

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 24, 2021

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB619 by Thompson, Senfronia (Relating to developing a strategic plan to support the child-care workforce.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB619, As Passed 2nd House : an impact of \$0 through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from Workforce Commission Federal Acct 5026</i>
2022	(\$632,000)
2023	\$0
2024	\$0
2025	(\$632,000)
2026	\$0

Fiscal Analysis

The bill would amend the Labor Code to require the Texas Workforce Commission (TWC) to prepare a strategic plan for improving the quality of the child-care workforce in the state. The bill would require TWC to use specific demographic and compensation data when creating the plan. The bill would require TWC to make the plan available to the governor, lieutenant governor, and speaker of the House of Representatives no later than December 31, 2022 and update the plan every three years.

Methodology

According to TWC, the demographic and compensation data that the bill would require to be used for development of the strategic plan does not currently exist in the disaggregated way stated in the bill. The Texas Labor Market Information (LMI) does include wage data for child care workers, however, that data is not broken down by race, ethnicity, gender, or education level. Additionally, this demographic information is not collected for each child care facility. This analysis assumes this data would be gathered independently from current data collection sources. TWC reports it would collect the data required with a survey of a sample set of child care providers, similar to the surveys currently used for the Child Care Market Rate Survey (MRS). Based on information provided by TWC, this analysis assumes the cost to be the same as the MRS, which is approximately \$382,000 per report.

The bill requires that TWC convene a workgroup, including child care providers, community stakeholders, and child care workers, to assist in the development of the strategic plan. TWC reports it would procure for a contract with an external entity to manage the workgroup meetings, compile and analyze workgroup input, analyze survey data, and prepare the strategic plan. Based on a similar contract, which included management of a workgroup, TWC estimates the monthly contract cost to be approximately \$25,000 and that the contract would last 10 months from January through October, for a total cost of \$250,000 per plan. The bill requires that the plan be completed every three years, with the first plan due by December 31, 2022 (a contract funded in fiscal year 2022). The next plan within the five-year period will be due by December 31, 2025 (a contract funded in fiscal year 2025).

Local Government Impact

According to TWC, the bill may impact local workforce development boards as the bill requires the plan to include recommendations to improve and support the child care workforce.

Source Agencies: 320 Texas Workforce Commission

LBB Staff: JMc, LBO, AJL, SZ, MB, DFR