

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 9, 2003

TO: Honorable Kenny Marchant, Chair, House Committee on State Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1018 by Villarreal (Relating to a purchasing preference for vendors that provide employee dependent care benefits.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1018, As Introduced: a negative impact of (\$2,945,155) through the biennium ending August 31, 2005.

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
2004	(\$2,890,344)
2005	(\$54,811)
2006	(\$66,526)
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2003
2004	(\$2,890,344)	4.0
2005	(\$54,811)	3.0
2006	(\$66,526)	3.0
2007	\$0	
2008	\$0	

Fiscal Analysis

The bill would amend Chapter 2155 of the Government code by amending Section 2155.451 to require the Texas Building and Procurement Commission (TBPC) and other state agencies to give preference to goods or services of vendors that receive a "family friendly" designation from the Texas Workforce Commission (TWC), if the goods or services meet specifications and do not exceed the cost of similar goods or services from a non-designated vendor.

The bill would also amend Chapter 271 of the Local Government Code by adding Section 271.907 to require that local government agencies give preference to goods or services of vendors that receive a "family friendly" designation from TWC, if the goods or services meet specifications and do not exceed the cost of similar goods or services from a non-designated vendor.

The bill would amend Chapter 81 of the Labor Code by adding Section 81.010 to define and establish the procedure for a "family friendly designation."

The bill would take effect September 1, 2003.

Methodology

TWC assumes it would need to develop a rule on the family friendly designation, including selection criteria and an application process for employers to apply through employer dependent care coalitions (EDCC) and maintain a website showing each employer that currently holds the designation.

In 2004, TWC assumes \$166,359 in personnel and related travel costs for 4 staff members to engage employers, state procurement agencies, work and family organizations, and other related stakeholders on designing the employer family friendly designated rating system. Expenses related to the production of brochures explaining the program to employers are assumed to cost \$19,185 in 2004.

TWC assumes it would contract with EDCCs in each of its 28 local workforce development areas to assess dependent care benefits of employers in the area and assist employers in developing dependent care plans. Currently, TWC has contracts with five EDCCs at an annual cost of \$117,600 per year. The cost of adding 23 contracts for the remaining areas of the state is assumed to be \$2,704,800 in 2004.

It is assumed that 3 staff members will be required to maintain the program in 2005 and 2006, including related travel expenses. While no brochures would be printed in 2005, TWC assumes they would need to re-print materials in 2006.

Local Government Impact

No significant fiscal implication to units of local government is anticipated. Local governmental entities would incur minimal costs to access the lists created by the Texas Workforce Commission and to add the providers to their vendor lists.

Source Agencies: 303 Building And Procurement Commission, 320 Texas Workforce Commission

LBB Staff: JK, WK, JO, RR, RT, KG, JC