

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 13, 2021

TO: Honorable Angie Chen Button, Chair, House Committee on International Relations & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1583 by Davis (Relating to local workforce development boards and the regulation of child-care providers by the Texas Workforce Commission.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1583, As Introduced : 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>	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue (Loss) from Federal Funds
	555
2022	(\$22,158,804)
2023	(\$22,158,804)
2024	(\$22,158,804)
2025	(\$22,158,804)
2026	(\$22,158,804)

Fiscal Analysis

The bill would amend the Government Code relating to local workforce development boards and the regulation of child-care providers by the Texas Workforce Commission (TWC). The bill would excuse a volunteer who has already undergone a background and criminal history check required by state or federal law prior to volunteering with a provider from having an additional check upon becoming an employee of the provider.

Methodology

Discretionary Child Care Development Funds (CCDF) are appropriated by the Texas Legislature to support child-care quality improvement activities, including the licensing, monitoring, and regulation of child care operations; agency administration; and any other funds allocated under statutory budget transfer authority during the biennium for quality improvement activities. TWC is designated as the Lead Agency accountable for the use of CCDF funds from the U.S. Department of Health and Human Services. Currently, TWC transfers CCDF funds to the Health and Human Services Commission (HHSC) in accordance with a pass-through Agreement.

For Texas to obtain CCDF funds, the state must comply with certain federal requirements. Child Care Regulation (CCR) routinely conducts criminal background checks on employees of child-care operations and certain volunteers that meet the CCDF requirements for a background check. If CCR cannot conduct additional background checks on the employees/volunteers as outlined by the bill, Texas would not comply with the CCDF federal requirements and not be entitled to CCDF funds. This would result in an estimated loss of \$22,158,804 in Federal Funds each fiscal year. This analysis assumes the state would use General Revenue Funds to fill in for the lost Federal Funds which could result in a total cost of \$110.8 million for the period from fiscal year 2022 to fiscal year 2026.

Notwithstanding the bill's conformity issue with federal requirements, based on information provided by TWC and HHSC, this analysis assumes there would be a minimal cost associated with implementing the other provisions of the bill that could be absorbed within current resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 529 Hlth & Human Svcs Comm

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