

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

February 25, 2015

TO: Honorable Charles Schwertner, Chair, Senate Committee on Health & Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB358 by West (Relating to student loan repayment assistance for certain employees of the Department of Family and Protective Services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB358, As Introduced: a negative impact of (\$7,883,851) through the biennium ending August 31, 2017.

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
2016	(\$3,526,885)
2017	(\$4,356,966)
2018	(\$5,192,047)
2019	(\$6,027,129)
2020	(\$4,549,710)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2015
2016	(\$3,526,885)	1.0
2017	(\$4,356,966)	1.0
2018	(\$5,192,047)	1.0
2019	(\$6,027,129)	1.0
2020	(\$4,549,710)	1.0

Fiscal Analysis

The bill would require the Higher Education Coordinating Board (HECB) to establish a student loan repayment program for certain employees of the Department of Family and Protective Services (DFPS). Certain employees may receive assistance in an amount not to exceed \$2,500 for up to four years. The HECB shall adopt rules for the program no later than December 1, 2015.

Methodology

Estimates for the number of eligible child protective services (CPS) caseworkers and child care licensing investigators (CCL) that would participate in the new program was based on information provided by the Department of Family and Protective Services (DFPS).

As of December 2014, DFPS reported 2,769 caseworkers that are CPS family-based safety services (FBSS) caseworkers and CPS investigators. Excluding certain workers based on tenure, this analysis assumes 1,729 caseworkers would be eligible for debt assistance. DFPS assumed that only 66 percent of the eligible persons would have student loan debt, reducing the caseworker pool to 1,141 in fiscal year 2016. As of December 2014, DFPS reported 372 CCL workers and residential child care licensing investigators/inspectors. Assuming that only 66 percent would have student loan debt, 248 employees would be eligible for debt assistance. Thus, a total of 1,389 employees would participate in the program in fiscal year 2016. It is assumed that these employees would \$2,500 per year for a total cost of \$3.5 million in fiscal year 2016.

Based on data provided by DFPS on employee tenure, this analysis estimates the number of workers with less than one year of experience who would become eligible for the program in the following year. As of December 2014, there were 786 CPS workers meeting the criteria in the bill with less than one year of experience. Assuming 74.8 percent of these workers continue employment into year two and 66 percent will have student loan debt, there would be an additional 388 caseworkers newly eligible in each year after fiscal year 2016. It is also assumed 54 CPS workers would no longer need the program each year after fiscal year 2016. The number of eligible CCL investigators was held constant at 248 per fiscal year. The total number of eligible employees is assumed to be 1,723 in FY2017; 2,057 in FY2018; and 2,391 in FY2019. This analysis assumes the maximum award of \$2,500 would be paid for each employee, costing \$4.3 million in FY2017, \$5.1 million in FY2018, and \$6.0 million in FY2019.

FY2020 incorporates the calculations above, and also assumes that of the original 1,141 workers that began receiving the benefit in FY2016, 216 would have stopped receiving the benefit during the prior years, and at this point the remaining 925 workers would stop receiving the benefit because of the four year limitation. The total number of eligible employees is assumed to be 1,800 in FY2020. Assuming the maximum payment of \$2,500, the total cost would be \$4.5 million in FY2015.

The HECB indicates that a program technician would be needed to administer the program at a total cost of \$49,385 per year and one-time computer and equipment costs of \$5,000 in fiscal year 2016.

Local Government Impact

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

Source Agencies: 530 Family and Protective Services, Department of, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration

LBB Staff: UP, NB, WP, GO, SJ