

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 19, 2011

TO: Honorable Rob Eissler, Chair, House Committee on Public Education

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

IN RE: HB1831 by Hartnett (Relating to public school child care.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1831, As Introduced: a negative impact of (\$1,652,499) through the biennium ending August 31, 2013.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	(\$839,573)
2013	(\$812,926)
2014	(\$812,926)
2015	(\$812,926)
2016	(\$812,926)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>Federal Funds</i> 555	Change in Number of State Employees from FY 2011
2012	(\$1,043,138)	\$203,565	(\$23,676)	23.0
2013	(\$946,981)	\$134,055	(\$17,156)	23.0
2014	(\$946,981)	\$134,055	(\$17,156)	23.0
2015	(\$946,981)	\$134,055	(\$17,156)	23.0
2016	(\$946,981)	\$134,055	(\$17,156)	23.0

Fiscal Analysis

The bill would amend current Education Code, Sections 33.902 and 33.903. The bill would change the definition of school-age students who are eligible for public school child care programs to students who are educationally disadvantaged. The bill would require certain school districts to conduct a survey of private child care providers in the community to determine the degree to which providers in the community are meeting the needs of the district's eligible school-age students for child care before and after school and during school holidays and vacations. The bill would permit the Work and Family Policies Clearinghouse to distribute funds to school districts where private providers are unable to meet the needs of the school districts' eligible school-age students for child care before and after school and during school holidays and vacations. The bill would also require that programs implemented by school districts comply with child care licensing requirements and standards imposed under Chapter 42, Human Resources Code. The bill would amend Section 42.041(b), Human Resources Code, such that public school districts would no longer be exempt from its provisions relating to educational facilities that offer before- and after-school care.

The bill would be effective on September 1, 2011.

Methodology

The Department of Family and Protective Services (DFPS) has indicated that the bill would result in an increase in workload for Licensing staff, and an increased number of background and criminal history checks would need to be conducted.

DFPS estimates the bill would expand the populations under the regulation of Child Care Licensing (CCL), thus increasing the number of licensed facilities and the associated staff related background checks for those facilities. This bill requires CCL to begin regulating an estimated 993 new operations not previously subject to licensure. DFPS estimates the bill would result in 13,902 (14 individuals per operation) new individuals requiring background checks annually. Two additional FTEs would be needed to comply with the increase in background checks.

CCL estimates that in order to maintain current staffing ratios and average caseload, the additional 993 operations would result in 14 new worker staff, 2 additional supervisors and 2 additional administrative technicians. DFPS also assumes that increasing the operations that are regulated will increase the investigations for CCL. Assuming the same rate of abuse/neglect investigations per licensed child-care centers would result in an additional 11 investigations per month. These investigations would require 3 investigators.

DFPS assumes there will be off-setting revenue from child-care licensing fees for the first biennium. During the first year of implementation, the 993 new operations would be required to pay the licensing application fee of \$35 and the 6-month initial permit fee of \$35. Each of the 993 operations would then pay the \$35 permit fee to renew after 6 months plus \$100 (based on \$1 per child in capacity, with an average capacity of licensed child care centers of 99.9). This would equate to a total of \$203,565 in fees collected in fiscal year 2012. Subsequent years would require fees for all 993 operations to be renewed at \$35 plus \$100 for capacity, or \$134,055 fees collected in fiscal years 2013-16.

Local Government Impact

School districts that have student membership of 5,000 or more students would be required to conduct a survey of private child care providers in the community in order to determine the degree to which the demand for school-age child care before and after school and during school holidays and vacations was being met. School districts that operate before- and after-school child care programs authorized under Section 33.902 would need to comply with child care licensing requirements under Chapter 42, Human Resources Code. School districts that make application for public school child care funding would be required to state that the child care services provided by private providers were insufficient to meet the needs of the districts' eligible students and that the districts would obtain appropriate licensing for the districts' child care programs under Chapter 42, Human Resources Code, and comply with its applicable standards.

School districts that operate child care programs would be subject to child care licensing requirements. The costs for school districts to comply with these requirements could vary significantly with local circumstances.

Source Agencies: 530 Family and Protective Services, Department of, 701 Central Education Agency

LBB Staff: JOB, LXH, MB, NB, VJC