

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 4, 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 illegally operating child-care facilities.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB706, Committee Report 1st House, Substituted: 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 within the child-care licensing division to identify child-care facilities that are operating without a required license, certification, registration, or listing, 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 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

**LBB Staff:** WP, AKi, JQ, MNa