

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 23, 2015

TO: Honorable Richard Peña Raymond, Chair, House Committee on Human Services

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2433 by Burkett (Relating to the continuation and functions of the Department of Family and Protective Services and procedures applicable to suits affecting the parent-child relationship, investigations of child abuse and neglect, and conservatorship of a child; affecting fee amounts and authorizing an administrative penalty.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2433, Committee Report 1st House, Substituted: a negative impact of (\$1,410,607) through the biennium ending August 31, 2017.

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:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2016	(\$1,410,607)
2017	\$0
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
2016	(\$1,410,607)
2017	\$0
2018	\$0
2019	\$0
2020	\$0

Fiscal Analysis

The bill would partially implement the Sunset Advisory Commission recommendations concerning the Department of Family and Protective Services (DFPS).

The bill would streamline certain prescriptive statutory requirements of the agency, require child protective services to implement an annual business planning process, require the development of a foster care redesign implementation plan, require the development of a strategic plan for prevention and intervention services, implement a child care license and renewal process, remove current child care regulatory fee caps by allowing DFPS to set regulatory fees by rule, and modify child care licensing enforcement and penalty provisions. The bill also would provide for the 12-year continuation of DFPS in the event other legislation continuing DFPS does not become law.

Methodology

Under current law, licensed, registered, and listed child care operations pay an annual fee and the license is valid until it is revoked or suspended. Sections 76-78 of the bill would require licenses to be renewed at a frequency that is determined by DFPS. Those sections of the bill also require the executive commissioner to adopt rules by January 1, 2016 that address renewal periods, a process for staggered renewals; a process for resolving a late application for renewal; expiration dates; and conditions for renewals. Section 79 of the bill removes the current child care regulatory fee cap; allowing DFPS to set the fee.

DFPS indicated that the agency would implement a two-year renewal process and that approximately 16,000 licensed and registered operations would be subject to the two-year renewal. At this point, the agency indicated that a separate renewal fee would not be charged in addition to the annual fee currently collected. The agency estimated costs of \$1,410,607 in General Revenue Funds in fiscal year 2016 for changes to the CLASS system (their child care licensing system). If the agency decides to charge a renewal fee in addition to the annual fee currently collected, increased fee revenue could offset the costs, if the fee revenue is appropriated to DFPS.

Additionally, if an online payment system were implemented, these licensed and registered operations could pay the annual fee online. Section 2054.113 of the Government Code requires state agencies to use Texas.gov for the automation of fee collection. The estimated cost for DFPS to create an interface between the CLASS system and Texas.gov is \$0.8 million. [Texas.gov](#) is operated by a third-party vendor under a public-private partnership and is funded through service and transaction revenue from services provided through [Texas.gov](#). Therefore, after the initial cost of \$0.8 million for the creation of the interface, the revenue would be shared between the vendor (60 percent) and the state's General Revenue Fund (40 percent).

Technology

Cost of \$1,410,607 in fiscal year 2016 is estimated for changes to the CLASS system.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 530 Family and Protective Services, Department of, 212 Office of Court Administration, Texas Judicial Council, 701 Central Education Agency, 405 Department of Public Safety

LBB Staff: UP, SJ, NB, MB, WP