

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 18, 2019

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
 Legislative Budget Board

IN RE: SB706 by Watson (Relating to an investigation unit within the Health and Human Services Commission for certain unlicensed child-care facilities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB706, As Introduced: a negative impact of (\$4,548,389) through the biennium ending August 31, 2021.

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
2020	(\$2,428,169)
2021	(\$2,120,220)
2022	(\$2,120,220)
2023	(\$2,120,220)
2024	(\$2,120,220)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Federal Funds</i> 555	Change in Number of State Employees from FY 2019
2020	(\$2,428,169)	(\$21,213)	35.8
2021	(\$2,120,220)	(\$19,602)	35.8
2022	(\$2,120,220)	(\$19,602)	35.8
2023	(\$2,120,220)	(\$19,602)	35.8
2024	(\$2,120,220)	(\$19,602)	35.8

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to maintain a unit of at least 35.0 full-time equivalent positions within the child-care licensing division to identify unlicensed child-care facilities and to initiate appropriate enforcement actions against those facilities.

The bill would require HHSC to establish the investigatory unit as soon as possible after the effective date of the bill.

The bill would take effect on September 1, 2019.

Methodology

HHSC estimates that maintaining a new investigation unit of 35 positions within the child-care licensing division would cost \$2,449,383 in fiscal year 2020 and \$2,139,823 in future fiscal years. These costs would include 35.8 FTEs in each year for 35.0 inspectors and 0.8 program specialists to support the unit.

The Department of Family and Protective Services (DFPS) assumes there may be a potential for increased abuse and neglect investigations by the agency, and therefore an increase in intakes for DFPS' statewide intake division. DFPS estimates that these activities would have no significant fiscal impact.

Technology

HHSC estimates technology costs of \$267,624 in fiscal year 2020, and \$186,647 in future fiscal years for FTE-related seat management services and basic data storage costs.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission, 530 Family and Protective Services, Department of

LBB Staff: WP, AKi, JQ, MNa