

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

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

**April 18, 2021**

**TO:** Honorable James B. Frank, Chair, House Committee on Human Services

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

**IN RE: HB4168** by Sanford (Relating to the rights of a parent with a child in a child-care facility.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB4168, 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>	<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 Revenue (Loss) from Federal Funds</i>
	<b>555</b>
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 Human Resources Code to allow a parent of a child at a child-care facility certain rights, including providing information on any person associated with the facility who has been convicted of a criminal offense. The child-care facility would also be required to provide a written copy of the rights to the parent.

## 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. The Texas Workforce Commission (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 releases background checks on the employees/volunteers to the parents 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. The state could use General Revenue Funds to fill in for the lost Federal Funds which would 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 the Department of Family and Protective Services 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, 530 Family & Protective Services

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