

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 19, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4169 by Sanford (Relating to an employee database for child-care facilities and registered family homes.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4169, As Introduced : a negative impact of (\$15,442,074) 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	(\$8,607,210)
2023	(\$6,834,864)
2024	(\$6,843,294)
2025	(\$6,851,964)
2026	(\$6,860,921)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$8,607,210)	47.9
2023	(\$6,834,864)	47.9
2024	(\$6,843,294)	47.9
2025	(\$6,851,964)	47.9
2026	(\$6,860,921)	47.9

Fiscal Analysis

The bill would amend Human Resources Code Chapter 42 to require the Health and Human Services Commission (HHSC) to develop and maintain a searchable database that includes certain information that is accessible to child-care providers on HHSC's website.

Methodology

HHSC would be required to maintain a searchable database of current and former employees to have violated a minimum standard or had a permit revoked by a state agency for the following child care regulation types: General Residential Operations, Licensed Child Care Centers, School-Age Programs, Before and After-School Programs, Licensed Child Care Homes, and Registered Child Care Homes.

HHSC's Child Care Regulation (CCR) division does not currently determine responsibility for minimum standards violations. In order to include information regarding the party responsible for a minimum standards violation in the child care database, inspectors would require additional time to conduct inspections complete deficiency letters. According to HHSC, 18.0 Inspector V full-time equivalents (FTEs) would be needed to monitor and investigate child-care facilities; 12.0 Family and Protective Services Supervisor II FTEs to supervise Investigator V FTEs and conduct administrative reviews of deficient findings of minimum standards; 1.0 Administrative Assistant I FTE to support Supervisor II FTEs; 1.0 Manager III FTE to supervise and manage Supervisor II FTEs; 9.0 Attorney III FTEs to represent HHSC before the State Office of Administrative Hearings (SOAH) in matters related to child care regulation; 1.0 Attorney IV FTE to supervise and manage Attorney II FTEs in their representation before SOAH; 3.0 Legal Assistant II FTEs to assign new contested cases to attorneys; 2.0 Administrative Assistant II FTEs to disseminate information and provide other legal administrative support; and 0.9 Program Specialist V FTEs to support human resources, system support services and other indirect agency functions related to new FTEs would be needed. The total estimated cost in General Revenue to hire the 47.9 FTEs would be \$5.1 million in fiscal year 2022 and \$4.5 million in fiscal year 2023 through 2026.

It is assumed implementing the provisions of the bill would require due process hearings to be offered for persons found to be responsible for a minimum standard deficiency. This analysis assumes ten percent of such persons would request a due process hearing before SOAH. It is assumed there would be 3,632 administrative review requests per year and 666 additional requests per year for due process hearings before SOAH by persons found to be responsible for a minimum standard deficiency. The total estimated cost in General Revenue to reimburse SOAH costs each year would be \$2.2 million for fiscal years 2022 through 2026.

Technology

According to HHSC, there would be FTE-related costs including salaries, training and supplies for IT state staff and basic data storage under the contract for data center services for all additional FTEs. Additionally, 3.5 Staff Augmentation Contractors would be needed to make updates to Childcare Licensing Automated Support System (CLASS) and CLASSMate. The total estimated cost in General Revenue would be \$1.2 million in fiscal year 2022 and \$0.1 million in fiscal year 2023 through 2026.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 529 Hlth & Human Svcs Comm, 530 Family & Protective Services

LBB Staff: JMc, AKI, JLI