HOUSE RESEARCH ORGANIZATION bill analysis 5/14/2001

SB 1475
Duncan
(Goodman)

SUBJECT: Transferring Children's Trust Fund of Texas Council programs to DPRS

COMMITTEE: Human Services — favorable, without amendment

VOTE: 6 ayes — Naishtat, Chavez, Ehrhardt, Noriega, Raymond, Villarreal

0 nays

3 absent — J. Davis, Telford, Wohlgemuth

SENATE VOTE: On final passage, April 11 — 29-0

WITNESSES: None

BACKGROUND: The Legislature created the Children's Trust Fund of Texas Council (CTF) in 1985 to address the problems of child abuse and neglect through prevention programs. In 1991, CTF was removed from the jurisdiction of the Texas Department of Human Services and established as an independent agency.

CTF's funds may be used only for programs geared to prevention of child abuse and neglect, not for treatment. CTF coordinates its efforts through grants to community-based organizations, identification of community coalitions, coordination of statewide public awareness campaigns, and distribution of public education materials. CTF grants must be used to fund primary and secondary prevention programs that may include parenting education, family visitation, respite care, children's personal safety and life skills education, teen parenting support programs, and a variety of demonstration projects.

Human Resources Code, ch. 74 requires the CTF to develop a plan for spending funds for child-abuse and prevention programs, develop criteria and policies for determining grant, ensure fair distribution of grants between rural and urban areas of the state, monitor the expenditure of funds, and submit an annual report to the governor and the Legislature no later than December 1 of each year.

CTF is a nine-member governor-appointed council. It has one office with four full-time employees and an annual budget of about $2 million. CTF is funded primarily by the Children's Trust Fund, which receives a $15.00 fee on issuance of each marriage license. Additional funds come from private contributions.

CTF is subject to the Texas Sunset Act and last underwent sunset review in 1999. The council is scheduled to be abolished September 1, 2007, unless continued by the Legislature. HB 2954 by Gray, enacted by the 76th Legislature, required the Sunset Advisory Commission to conduct a special review of CTF and report its recommendations to the 77th Legislature.

The Department of Protective and Regulatory Services (DPRS) created a Community Initiatives Program Division in 1997 to consolidate all community-based programs to prevent child abuse and neglect.

DIGEST:

SB 1475 would abolish the Children's Trust Fund of Texas Council and transfer its powers, duties, activities, obligations, rights, contracts, records, employees, property, funds, and appropriations to DPRS as of September 1, 2001.

New duties for DPRS. SB 1475 would require DPRS to operate the children's trust fund by setting policy, offering resources for community child-abuse and neglect-prevention programs, providing information and education on child abuse and neglect prevention, developing a state funding plan, developing eligibility criteria for funding applicants, and establishing funding priorities.

The Children's Trust Fund would have to comply with existing DPRS rules and policies regarding contracts and grants. DPRS could apply for and receive federal, other public, or private funding and solicit donations and contributions.

Costs. SB 1475 would prohibit any administrative costs from exceeding an amount equal to 50 percent of the trust fund's interest in the preceding year. Funds from special project grants for public education or awareness could not be counted as administrative costs.

Child abuse and neglect prevention trust fund and operating fund. The trust fund would be a trust fund in the state treasury. The Legislature could not appropriate money from the trust fund.

DPRS could transfer money in the trust fund to the operating fund at any time. During a fiscal year, DPRS could not transfer more than the amount deposited in the fund, including interest, during the preceding fiscal year. Money transferred to the operating fund from the trust fund could be used only for child-abuse and neglect primary prevention programs.

Money in the trust fund would have to be invested in a manner consistent with the comptroller's authority and would have to be accounted for separately from other funds in the state treasury. Net income and interest earned on money in the trust fund would have to be deposited in the trust fund after deducting investment-related expenses.

The bill would establish the DPRS child abuse and neglect prevention operating fund as a special fund in the treasury. Administrative and other costs would be taken from the operating fund. DPRS could transfer money from the operating fund into the trust fund. The Legislature could appropriate money from the operating fund to carry out child-abuse and neglect-prevention programs.

Contributions could be given to the trust fund, the operating fund, or another fund designated by DPRS for child-abuse and neglect prevention or intervention programs.

DPRS could renew funding to entities that received funding in fiscal 2001 or that were awarded grants for fiscal 2002 from CTF for fiscal 2002-03 without the need for competitive procurement.

This bill would take effect September 1, 2001.

SUPPORTERS SAY:

SB 1475 would transfer CTF and its child-abuse prevention functions to the Community Initiatives Program Division of DPRS, where the majority of the state's child-abuse prevention efforts already are located. This transfer could expand statewide efforts to prevent child abuse and neglect.

Operating CTF or its functions through DPRS would offer several advantages. DPRS has the resources to provide prevention services statewide and could improve local delivery of services. Although residents of every county contribute to the Children's Trust Fund by paying the marriage license fee, most counties receive no benefit from CTF prevention programs. CTF's Family PRIDE councils may compete with other local organizations, such as the United Way and local Child Welfare Boards, for resources and attention devoted to preventing child abuse.

Also, DPRS has the staff and expertise to maximize dollars and expand prevention services. Merging CTF into DPRS would provide a single point of accountability for the delivery of child-abuse and neglect prevention services. Streamlining prevention programs should result in administrative savings.

Receiving a grant from DPRS would not attach any stigma. CTF provides grants to community groups, which then provide services to the community. From the client's perspective, the community groups are not connected to the funding agency. If DPRS were the grant-providing agency, the community would see little connection between the program provider and DPRS, just as they see little connection between CTF and community providers.

OPPONENTS SAY:

CTF should maintain its independence and should not be merged into another agency. CTF has been doing an effective job, and its budget and performance were not at issue in its sunset review. Specifically, CTF and its activities should not be placed under DPRS. CTF deals solely with prevention of abuse and neglect, whereas DPRS deals mainly with early intervention and investigation. A system that is investigative and judgmental cannot provide services in an impartial helping manner.

Practically speaking, a family might be less likely to participate in CTF prevention activities if CTF were placed under DPRS because of the negative social stigma attached to DPRS investigations. For this reason alone, it would be best for CTF to not be associated with DPRS, so that families would be encouraged to participate in prevention activities.

Merging the CTF program or its activities into DPRS would not save the state money. DPRS already is overloaded with its current duties and does not need to take on work now being done efficiently by another agency. CTF is well established as the state's lead agency in child-abuse prevention, since it has been designated to receive the federal funding stream for prevention for several years.

NOTES: The bill's fiscal note anticipates no net gain or loss of general revenue from the proposed transfer over the next five fiscal years.

Both the House- and Senate-approved versions of SB 1 by Ellis, the general appropriations bill for fiscal 2002-03, contain a contingency rider providing that, in the event that CTF is abolished, the funds appropriated to the council would be used to phase out the agency's programs.