

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 10, 2003

TO: Honorable Carlos Uresti, Chair, House Committee on Human Services

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1019 by Villarreal (Relating to a system for providing a single point of access to government-funded child care and education programs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1019, As Introduced: a negative impact of (\$18,509,046) 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	(\$15,904,455)
2005	(\$2,604,591)
2006	(\$1,558,867)
2007	(\$1,558,867)
2008	(\$1,558,867)

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	(\$15,904,455)	29.0
2005	(\$2,604,591)	29.0
2006	(\$1,558,867)	15.0
2007	(\$1,558,867)	15.0
2008	(\$1,558,867)	15.0

Fiscal Analysis

The bill would amend Chapter 2308 of the Government Code to direct local workforce development boards (LWDBs) to establish systems that provide for a single point of access for an individual to apply for all government-funded child care and education services available in the community. Entities providing child care and education services, including the Texas Education Agency (TEA), school districts, Head Start and Early Start providers, and other political subdivisions of the state would be required to cooperate with the LWDB in establishment and operation of these systems.

The bill would take effect September 1, 2003. LWDBs would be required to implement the new systems by January 1, 2004.

Methodology

The Texas Workforce Commission (TWC) assumes it would need to establish minimum standards that each LWDB would be required to meet in order to comply with a single point of access for child care services.

TWC assumes it would need one full-time staff person to coordinate state-level and LWDB activities required by the bill. Additional TWC staff would be required to provide training and technical assistance to each of the 28 LWDBs in developing a common application for all subsidized child care providers in the community. Specifically, these staff members would be required to work with all LWDB child care contractors and all other providers of government-subsidized child care programs in the area to create the single application process for use in that area. Personnel and associated travel costs are assumed to total \$2,184,455 in 2004. While the same number of staff are assumed for 2005, it is assumed that only 15 staff would be required in subsequent years.

TWC also assumes the cost of developing a coordinated, common community access application for child care providers and the development, implementation, and maintenance of 28 community-specific web-based applications for child care services. Currently, TWC is working with one LWDB and a child care contractor to develop a common application system for TWC subsidized child care services and three other child care programs. It is estimated that this system would cost \$980,000 to develop, and that replicating it to meet the requirements of the bill would cost a total of \$13,720,000 in 2004, or about \$490,000 per LWDB. The costs of the system development include the adaptation of the original basic system to the specific programmatic needs created by the various and oftentimes numerous child care providers in each board area. In subsequent years, it is assumed that \$435,000 in enhancements and modifications to the application systems would be required annually.

Technology

It is assumed that TWC would contract with a web design company to develop and implement a website that would explain the application process to customers. The contract would also entail collecting data from communities to ensure that all service providers and programs administered are properly accounted for and that correct personal information on each customer is gathered in support of the common application criteria required by the bill.

Local Government Impact

Because the restructuring needed would depend both upon the school district's existing enrollment processes and the specific plan implemented by each LWDB, it is likely that the type and amount of restructuring needed would vary widely from district to district. Costs could be minimal in some cases and significant in others depending on local circumstances and decisions. It is assumed that costs incurred to restructure or modify enrollment processes would be largely one-time costs rather than recurring costs.

Depending upon the number of school districts in a given locality, an LWDB may need to coordinate with multiple school districts in implementing a community's single point access system.

Source Agencies: 320 Texas Workforce Commission, 701 Central Education Agency

LBB Staff: JK, JO, EB, RT, KG, JC