

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

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**March 23, 2021**

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

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB1964** by Lopez (Relating to a study on the cost of providing quality child care in this state in comparison to family income.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1964, 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>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<b>Probable (Cost) from Workforce Commission Federal Acct 5026</b>
2022	(\$875,000)
2023	\$0
2024	(\$875,000)
2025	\$0
2026	\$0

**Fiscal Analysis**

The bill would amend Chapter 301 of the Labor Code requiring the Texas Workforce Commission (TWC) to conduct a study regarding the cost, in comparison to family income, of providing child care that meets at least the Texas Rising Star 3-Star certification requirements.

The bill would require that no later than December 15, 2022, TWC report the results of the study to the governor, the lieutenant governor, the speaker of the house of representatives, and each legislative committee with jurisdiction over child care facilities. The bill would require that TWC update the study results and submit

the updated results no later than December 15, 2024.

### **Methodology**

According to TWC, in June 2019, the agency contracted with the University of Texas, Texas Institute for Child and Family Wellbeing (TICFW) to conduct a study of the cost of providing higher-quality care under the Texas Rising Star program. The study is due in the spring of 2021, with a supplemental and final report due in the Spring of 2022. The TICFW study includes all the elements required by the bill except the facility's operating costs, including any rent or mortgage, utility expenses, insurance, and building maintenance; and the license fees needed to operate the facility.

Since the scope of the required report is similar to the scope of the TICFW study currently being conducted, TWC assumes that the cost of each of the studies required by the bill would be equal to the cost of the current study, which is \$875,000. This analysis assumes TWC would contract to conduct the report as required by this legislation for \$875,000 in fiscal year 2022 and \$875,000 in fiscal year 2024 from Federal Funds.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 320 Texas Workforce Commission

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