

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

March 16, 2005

TO: Honorable Suzanna Gratia Hupp, Chair, House Committee on Human Services

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

IN RE: HB1356 by Villarreal (Relating to a software 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 HB1356, As Introduced: a negative impact of (\$620,000) through the biennium ending August 31, 2007.

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
2006	(\$532,000)
2007	(\$88,000)
2008	(\$88,000)
2009	(\$88,000)
2010	(\$88,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Probable (Cost) from WRKFORCE COMMISSION FED 5026
2006	(\$532,000)	(\$1,064,000)
2007	(\$88,000)	(\$176,000)
2008	(\$88,000)	(\$176,000)
2009	(\$88,000)	(\$176,000)
2010	(\$88,000)	(\$176,000)

Fiscal Analysis

The provisions of the bill would amend the Labor Code by requiring the Texas Workforce Commission (TWC) to establish rules to develop and implement a program to award grants to entities providing child care and education services for the purchase and use of a computer software tool or package. The package would include a system for a single point of access for all child care and education services that an individual may apply for in the individual's community, facilitates collaboration in the provision, delivery, and funding of child care and education services, and is approved by TWC.

The provisions of the bill would require TWC to establish by rule the eligibility criteria to receive a grant, as well as, the manner in which an entity must use the software program purchased with the grant to provide for the effective administration of child care and education services.

The provisions of the bill would allow TWC to allocate federal Child Care and Development Funds (CCDF) for the purposes of the grant program, to the extent allowed by federal law. TWC would be required to submit an annual report to the Legislature regarding the administration of the program.

It is assumed TWC would request and receive a waiver or authorization from a federal agency, if necessary, for the single point of access for child care and education services in fiscal year 2006. However, it may be possible that the process may delay implementation until the waiver or authorization is granted.

The bill would take effect September 1, 2005.

Methodology

According to TWC, the funding to implement the provisions of the bill would require at least a third from additional General Revenue and two-thirds would be funded with federal CCDF (CFDA 93.575) currently available to TWC. Allocating CCDF would result in a reduction of funding for direct child care services of \$1,064,000 in fiscal year 2006 and \$176,000 each subsequent year, which would result in 294 fewer children served per day in fiscal year 2006 and 49 fewer number of children served per day during fiscal year 2007 and subsequent years.

TWC estimates three software purchasing grants could be awarded at \$532,000 each, which totals \$1,596,000 in fiscal year 2006. TWC estimates that the annual software maintenance support would be \$88,000 for each grant for a total of \$176,000 in fiscal year 2007 and subsequent years.

It is estimated the Average Number Children Served per Day would decrease by 294 in fiscal year 2006 and decrease by 49 in fiscal year 2007. Summarily, \$1,064,000 (2/3 from CCDF) divided by (261 days x \$13.89 per day) equals 294 children per day and \$176,000 (2/3 from CCDF) divided by (261 days x \$13.89 per day) equals 49 children per day.

It is estimated that any additional costs with implementing the provisions of the bill would be absorbed within current resources by the agency.

Local Government Impact

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

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JOB, CL, MW, DE