

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 13, 2023

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB423 by Lopez, Ray (Relating to a study regarding the cost of child care in this state in comparison to wages.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB423, As Introduced : a negative impact of (\$1,287,420) through the biennium ending August 31, 2025.

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>
2024	(\$1,225,963)
2025	(\$61,457)
2026	\$0
2027	\$0
2028	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Probable (Cost) from GR Match For Medicaid 758</i>	<i>Probable (Cost) from Federal Funds 555</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$825,000)	(\$400,963)	(\$400,963)	1.0
2025	\$0	(\$61,457)	(\$61,457)	1.0
2026	\$0	\$0	\$0	0.0
2027	\$0	\$0	\$0	0.0
2028	\$0	\$0	\$0	0.0

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to conduct a study on the cost of child care in the state in comparison to wages, with the assistance of the Texas Workforce Commission. The bill would take effect September 1, 2023, and expire on September 1, 2025.

Methodology

According to information provided by HHSC, additional staff and resources would be needed to conduct the study, as HHSC does not have the data nor oversight into the subject matter required to conduct the study. This analysis assumes HHSC would contract with an entity to complete the study at a cost of \$1.5 million in All Funds, and hire 1.0 Contract Specialist V for contract oversight. The total estimated cost in All Funds to hire the 1.0 full-time-equivalent (FTE), including other personnel related costs, would be \$0.2 million in All Funds in fiscal years 2024 through 2025. It is assumed that any fiscal impact to the Texas Workforce Commission can be absorbed within existing resources.

Technology

This analysis assumes there would be FTE related technology costs, including seat management services and basic data storage. The total estimated cost in All Funds would be \$3,214 in fiscal year 2024 and \$524 in fiscal year 2025.

Local Government Impact

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

Source Agencies: 320 Texas Workforce Commission, 529 Health and Human Services Commission

LBB Staff: JMc, NPe, ER, SB, NV, LBl