

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 9, 2003

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB285 by Nelson (Relating to the administration and functions of the Texas Department of Human Services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB285, As Introduced: a negative impact of (\$17,070,097) 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	(\$8,698,106)
2005	(\$8,371,991)
2006	(\$8,203,466)
2007	(\$8,203,466)
2008	(\$8,203,466)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable (Cost) from <i>GR MATCH FOR MEDICAID</i> 758	Probable (Cost) from <i>GR MOE FOR TANF</i> 759	Probable (Cost) from <i>FEDERAL FUNDS</i> 555
2004	(\$8,285,392)	(\$383,436)	(\$29,278)	(\$1,303,800)
2005	(\$8,016,404)	(\$330,332)	(\$25,255)	(\$1,120,049)
2006	(\$7,847,879)	(\$330,332)	(\$25,255)	(\$1,120,049)
2007	(\$7,847,879)	(\$330,332)	(\$25,255)	(\$1,120,049)
2008	(\$7,847,879)	(\$330,332)	(\$25,255)	(\$1,120,049)

Fiscal Year	Change in Number of State Employees from FY 2003
2004	63.0
2005	63.0
2006	63.0
2007	63.0
2008	63.0

Given the limited availability of TANF federal funds, for the purposes of this fiscal note, General Revenue is assumed as the Method of Financing. Should additional TANF federal funding be available, \$8,285,392 in FY 2004 and \$8,016,404 in FY 2005 in General Revenue costs assumed

above could be financed with TANF federal funding.

Fiscal Analysis

The bill would amend the Human Resources Code by adding Section 31.015 requiring the Department of Human Services (DHS) to develop and implement a plan, by rule, to identify recipients at risk of exhausting Temporary Assistance to Needy Families (TANF) time-limited benefits under Section 31.0065, assess their needs other than employability needs, and refer them to appropriate preventive and support services provided by DHS or any other public or private entity. The bill would be effective September 1, 2003.

Methodology

The Department of Human Services estimated that thirteen to fifteen thousand recipients would exhaust their time-limited benefits under Section 31.0065 in each year of the biennium. DHS projected that in any given month approximately 1,700 recipients would require services pursuant to the provisions of the bill.

The DHS indicated that implementing provisions of the bill would require an increase of 63 staff per year at an All Funds cost of \$2,957,468, \$1,333,078 in General Revenue in FY 2004 including approximately \$0.5 million for other ancillary costs, and \$2,525,477 in All Funds, \$1,145,304 million in General Revenue, in each of the subsequent years.

The Texas Workforce Commission (TWC) assumes the integrated case management system resulting from the bill would require their caseworkers to serve an additional 3,879 exempt clients in 2004, 3,721 in 2005, and 3,632 in each year thereafter. TWC assumes these clients would be served at a cost of \$490 per client, based on the current cost per Choices client served (\$1,644) and a 29.8 percent increase in the workload per caseworker resulting from the integrated system. TWC further assumes it would serve an additional 10,497 mandatory clients in 2004, 10,496 in 2005, and 10,242 in each year thereafter.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 320 Texas Workforce Commission, 324 Department of Human Services, 529 Health and Human Services Commission

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