LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

February 15, 2011

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

IN RE: **SB76** by Nelson (Relating to certain providers of subsidized child care.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB76, As Introduced: a negative impact of ($9,568) through the biennium ending August 31, 2013.

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
2012	($4,784)
2013	($4,784)
2014	($4,784)
2015	($4,784)
2016	($4,784)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from General Revenue Fund 1	Probable Revenue Gain from General Revenue Fund 1	Probable Revenue (Loss) from General Revenue Fund 1	Probable Savings/ (Cost) from Federal Funds 555
2012	($129,804)	$136,160	($11,140)	($1,956)
2013	($123,952)	$130,308	($11,140)	($1,956)
2014	($124,070)	$130,426	($11,140)	($1,956)
2015	($124,190)	$130,546	($11,140)	($1,956)
2016	($124,314)	$130,670	($11,140)	($1,956)

Fiscal Year	Change in Number of State Employees from FY 2011
2012	1.0
2013	1.0
2014	1.0
2015	1.0
2016	1.0

Fiscal Analysis

The bill would require all providers of unregulated self-arranged child care subsidized by the Texas Workforce Commission (TWC) to have and clear a Federal Bureau of Investigation (FBI) fingerprint check. The individual seeking to be a provider of unregulated self-arranged child care shall pay the cost of submitting fingerprints to the Department of Public Safety (DPS) and the costs incurred in conducting background and criminal history checks. TWC must audit on a regular basis a random sample of unregulated self-arranged child care providers.

The bill would take effect September 1, 2011.

Methodology

It is assumed that there will be a loss of 557 clients annually who have been paying a $20 application fee to become a Listed Family Home. Passage of the bill would eliminate the need for this type of listing. It is assumed there will be 1,000 providers in FY 2012-16 applying for the new program. These providers would be required to pay a fee to cover the cost of one full-time equivalent (FTE) necessary to initiate background checks required in the bill as well as the costs of the background check and criminal history check. The FTE would cost $51,460 in FY2012, $45,608 in FY2013, $45,726 in FY2014, $45,846 in FY2015, and $45,970 in FY2016 . DFPS would adjust the fee charged to applicants based upon the annual cost to the department.

It is assumed that DFPS will be able to make any necessary modifications to its CLASS system within existing resources.

The fee charged by DFPS should include $19.25 per person that will be passed through to DPS to pay for background and criminal history checks of an estimated 2,200 persons (2.2 persons per family). It is assumed that $17.25 will expended on the federal background check requirement and that DPS will retain $2.00 as an administrative fee and revenue gain. DPS will also experience a minimal revenue loss as a result of the loss of the $1 pass through from the $20 application fee to become a Listed Family Home.

It is assumed an existing contract between DFPS and TWC would no longer be needed. There are some resources being utilized by TWC that will end 8/31/2011. TWC states the funding source is federal funds (CCDF) and will not have a significant impact on their daily operations.

Local Government Impact

No 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, NB, MB, ESi, NV, RC