

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 20, 2005

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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

IN RE: HB2959 by Paxton (relating to the use of federal child care and development block grant funds by local workforce development boards.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The provisions of the bill amend the Human Resources Code regarding the use of dedicated child care funds for quality improvement activities such as, if the state, by federal law, is required to dedicate more than 4 percent of its total child care and development funds for quality improvement activities, then TWC will enter into a memorandum with the Department of Family and Protective Services (DFPS) under which TWC shall transfer the dedicated funds that are in excess of the 4 percent to DFPS to use the funds to implement a grant program for quality improvement activities.

The provisions establish the quality activities eligible for the grants. Subject to the availability of funds (or from another source), DFPS shall establish rules to implement a program that awards grants to child care providers and community-based organizations for activities that improve the quality and availability of child care services established under the provisions of the bill. Child care providers and organizations applying for grants must be allowed to choose any of the quality improvement activities established and DFPS must give priority in awarding grants to programs that serve infants and toddlers under 3 years of age.

DFPS must submit to the legislature an annual report regarding the grant program that includes the total number of grants awarded.

Since federal law does not require expenditures for the provisions in the bill, TWC does not indicate a fiscal impact.

DPFS anticipates it could absorb the rulemaking requirements and the management of the Memorandum of Understanding with existing resources. If funds are available to administer the quality improvement grants, DFPS indicates it would need staff equivalent to five program specialist III to administer and monitor the quality improvement grant program. The Child Care Licensing (CCL) program would require five program specialist III positions to administer and manage the grants in each of the five CCL district management structures. CCL will coordinate, manage, and support these program specialist positions with existing resources.

The bill would take effect September 1, 2005

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 530 Department of Family and Protective Services

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