

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 11, 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.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB81, Committee Report 2nd House, Substituted: a positive impact of \$138,600 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 | \$73,800 |
| 2011 | \$64,800 |
| 2012 | \$64,800 |
| 2013 | \$64,800 |
| 2014 | \$64,800 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Revenue Gain from <i>General Revenue Fund</i> 1 | Probable (Cost) from <i>General Revenue Fund</i> 1 | Probable (Cost) from <i>Workforce Commission Fed</i> 5026 |
|-------------|---|--|---|
| 2010 | \$144,525 | (\$70,725) | (\$299,300) |
| 2011 | \$126,900 | (\$62,100) | (\$298,800) |
| 2012 | \$126,900 | (\$62,100) | (\$298,800) |
| 2013 | \$126,900 | (\$62,100) | (\$298,800) |
| 2014 | \$126,900 | (\$62,100) | (\$298,800) |

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 and that each provider pay the cost of the fingerprint submission. 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 Commission to adopt rules to require that individuals submit fingerprints electronically. The bill would require TWC to use electronic validation, if feasible, to verify the provision of care by providers.

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.

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 to General Revenue in the tables above. The agency indicates that other costs associated with the increase in background checks can be absorbed within available resources.

TWC estimates total costs of \$299,300 in fiscal year 2010 and \$298,800 in fiscal years 2011-2014 in Child Care Development Federal Funds for criminal history and background checks to be performed by DFPS.

Technology

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

LBB Staff: JOB, CL, VJC, LR, MB