

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 22, 2013

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB743** by Miller, Rick (Relating to the regulation of certain child-care facilities; increasing a fee.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB743, Committee Report 1st House, Substituted: a positive impact of \$762,434 through the biennium ending August 31, 2015.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$218,428
2015	\$544,006
2016	\$560,323
2017	\$576,838
2018	\$593,553

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>GR Match For Medicaid</i> 758	Probable Savings/(Cost) from <i>Federal Funds</i> 555	Probable Revenue Gain from <i>General Revenue Fund</i> 1
2014	(\$1,082,984)	(\$1,261)	(\$14,993)	\$1,302,673
2015	(\$733,110)	(\$895)	(\$11,458)	\$1,278,011
2016	(\$733,110)	(\$895)	(\$11,458)	\$1,294,328
2017	(\$733,110)	(\$895)	(\$11,458)	\$1,310,843
2018	(\$733,110)	(\$895)	(\$11,458)	\$1,327,558

Fiscal Year	Change in Number of State Employees from FY 2013
2014	12.9
2015	12.9
2016	12.9
2017	12.9
2018	12.9

Fiscal Analysis

The bill would modify Chapter 42 of the Human Resources Code, relating to the regulation of certain child care facilities. The bill would remove the exemptions for licensing and regulation of certain Before and After School Programs (BAPs). The bill would also require the Department of Family and Protective Services (DFPS) to provide inspections for BAPs meeting certain criteria. Additionally, the bill would increase the annual license fees levied against child-care facilities.

Methodology

In fiscal year 2014, DFPS assumes that there will be 589 additional BAPs operated by public elementary schools subject to DFPS regulation. Based on historical growth patterns, it is assumed the public entities will increase by 6 BAPs per year (1 percent growth). It is assumed that DFPS would require 7 additional inspectors, 2 additional investigators, 1 additional staff in the Centralized Background Check Unit, and 2.7 new supporting staff, as well as 0.16 FTEs at the Health and Human Services Commission, all of whom would be hired at the start of fiscal year 2014. Salaries and fringe benefits associated with the 12.9 FTEs total \$565,075 in fiscal year 2014 and in 2015. Consumable supplies, utilities, travel, rent and other operating expenses total \$284,368 in fiscal year 2014 and \$180,388 in fiscal year 2015. DFPS indicates that the majority of the employees at the BAPs would have already successfully completed a background check and no additional costs beyond the FTEs would be associated with this provision.

The bill would increase the per child amount of the annual license fee from \$1 to \$2, which would result in a positive impact to General Revenue of about \$1.3 million per year. About \$1.1 million of that would be for the current population of children in these programs for which DFPS collects a fee. It is assumed this population will grow at 1.3%. The remainder would be collected from the newly-licensed BAPs.

Technology

The bill would create a need to update existing functionality in CLASS, CLASSMate, and the DFPS public website. Estimated technology costs total \$249,795 in fiscal year 2014.

Local Government Impact

School districts would be required to take measures necessary to comply with child care licensing standards. Actions required would depend on characteristics specific to individual schools and would be expected to vary widely from district to district.

Source Agencies: 530 Family and Protective Services, Department of, 304 Comptroller of Public Accounts

LBB Staff: UP, CL, MB, NB, VJC