

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 20, 2005**

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

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

**IN RE: HB405** by Villarreal (Relating to providing supplemental financial assistance to certain primary caretakers of a child receiving financial assistance.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB405, As Introduced: a negative impact of (\$1,464,000) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2006	(\$1,212,000)
2007	(\$252,000)
2008	(\$252,000)
2009	(\$252,000)
2010	(\$252,000)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable (Cost) from GENERAL REVENUE FUND 1</b>
2006	(\$1,212,000)
2007	(\$252,000)
2008	(\$252,000)
2009	(\$252,000)
2010	(\$252,000)

The bill would amend Section 31.0041 Subsection (a) of the Human Resources Code to change the definition of who is eligible to receive a supplemental one-time payment for the support of a dependent child who lives at the person's residence. The definition is broadened from "grandparent" to "a relative".

The bill would add subsection (a-1) to Section 31.0041. This new section states that in determining whether a person is eligible for supplemental financial assistance, the department shall exclude the fair market value of a person's ownership interest in a motor vehicle, but not more than \$15,000 plus or minus an amount to be determined annually beginning on September 1, 2005, to reflect changes in the new car component of the Consumer Price Index for All Urban Consumers.

The bill would also add subsection (f) to Section 31.0041, which would define "a relative" for the purposes of Section 31.004 (a) as a grandparent, great-grandparent, aunt, or uncle of the dependent child.

The bill would take effect on September 1, 2005.

### **Fiscal Analysis**

The bill would provide for additional supplemental payments to caretakers. 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.

### **Methodology**

The change in FY 2006 would require HHSC to provide payments to an estimated 900 cases in which an aunt, uncle or great-grandparent is the primary caretaker. The supplemental payments are not to exceed \$1000. This results in a \$900,000 cost in FY 2006.

In addition, HHSC projects a 20% increase in the number of persons eligible to receive supplemental payments. This results in an increase to the current projected 84 cases per month of 17 cases. HHSC also estimates a 1% increase in cases due to the higher vehicle limits and a 3% increase due to program expansion as a result of the change in benefits. These factors together equal a total of 21 new cases per month, for a total increased cost of \$252,000 per year.

The Texas Workforce Commission anticipates no fiscal implications in association with the implementation of this bill.

### **Technology**

There would be a one-time cost of \$60,000 to modify the Texas Integrated Eligibility Redesign System to establish the new vehicle limit and incorporate the relatives allowed to receive one-time payments.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 320 Texas Workforce Commission, 529 Health and Human Services Commission

**LBB Staff:** JOB, CL, KF, MB