

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION  
Revision 1

April 21, 2005

**TO:** Honorable Suzanna Gratia Hupp, Chair, House Committee on Human Services

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB385** by Naishtat (Relating to administrative and judicial review of certain decisions about public assistance benefits.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB385, As Introduced: a negative impact of (\$623,612) through the biennium ending August 31, 2007.

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
2006	(\$257,148)
2007	(\$366,464)
2008	(\$436,440)
2009	(\$431,063)
2010	(\$431,063)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Probable (Cost) from FEDERAL FUNDS 555	Change in Number of State Employees from FY 2005
2006	(\$257,148)	(\$105,437)	6.0
2007	(\$366,464)	(\$99,249)	8.0
2008	(\$436,440)	(\$99,249)	9.0
2009	(\$431,063)	(\$99,249)	9.0
2010	(\$431,063)	(\$99,249)	9.0

The bill would amend Chapter 351 of the Government Code by adding Section 531.019 relating to public assistance benefits reviews (Temporary Assistance for Needy Families or TANF, Medical Assistance, and Food Stamps). Subsection (b) would require the commission or delegated health and human services (HHS) agency to record the proceedings of a hearing related to a decision regarding public assistance benefits electronically. The cost of preparing the record and transcript for a reviewing court may not be charged to the applicant or recipient.

Subsection (c) would require the applicant or recipient to request an administrative review by the appropriate agency of HHSC in accordance with rules of the executive commissioner. It imposes a requirement that an agency attorney complete an administrative review of the decision and notify the applicant or recipient in writing of the results of that review no later than the fifth business day after

the date the attorney receives the request for administrative review.

Subsection (d) specifies that, except as provided by this section, Subchapters G and H, Chapter 2001 govern the appeal of a decision made by a hearing officer for HHSC related to public assistance benefits. Subsection (e) defines when an applicant for or recipient of public assistance benefits has exhausted all available administrative remedies. This would occur after the hearing officer reaches a final decision and the agency attorney completes an administrative review of the decision and notifies the applicant or recipient in writing of the results of that review.

Subsection (f) specifies that for certain purposes an applicant or recipient of public assistance benefits is not required to file a motion for rehearing with the commission or an HHS agency. Subsection (g) would specify that a judicial review of a decision made by a hearing officer for the commission or an HHS agency related to public assistance benefits is under the substantial evidence rule. All judicial review cases would be filed in Travis County, as provided by Subchapter G, Chapter 2001. Subsection (h) specifies that such an appeal would take precedence over all civil cases except workers' compensation and unemployment compensation cases.

Section 2 of the bill would amend Section 2001.223, Government Code, to specify the exceptions from declaratory judgment.

Section 3 of the bill would specify that the change in the law applies only to an appeal of a final decision by the HHSC or a health and human services agency that is rendered on or after the effective date of the bill.

The bill would take effect September 1, 2005.

## **Fiscal Analysis**

Given the limited availability of Temporary Assistance for Needy Families (TANF) federal funds, for the purpose of this fiscal note General Revenue is assumed as the method of financing. Should additional TANF federal funds become available, \$49,975 in FY 2006 and \$49,409 in FY 2007 of General Revenue costs assumed above could be financed with TANF federal funds.

## **Methodology**

The Office of the Attorney General would require 2 full time equivalents (FTEs) in FY 2006, 4 FTEs in FY 2007, and 5 FTEs in FY 2008-2010. The Health and Human Services Commission would require 3 FTEs in each fiscal year from FY 2006-FY 2010. The Texas Workforce Commission would require 1 FTE in each fiscal year from FY 2006-FY 2010.

This cost estimate utilizes an assumption that 10 cases per month would proceed to judicial review. The Texas Workforce Commission costs have been adjusted to reflect this assumption as well as the number of cases that are estimated to be related to the Choices program.

## **Technology**

The technology impact is \$4,074 in FY 2006, \$4,074 in FY 2007, and \$2,037 in FY 2008 (network stations) at the Office of the Attorney General.

## **Local Government Impact**

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

**Source Agencies:** 302 Office of the Attorney General, 320 Texas Workforce Commission, 529 Health and Human Services Commission

**LBB Staff:** JOB, CL, MB, KF, PP, EB, ML