

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 7, 2007

TO: Honorable Patrick M. Rose, Chair, House Committee on Human Services

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

IN RE: HB140 by Jackson, Jim (Relating to regulating the operation of a day-care center; providing criminal penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB140, As Introduced: a positive impact of \$4,515,814 through the biennium ending August 31, 2009.

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
2008	\$2,011,849
2009	\$2,503,965
2010	\$2,503,965
2011	\$2,503,965
2012	\$2,161,218

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>GENERAL REVENUE</i> <i>FUND - DPS</i> 1	Probable Revenue Gain from <i>GENERAL REVENUE</i> <i>FUND - DFPS</i> 1	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND - DPS</i> 1	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND - DFPS</i> 1
2008	\$5,537,376	\$283,958	(\$3,514,712)	(\$294,194)
2009	\$5,537,376	\$283,958	(\$3,163,583)	(\$153,525)
2010	\$5,537,376	\$283,958	(\$3,163,583)	(\$153,525)
2011	\$5,537,376	\$283,958	(\$3,163,583)	(\$153,525)
2012	\$5,537,376	\$283,958	(\$3,506,330)	(\$153,525)

Fiscal Year	Probable (Cost) from <i>GR MATCH FOR</i> <i>MEDICAID - DFPS</i> 758	Probable (Cost) from <i>FEDERAL FUNDS -</i> <i>DFPS</i> 555	Change in Number of State Employees from FY 2007 - DFPS & DPS
2008	(\$579)	(\$2,117)	4.0
2009	(\$261)	(\$940)	4.0
2010	(\$261)	(\$940)	4.0
2011	(\$261)	(\$940)	4.0
2012	(\$261)	(\$940)	4.0

Fiscal Analysis

Section 2 of the bill amends Section 42.056 of the Human Resources Code by requiring that a complete set of fingerprints be submitted for every background and criminal history check being requested by a day-care center. The fingerprints would then be submitted to the Department of Public Safety for a state and Federal Bureau of Investigations criminal history check. Section 2 also requires that a day-care center pay a fee equal to administrative costs for each background and criminal history check.

The change in law made by the bill would apply only to those persons whose name and fingerprints are submitted for a background and criminal history check on or after the effective date of the bill. The bill would take effect September 1, 2007.

Although the estimate is a positive impact to General Revenue, additional funding and FTEs would need to be appropriated to the Department of Family and Protective Services and the Department of Public Safety.

Methodology

It is assumed that the day-care centers would absorb the additional cost of fingerprint checks (estimated to be \$39.00 per set, or \$5.5 million per year). These costs are not reflected below.

Background checks that were conducted in fiscal year 2006 totaled 141,979; the same number is assumed for fingerprint checks in fiscal years 2008-2012.

The Department of Family and Protective Services (DFPS) estimates the bill would result in a total increase in revenue of \$283,958 in fiscal year 2008 and each year thereafter from an increase of \$2 in the background check fee. The DFPS costs listed in this section are assumed to be offset by this revenue increase in fiscal years 2009-2012.

DFPS would need three FTEs to implement Section 2 of the bill, due to the anticipated increase in fingerprint matches to be processed. FTE costs for Section 2 are estimated to be \$137,263 for fiscal years 2008-2012. This includes \$30,269 per year in associated employee benefits.

DFPS indicates that other related expenses (professional services, travel, equipment, and other operating expense) for Section 2 of the bill are estimated to be \$159,628 in fiscal year 2008 and \$17,464 each year thereafter.

The Department of Public Safety (DPS) estimates the bill would result in a total increase in revenue of \$5,537,376 in fiscal years 2008-2012 from fees collected for fingerprint checks. DPS costs listed below are assumed to be offset by this revenue increase. However, a portion of this fee revenue (approximately \$3.0 million) is returned to the FBI for professional services as required by federal statute.

DPS would need one additional FTE to implement Section 2 of the bill, due to the anticipated increase in criminal history record functions. FTE costs are estimated to be \$36,766, including \$8,110 in associated employee benefits, for fiscal years 2008-2012.

DPS indicates that other related expenses (professional services, equipment, and other operating expense) for Section 2 of the bill are estimated to be \$3,477,936 in fiscal year 2008, \$3,126,807 in fiscal years 2009-2011, and \$3,469,554 in fiscal year 2012.

Technology

DFPS estimates that implementing Section 2 of the bill would have a Technology Impact of \$124,008 in fiscal year 2008 for system modifications and development of new interfaces, and \$1,752 in fiscal years 2009-2012 for equipment.

DPS estimates that implementing Section 2 of the bill would have a Technology Impact of \$345,478 in fiscal year 2008 (AFIS database expansion), \$149 in fiscal years 2009-2011 (enterprise agreement), and \$342,896 in fiscal year 2012 (AFIS database expansion).

These amounts are included in the total for other expenses in the Methodology section above.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 405 Department of Public Safety, 530 Family and Protective Services, Department of
LBB Staff: JOB, CL, PP, VJC