

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 28, 2003

TO: Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB70 by Zaffirini (Relating to a state-funded financial assistance program for certain persons.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB70, As Introduced: a negative impact of (\$76,411,749) through the biennium ending August 31, 2005.

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
2004	(\$40,301,838)
2005	(\$36,109,911)
2006	(\$33,453,264)
2007	(\$31,020,622)
2008	(\$29,341,264)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable (Cost) from <i>GR MATCH FOR MEDICAID 758</i>	Probable (Cost) from <i>GR MOE FOR TANF 759</i>	Probable (Cost) from <i>WRKFORCE COMMISSION FED 5026</i>
2004	(\$571,479)	(\$261,372)	(\$39,468,987)	(\$47,835,371)
2005	\$0	\$0	(\$36,109,911)	(\$49,475,407)
2006	\$0	\$0	(\$33,453,264)	(\$47,592,488)
2007	\$0	\$0	(\$31,020,622)	(\$45,781,160)
2008	\$0	\$0	(\$29,341,264)	(\$45,781,160)

Fiscal Year	Probable Savings from <i>FEDERAL FUNDS 555</i>	Probable (Cost) from <i>FEDERAL FUNDS 555</i>
2004	\$21,312,924	(\$829,119)
2005	\$19,029,771	\$0
2006	\$17,116,419	\$0
2007	\$15,389,866	\$0
2008	\$13,832,643	\$0

Fiscal Analysis

The bill would amend the Human Resources Code by adding Chapter 37, which would require the Health and Human Services Commission, the Department of Human Services (DHS), and the Texas Workforce Commission (TWC) to jointly develop and implement, by rule, a state program of temporary assistance and related support services that is distinct from the financial assistance program authorized by Chapter 31 Temporary Assistance for Needy Families (TANF). The bill would require that the funding for the program be state TANF Maintenance of Effort (MOE) funds and may not be funded with federal funds provided to the state for the financial assistance program authorized by Chapter 31.

Methodology

The Department of Human Services (DHS) estimate indicated that implementation of the bill would result in a net increase of TANF grant expenditures of approximately \$1.7 million in fiscal year 2004, decreasing to \$1.1 million in fiscal year 2008, all of which would be TANF Maintenance of Effort (MOE) funds. DHS estimated the savings of TANF federal to be approximately \$21.5 million in fiscal year 2004 decreasing to \$13.8 million in fiscal year 2008, while the increase in TANF MOE would be approximately \$23.2 million in fiscal year 2004 decreasing to \$14.9 million in fiscal year 2008. DHS stated that this would occur because some people would not have gotten an extension to the 60 month federal time limit and would have been denied TANF federal. DHS indicated that under provisions of the bill, some of these people would continue to get TANF under the state program.

The Texas Workforce Commission (TWC) assumed that the average monthly number of clients served in the CHOICES program would be 9,865 in fiscal year 2004 and 9,483 in fiscal year 2005. TWC assumed that these clients would be served at a cost per client of \$1,644 per year or approximately \$16.2 million in All Funds in fiscal year 2004 and \$15.6 million in All Funds in fiscal year 2005. TWC assumed that the average number of CHOICES childcare clients served would be 3,452 in fiscal year 2004 and 3,319 in fiscal year 2005. TWC estimated the cost for these CHOICES childcare clients to be \$25.0 million in All Funds in fiscal year 2004 and \$24.2 million in All Funds in fiscal year 2005. The transitional childcare cost estimated by TWC was approximately \$22.9 million in All Funds in fiscal year 2004 and \$25.2 million in All Funds in fiscal year 2005 with the number of clients served estimated to be 5,420 and 5,211 for fiscal year 2004 and fiscal year 2005 respectively.

Technology

The Department of Human Services (DHS) estimate included the initiation of a new program type in legacy systems and the Texas Integrated Eligibility Redesign Systems (TIERS). The DHS estimate included 17,600 hours at \$104 per hour for programming, plus contractor cost of \$50,000 for TIERS, for a total cost of \$1,880,400 in All Funds in fiscal year 2004.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 324 Department of Human Services, 529 Health and Human Services Commission

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