

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 21, 2009

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

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

IN RE: SB81 by Nelson (Relating to certain providers of subsidized child care.), As Engrossed

Estimated Two-year Net Impact to General Revenue Related Funds for SB81, As Engrossed: a positive impact of \$271,425 through the biennium ending August 31, 2011.

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
2010	\$144,525
2011	\$126,900
2012	\$126,900
2013	\$126,900
2014	\$126,900

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from Wrkforce Commission Fed 5026	Probable Revenue Gain from General Revenue Fund 1	Probable (Cost) from State Highway Fund 6	Change in Number of State Employees from FY 2009
2010	(\$152,853)	\$144,525	(\$70,725)	0.8
2011	(\$72,900)	\$126,900	(\$62,100)	0.8
2012	(\$72,900)	\$126,900	(\$62,100)	0.8
2013	(\$72,900)	\$126,900	(\$62,100)	0.8
2014	(\$72,900)	\$126,900	(\$62,100)	0.8

Fiscal Analysis

Section 1 of the bill would amend Subtitle B, Title 4, Labor Code by adding Chapter 312, which would require that the Texas Workforce Commission (TWC) ensures that payments made to a provider of unregulated self-arranged child care be made only to a provider on whom a background and criminal history check has been conducted and whose results of the check do not preclude the individual from providing care.

The bill would require the Department of Family and Protective Services (DFPS) to conduct both background and criminal history checks and checks of their Central Registry of Abuse and Neglect for individuals seeking to provide unregulated self-arranged child care. The bill would require that TWC pay the costs incurred by DFPS. The bill would require that TWC be reimbursed by the local workforce development board, which would withhold the cost of the background check from the first

child care payment made to the provider. A provider would be required to submit information for additional checks to be performed every five years. The bill would authorize the executive commissioner of the Health and Human Services Agency to adopt rules to require that individuals submit fingerprints electronically.

The bill would take effect September 1, 2009.

Methodology

Calculations assume 4,100 background and criminal history checks would be submitted in fiscal year 2010 and 3,600 per fiscal year in 2011 through 2014. It is assumed that, per fiscal year, 15% of individuals would be precluded from providing child care based on the results of their background check.

Fees assessed by the Department of Public Safety (DPS) and DFPS would result in a total increase in revenue of \$144,525 in fiscal year 2010 and \$126,900 per year in fiscal years 2011 through 2014 for fingerprint checks. However, a portion of the DPS fee revenue (\$70,725 in fiscal year 2010 and \$62,100 per year in fiscal years 2011 through 2014) would be returned to the FBI for professional services as required by federal statute and is reflected as a cost from State Highway Fund 6 in the tables above. The agency indicates that other costs associated with the increase in background checks can be absorbed within available resources.

TWC would receive reimbursement from the local workforce board for the cost of each background check for a provider not precluded from providing child care. For the cost of the unreimbursed background checks (estimated to be 15 percent of all checks), TWC estimates total costs out of Federal Funds of \$152,853 in fiscal year 2010 and \$72,900 in fiscal year 2011 and each fiscal year thereafter. FTE costs in fiscal year 2010 for 0.8 FTEs are estimated to be \$60,428, including \$13,428 in associated employee benefits. TWC indicates that other related expenses are estimated to be \$92,425 in fiscal year 2010 and \$72,900 per year in fiscal years 2011 through 2014.

Technology

Texas Workforce Commission estimates a technology impact of \$69,828 in fiscal year 2010 to revise the automated systems. The Department of Family and Protective Services estimates a technology impact of \$62,352 in fiscal year 2010 for changes to the CLASS system.

Local Government Impact

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

Source Agencies: 320 Texas Workforce Commission, 405 Department of Public Safety, 530 Family and Protective Services, Department of

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