

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 1, 2007

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

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

IN RE: SB21 by Nelson (Relating to the imposition of additional inspection and background and criminal history check requirements for day-care centers.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB21, As Engrossed: a positive impact of \$2,182,787 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	\$807,391
2009	\$1,375,396
2010	\$1,375,396
2011	\$1,375,396
2012	\$1,032,649

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>GENERAL REVENUE</i> <i>FUND - DPS</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	Probable (Cost) from <i>GR MATCH FOR</i> <i>MEDICAID - DFPS</i> 758
2008	\$5,537,376	(\$3,514,712)	(\$1,206,307)	(\$8,966)
2009	\$5,537,376	(\$3,163,583)	(\$996,186)	(\$2,211)
2010	\$5,537,376	(\$3,163,583)	(\$996,186)	(\$2,211)
2011	\$5,537,376	(\$3,163,583)	(\$996,186)	(\$2,211)
2012	\$5,537,376	(\$3,506,330)	(\$996,186)	(\$2,211)

Fiscal Year	Probable (Cost) from <i>FEDERAL FUNDS -</i> <i>DFPS</i> 555	Change in Number of State Employees from FY 2007 - DFPS & DPS
2008	(\$32,798)	19.0
2009	(\$7,970)	19.0
2010	(\$7,970)	19.0
2011	(\$7,970)	19.0
2012	(\$7,970)	19.0

Fiscal Analysis

Section 1 of the bill would amend Section 42.044 of the Human Resources Code to require that, during an unannounced inspection of a day-care center, the department meet with the director of the center to verify the director's qualifications. If the director is not present, a subsequent meeting would be scheduled.

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 bill would allow rules specifying that the fingerprints be submitted electronically through an applicant fingerprinting service 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 adds a subsection prohibiting direct access to the children at a center before the background and criminal history checks are complete.

It is estimated that implementation of Section 1 of the bill would require additional full-time equivalents (FTEs) at the Department of Family and Protective Services (DFPS); implementation of Section 2 would require additional FTEs at both DFPS and the Department of Public Safety (DPS). There would be a cost to implementing Sections 1 and 2 at DFPS that would be offset by increased revenue collected at DPS.

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 above.

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.

Methodology

Although the estimate is a positive impact to General Revenue, additional funding and FTEs would need to be appropriated to DFPS and DPS.

Department of Family and Protective Services: A total of 15 additional FTEs would be required to implement Section 1 of the bill, due to the anticipated increase in subsequent visits to the day-care center. FTE costs for Section 1 of the bill are estimated to be \$610,613, including \$134,650 in associated employee benefits, for FY 2008 and each year thereafter.

Three additional FTEs would be needed 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, including \$30,269 in associated employee benefits, for FY 2008 and each year thereafter.

Other related expenses (travel, equipment, professional services, and other operating expenses) for both sections of the bill are estimated to be \$500,195 in FY 2008 and \$258,491 each year thereafter.

Department of Public Safety: Implementation of this bill would result in a total increase in revenue of \$5,537,376 in FY 2008 and each year thereafter from fees collected for fingerprint checks. The 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.

One additional FTE would be required 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 FY 2008 and each year thereafter.

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

Technology

DFPS estimates that implementing Section 2 of the bill would have a Technology Impact of \$137,864 in FY 2008 (initial IT setup) and \$15,608 each year thereafter (network support).

DPS estimates that implementing Section 2 of the bill would have a Technology Impact of \$342,747 in FY 2008 and FY 2012 (AFIS Database expansion) and \$149 in FY 2009-2011 (enterprise agreement).

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, ES, PP, VJC, NM, MB