\$2,252,066)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>GR Match For</i> <i>Medicaid</i> 758	Probable Savings/(Cost) from <i>Federal Funds</i> 555	Change in Number of State Employees from FY 2017
2018	(\$3,435,663)	(\$38,603)	(\$386,030)	(366.9)
2019	(\$2,227,043)	(\$25,023)	(\$250,230)	(401.4)
2020	(\$2,227,043)	(\$25,023)	(\$250,230)	(404.3)
2021	(\$2,227,043)	(\$25,023)	(\$250,230)	(406.3)
2022	(\$2,227,043)	(\$25,023)	(\$250,230)	(406.3)

Fiscal Analysis

The bill would amend the Family Code, Government Code, and Human Resources Code relating to the administration of services provided by the Department of Family and Protective Services (DFPS), including foster care, child protective, relative and kinship caregiver support, and prevention and early intervention services.

The bill would expand the definition of abuse as it relates to family violence.

The bill would require DFPS to provide certain reports to each licensed child-placing agency, Single-Source Continuum Contractors (SSCCs), and other related adoption providers.

The bill would allow prospective adoptive parents to examine information relating to the child's health history prior to adoption.

The bill would require DFPS to include certain information about maternal alcohol consumption in the child's health history.

The bill would expand the definition of persons responsible for a child's care, custody, or well-being.

The bill would require DFPS to collect, monitor, and incorporate data regarding repeated reports of abuse or neglect.

The bill would establish automatic dismissal dates relating to suits affecting the parent-child relationship.

The bill would require the agency and community-based care providers to notify managed care organizations (MCOs) of any change in placement of a child in the conservatorship of the state and requires DFPS to ensure any child entering conservatorship of the state receives a medical examination within three business days.

The bill would require DFPS to create a foster care capacity plan and to implement the single child plan of service model in the foster care legacy system of the state.

The bill would require DFPS to develop and implement a formal readiness review process for community-based care vendors, to transfer and oversee case management services to existing and future SSCCs including the creation of a case management transfer planning team, to add certain contract requirements for SSCCs, and to establish a pilot program to contract Family Based Safety Services case management.

The bill would require the agency to complete certain risk assessments, to contract for efficacy reviews in certain Prevention and Early Intervention (PEI) programs, and to add certain reporting requirements to the agency's PEI strategic plan.

The bill would require that children receiving therapeutic foster care services through SSCCs receive a comprehensive assessment at least every 90 days.

The bill would require all Child Care Licensing abuse and neglect investigations to remain at DFPS instead of transferring to the Health and Human Services Commission (HHSC) and allows the two agencies to coordinate certain investigative services.

The bill would require MCOs under STAR Health, contracted child-placing agencies (CPAs), and general residential operations to ensure children receive a complete and timely early and periodic screening, diagnosis, and treatment (EPSDT) checkups. HHSC would be required to include provisions in contracts with MCOs and CPAs specifying monetary penalties if the benchmark is not attained. The bill would require MCOs to ensure the continuity of health care for a child whose placement has changed.

The bill would require DFPS to regularly review record retention policies and to create a division within the agency to oversee community-based care quality and assurance and an Office of Data Analytics.

The bill would expand the required components in the DFPS strategic plan.

The bill would allow DFPS or HHSC to assess financial penalties for residential child-care providers' failure to meet certain performance outcomes.

The bill would require the agency to contract and collaborate with certain entities to develop performance quality metrics for service provider contracts.

Except as otherwise specified, this bill would take effect September 1, 2017.

Methodology

According to DFPS and HHSC, all of the duties and responsibilities associated with implementing the provisions of the bill related to the monitoring reports of abuse or neglect, the creation of a foster care capacity report, the completion of a formal community-based care readiness review process, the creation of an Office of Data Analytics, the addition of PEI strategic plan reporting, the development of a geographic risk assessment tool, the development of PEI performance quality metrics for service providers, and the addition of required information in the DFPS strategic plan could be accomplished by utilizing existing agency resources.

The analysis assumes that there is no cost associated with expanding the definition of abuse as it relates to family violence or persons responsible for a child's care, custody, or welfare. The analysis also assumes that there is no cost associated with providing reports to certain service providers, allowing prospective adoptive parents to review a child's health records, adding certain information to the child's health record, and the establishment of automatic dismissals dates relating to suits affecting the parent-child relationship.

In addition, the analysis assumes that the cost to ensure children receive timely medical examinations, to implement a pilot region for the single child plan of service model in the legacy system of the state, to ensure continuity of therapeutic foster care services by SSCCs, and to ensure continuity of health care services by MCOs should not result in a cost to the state as these requirements are already established.

Because the STAR Health contract already requires an initial medical checkup within 30 days, it is assumed there would be no cost from the requirement. It is further assumed that the requirement to provide a medical screening within three days would have no cost because a health screening is already required within 30 days and providing the screening sooner should not result in an overall increase to medical cost; however, should the requirement result in two medical visits there could be an increased medical cost. Because HHSC has the authority to set rates, including to establish MCO premiums, there could ultimately be a cost if HHSC decided to increase STAR Health premiums under the assumption that the requirement would result in an increase in health services

provided. It is assumed that the MCOs would comply with the requirement and there would be no increased revenue from assessment of penalties. It is assumed any increased administrative cost to MCOs from ensuring continuity of care would be offset by savings in medical cost due to the improved coordination of care; however, there could ultimately be a cost if HHSC decided to increase premiums to cover the increased administrative burden without taking into account the likelihood of medical savings.

The analysis also assumes that the requirements related to Child Care Licensing investigations services would result in a net zero net impact to the state, as any increased costs to either DFPS or HHSC agency would be offset by a corresponding decrease in costs at the other agency.

Furthermore, the analysis assumes that the additional duties related to notifying MCOs of changes in child placement, and to review record retention policies could be accomplished by utilizing existing agency resources and do not result in an increased cost to the state.

In addition, while the analysis assumes that any cost to transfer direct delivery of case management services would be offset by corresponding savings at DFPS and the Employee Retirement System (ERS), the expansion of case management oversight requirements in community-based care and the two FBSS pilot program would result in increased costs at DFPS. The reduction of direct delivery FTEs at DFPS would total 386.9 FTEs in fiscal year 2018, 421.4 FTEs in fiscal year 2019, 424.3 FTEs in fiscal year 2020, and 426.3 in each subsequent fiscal year.

For the purposes of case management oversight services, the analysis assumes that the agency would require 1.0 FTE for each 200 children served in community-based care and 1.0 FTE for each 200 children served in the two FBSS pilot regions. Based on the projected number of children in foster care in Region 3B and the projected average number of children receiving FBSS services in two regions of the state, DFPS would require 20.0 FTEs for case management oversight each fiscal year. The ongoing cost per FTE is assumed at \$6,500 per FTE/per month plus benefits assumed at 35.12 percent with an additional one-time set up cost of \$5,400 per FTE to align with the cost per FTE estimates provided by DFPS in their fiscal year 2017 critical needs request. If the agency expanded community-based foster care beyond the one region assumed in this analysis, the related case management oversight costs would also increase.

According to DFPS, there would be an additional one-time startup cost of \$1,250,000 for initial case management transfer planning and an annual cost of \$393,000 in General Revenue Funds for an independent evaluation of processes and outcomes in community-based foster care.

The Texas Juvenile Justice Department indicates that any costs associated with the bill could be absorbed within the agency's existing resources.

Technology

Technology costs are estimated to be \$32,000 in the 2018-19 biennium for one-time implementation costs. The estimate includes \$1,600 per additional FTE for computer and laptop accessories.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 701 Texas

Education Agency, 710 Texas A&M University System Administrative and General Offices, 405 Department of Public Safety, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 644 Juvenile Justice Department, 720 The University of Texas System Administration

LBB Staff: UP, KCA, EP, JLi, MPU

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

February 22, 2017

TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB11 by Schwertner (Relating to the administration of services provided by the Department of Family and Protective Services, including foster care, child protective, relative and kinship caregiver support, and prevention and early intervention services.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB11, Committee Report 1st House, Substituted: a negative impact of (\$5,726,332) through the biennium ending August 31, 2019.

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
2018	(\$3,474,266)
2019	(\$2,252,066)
2020	(\$2,252,066)
2021	(\$2,252,066)
2022	(\$2,252,066)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings/(Cost) from Federal Funds 555	Change in Number of State Employees from FY 2017
2018	(\$3,435,663)	(\$38,603)	(\$386,030)	(366.9)
2019	(\$2,227,043)	(\$25,023)	(\$250,230)	(401.4)
2020	(\$2,227,043)	(\$25,023)	(\$250,230)	(404.3)
2021	(\$2,227,043)	(\$25,023)	(\$250,230)	(406.3)
2022	(\$2,227,043)	(\$25,023)	(\$250,230)	(406.3)

Fiscal Analysis

The bill would amend the Family Code, Government Code, and Human Resources Code relating to the administration of services provided by the Department of Family and Protective Services (DFPS), including foster care, child protective, relative and kinship caregiver support, and prevention and early intervention services.

The bill would expand the definition of persons responsible for a child's care, custody, or well-being.

The bill would require DFPS to collect, monitor, and incorporate data regarding repeated reports of abuse or neglect.

The bill would require the agency and community-based care providers to notify managed care organizations (MCOs) of any change in placement of a child in the conservatorship of the state and requires DFPS to ensure any child entering conservatorship of the state receives a medical examination within three business days.

The bill would require DFPS to create a foster care capacity plan and to implement the single child plan of service model in the foster care legacy system of the state.

The bill would require DFPS to develop and implement a formal readiness review process for community-based care vendors, to transfer and oversee case management services to existing and future Single-Source Continuum Contractors (SSCCs) including the creation of a case management transfer planning team, to add certain contract requirements for SSCCs, and to establish a pilot program to contract Family Based Safety Services case management.

The bill would require the agency to complete certain risk assessments, to contract for efficacy reviews in certain Prevention and Early Intervention (PEI) programs, and to add certain reporting requirements to the agency's PEI strategic plan.

The bill would require that children receiving therapeutic foster care services through SSCCs receive a comprehensive assessment at least every 90 days.

The bill would require all Child Care Licensing abuse and neglect investigations to remain at DFPS instead of transferring to the Health and Human Services Commission (HHSC) and allows the two agencies to coordinate certain investigative services.

The bill would require MCOs under STAR Health, contracted child-placing agencies (CPAs), and general residential operations to ensure children receive a complete and timely early and periodic screening, diagnosis, and treatment (EPSDT) checkups. HHSC would be required to include provisions in contracts with MCOs and CPAs specifying monetary penalties if the benchmark is not attained. The bill would require MCOs to ensure the continuity of health care for a child whose placement has changed.

The bill would require DFPS to regularly review record retention policies and to create a division within the agency to oversee community-based care quality and assurance and an Office of Data Analytics.

The bill would allow DFPS or HHSC to assess financial penalties for residential child-care providers' failure to meet certain performance outcomes.

The bill would require the agency to contract and collaborate with certain entities to develop performance quality metrics for service provider contracts.

Except as otherwise specified, this bill would take effect September 1, 2017.

Methodology

According to DFPS and HHSC, all of the duties and responsibilities associated with implementing the provisions of the bill related to the monitoring reports of abuse or neglect, the creation of a foster care capacity report, the completion of a formal community-based care readiness review process, the creation of an Office of Data Analytics, the addition of PEI strategic plan reporting, the development of a geographic risk assessment tool, and the development of PEI performance quality metrics for service providers could be accomplished by utilizing existing agency resources.

The analysis assumes that there is no cost associated with expanding the definition of persons responsible for a child's care, custody, or welfare.

In addition, the analysis assumes that the cost to ensure children receive timely medical examinations, to implement a pilot region for the single child plan of service model in the legacy system of the state, to ensure continuity of therapeutic foster care services by SSCCs, and to ensure continuity of health care services by MCOs should not result in a cost to the state as these requirements are already established.

Because the STAR Health contract already requires an initial medical checkup within 30 days, it is assumed there would be no cost from the requirement. It is further assumed that the requirement to provide a medical screening within three days would have no cost because a health screening is already required within 30 days and providing the screening sooner should not result in an overall increase to medical cost; however, should the requirement result in two medical visits there could be an increased medical cost. Because HHSC has the authority to set rates, including to establish MCO premiums, there could ultimately be a cost if HHSC decided to increase STAR Health premiums under the assumption that the requirement would result in an increase in health services provided. It is assumed that the MCOs would comply with the requirement and there would be no increased revenue from assessment of penalties. It is assumed any increased administrative cost to MCOs from ensuring continuity of care would be offset by savings in medical cost due to the improved coordination of care; however, there could ultimately be a cost if HHSC decided to increase premiums to cover the increased administrative burden without taking into account the likelihood of medical savings.

The analysis also assumes that the requirements related to Child Care Licensing investigations services would result in a net zero net impact to the state, as any increased costs to either DFPS or HHSC agency would be offset by a corresponding decrease in costs at the other agency.

Furthermore, the analysis assumes that the additional duties related to notifying MCOs of changes in child placement, and to review record retention policies could be accomplished by utilizing existing agency resources and do not result in an increased cost to the state.

In addition, while the analysis assumes that any cost to transfer direct delivery of case management services would be offset by corresponding savings at DFPS and the Employee Retirement System (ERS), the expansion of case management oversight requirements in community-based care and the two FBSS pilot program would result in increased costs at DFPS. The reduction of direct delivery FTEs at DFPS would total 386.9 FTEs in fiscal year 2018, 421.4 FTEs in fiscal year 2019, 424.3 FTEs in fiscal year 2020, and 426.3 in each subsequent fiscal year.

For the purposes of case management oversight services, the analysis assumes that the agency would require 1.0 FTE for each 200 children served in community-based care and 1.0 FTE for

each 200 children served in the two FBSS pilot regions. Based on the projected number of children in foster care in Region 3B and the projected average number of children receiving FBSS services in two regions of the state, DFPS would require 20.0 FTEs for case management oversight each fiscal year. The ongoing cost per FTE is assumed at \$6,500 per FTE/per month plus benefits assumed at 35.12 percent with an additional one-time set up cost of \$5,400 per FTE to align with the cost per FTE estimates provided by DFPS in their fiscal year 2017 critical needs request. If the agency expanded community-based foster care beyond the one region assumed in this analysis, the related case management oversight costs would also increase.

Finally, according to DFPS, there would be an additional one-time startup cost of \$1,250,000 for initial case management transfer planning and an annual cost of \$393,000 in General Revenue Funds for an independent evaluation of processes and outcomes in community-based foster care.

Technology

Technology costs are estimated to be \$32,000 in the 2018-19 biennium for one-time implementation costs. The estimate includes \$1,600 per additional FTE for computer and laptop accessories.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 405 Department of Public Safety, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 644 Juvenile Justice Department, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: UP, KCA, EP, JLi

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

February 2, 2017

TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB11 by Schwertner (Relating to the administration of services provided by the Department of Family and Protective Services, including foster care, child protective, and prevention and early intervention services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB11, As Introduced: a negative impact of (\$3,074,772) through the biennium ending August 31, 2019.

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
2018	(\$1,969,836)
2019	(\$1,104,936)
2020	(\$1,104,936)
2021	(\$1,104,936)
2022	(\$1,104,936)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from GR Match For Medicaid 758	Probable Savings/(Cost) from Federal Funds 555	Change in Number of State Employees from FY 2017
2018	(\$1,947,949)	(\$21,887)	(\$218,871)	12.0
2019	(\$1,092,659)	(\$12,277)	(\$122,771)	12.0
2020	(\$1,092,659)	(\$12,277)	(\$122,771)	12.0
2021	(\$1,092,659)	(\$12,277)	(\$122,771)	12.0
2022	(\$1,092,659)	(\$12,277)	(\$122,771)	12.0

Fiscal Analysis

The bill would amend the Family Code, Government Code, and Human Resources Code relating to the administration of services provided by the Department of Family and Protective Services (DFPS), including foster care, child protective, and prevention and early intervention services.

The bill would require DFPS to collect and monitor data regarding repeated reports of abuse or neglect.

The bill would require the agency to contract with managed care organizations (MCOs) to create medical and behavioral health assessments for children removed from their home.

The bill would require DFPS to create a foster care capacity plan, to establish a pilot program related to the implementation of integrated case management, and to implement the single child plan of service model in the foster care legacy system of the state.

The bill would require DFPS to develop and implement a formal readiness review process for Foster Care Redesign (FCR) vendors, to transfer fully case management services to existing and future Single-Source Continuum Contractors (SSCCs), and to establish a pilot program to contract Family Based Safety Services case management.

The bill would require the agency to complete certain risk assessments, to contract for efficacy reviews in certain Prevention and Early Intervention (PEI) programs, and to add certain reporting requirements to the agency's PEI strategic plan.

The bill would require all Child Care Licensing abuse and neglect investigations to remain at DFPS instead of transferring to the Health and Human Services Commission (HHSC).

The bill would require managed care organizations (MCOs) under STAR Health and contracted child-placing agencies (CPAs) to ensure that at least 90 percent of children receive a complete early and periodic screening, diagnosis, and treatment (EPSDT) checkup within 30 days. HHSC would be required to include provisions in contracts with MCOs and CPAs specifying monetary penalties if the benchmark is not attained.

The bill would require DFPS to regularly review record retention policies and to create a division within the agency to oversee FCR quality and assurance.

The bill would allow DFPS or HHSC to assess financial penalties for residential child-care providers' failure to meet certain performance outcomes.

The bill would require the agency to contract and collaborate with certain entities to develop performance quality metrics for service provider contracts.

Except as otherwise specified, this bill would take effect September 1, 2017.

Methodology

According to DFPS and HHSC, all of the duties and responsibilities associated with implementing the provisions of the bill related to the monitoring reports of abuse or neglect, the creation of a foster care capacity report, the completion of formal FCR readiness review process, the addition of PEI strategic plan reporting, and the development of PEI performance quality metrics for service providers could be accomplished by utilizing existing agency resources.

This fiscal note assumes that the cost to implement a pilot region for integrated case management

and the single child plan of service model in the legacy system of the state should not result in a cost to the state as these requirements are already established.

Because the STAR Health contract already requires an initial medical checkup within 30 days, it is assumed there would be no cost from this requirement; however, because HHSC has the authority to set rates, including to establish MCO premiums, there could ultimately be a cost if HHSC decides to increase STAR Health premiums under the assumption that the requirement would result in an increase in health services provided. It is assumed that the benchmark would be met and not result in any increased revenue from assessment of penalties.

This fiscal note analysis also assumes that the requirement to keep Child Care Licensing investigation at DFPS would result in a net zero net impact to the state, as the increased costs to DFPS would be offset by a corresponding decrease in costs at HHSC. Similarly, this analysis assumes any cost to transfer or contract related case management services and program efficacy reviews would be offset by corresponding savings at the agency.

Furthermore, this fiscal note analysis assumes that the additional duties related to the record retention requirements could be accomplished by utilizing existing agency resources and do not result in an increased cost to the state.

According to DFPS, the agency would have an additional cost of \$600,000 related to the creation of the medical and behavioral health assessment in the agency's Information Management Protecting Adults and Children in Texas (IMPACT) system. Similar to the initial medical checkup, if the MCOs end up incurring costs related to the creation of this assessment, HHSC could ultimately raise the related rates.

This analysis also assumes that there would be a similar one-time cost of \$300,000 to build a PEI risk assessment tool in Geographic Information Systems (GIS) based on similar project costs incurred by other agencies across the state. This analysis also assumes an additional one-time cost of \$1,600 and ongoing cost of \$50,000 per year plus benefits assumed at 35.12 percent to support 1.0 Full-time Equivalent (FTE) for an in-house GIS specialist.

Finally, this analysis assumes that in order to create a new division within the agency to oversee FCR quality and assurance, the agency would require 10.0 additional direct delivery FTEs along with 1.0 supervisor. The ongoing cost per FTE is assumed at \$6,500 per FTE/per month plus benefits assumed at 35.12 percent with an additional one-time set up cost of \$5,400 per FTE to align with the cost per FTE estimates provided by DFPS in their fiscal year 2017 critical needs request.

Technology

Technology costs are estimated to be \$919,200 in the 2018-19 biennium for one-time implementation costs. This includes \$600,000 for upgrades to IMPACT, \$300,000 for the new risk-assessment tool in GIS, and \$1,600 per additional FTE for computer and laptop accessories.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas

System Administration, 781 Higher Education Coordinating Board

LBB Staff: UP, KCA, EP, JLi, SD, LR, RC