

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 19, 2025

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Health & Human Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4903 by Harris Davila (Relating to the establishment of the Quad-Agency Child Care Initiative and the Quad-Agency Child Care Initiative Commission.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

However, the bill could lead to a reduction in the amount of child care services and operations funded by the federal Child Care and Development Fund, as those funds are traditionally allocated for child care services and operations and it is assumed that the Texas Workforce Commission would need to reallocate those funds to implement the bill's provisions.

This bill would establish the Quad-Agency Child Care Initiative to foster collaboration, coordinate policies, and review and streamline regulations between the participating agencies that govern child care in Texas. The participating agencies are the Texas Workforce Commission (TWC), Health and Human Services Commission (HHSC), Department of Family and Protective Services (DFPS), and Texas Education Agency (TEA).

TWC estimates a five year cost of \$1,254,600 from the federal Child Care and Development Fund (CCDF) and would need an additional 2.0 full-time equivalent (FTE) positions to support the commission in the initiative. These positions include a Project Manager III (\$85,869 with \$24,404 in benefits each fiscal year) and a Program Specialist VI (\$80,421 with \$22,856 in benefits each fiscal year) that would be needed to support the Quad-Agency Commission, including participation in interagency agreements, coordinating initiatives impacting child care, contributing to reviews and streamlining of regulations, providing website and communication support for public comment periods, and providing administrative support for the commission.

As current appropriations already maximize the drawdown of all available CCDF matching funds, this analysis assumes there would be no significant fiscal impact to the State. However, as most of the CCDF matching funds are traditionally allocated for child care services, it is assumed that the agency would need to reallocate existing CCDF funds to implement the bill's provisions, which could lead to a reduction in the amount of child care services and operations funded by CCDF funds.

Based on the analysis of the HHSC, DFPS, and TEA this estimate assumes no significant fiscal impact to the state for the agencies to implement the bill's provisions.

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, 530 Family and Protective Services, Department of, 701 Texas Education Agency

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