

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 6, 2005

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

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

**IN RE: HB420** by Naishtat (Relating to the eligibility of certain persons for the food stamp program. ), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB420, Committee Report 1st House, Substituted: a negative impact of (\$1,629,600) 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	(\$811,200)
2007	(\$818,400)
2008	(\$818,400)
2009	(\$818,400)
2010	(\$818,400)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from FEDERAL FUNDS 555	Probable (Cost) from GENERAL REVENUE FUND 1
2006	(\$811,200)	(\$811,200)
2007	(\$818,400)	(\$818,400)
2008	(\$818,400)	(\$818,400)
2009	(\$818,400)	(\$818,400)
2010	(\$818,400)	(\$818,400)

Fiscal Analysis

The bill would make individuals with felony convictions involving the possession, use, or distribution of controlled substances eligible for food stamp benefits, if an individual meets requirements related to community supervision and drug treatment. The changes made by the bill would apply only to eligibility determinations made on or after the effective date of the bill (September 1, 2005).

Methodology

Health and Human Services Commission (HHSC) estimates a Food Stamps denial rate for felony drug convictions of .86 percent for Able-bodied Adults without Dependents (ABAWDS). The denial rate was applied to the Food Stamps caseload projections to determine the caseload impact of the bill. It is unknown how many individuals would be ineligible for food stamps for not meeting community

supervision and drug treatment requirements.

HHSC estimates that 338 ABAWDS per month in fiscal year 2006 and 341 ABAWDS per month in fiscal year 2007 would be eligible for food stamps as a result of the bill. Food stamp expenditures are entirely federal funds and are not reflected in the budget of any state agency. The Texas Workforce Commission (TWC) is required to provide employment and training services to ABAWDS. The biennial cost of employment and training services is estimated to be \$1,629,600 in General Revenue and \$3,259,200 in All Funds, assuming an average monthly cost of \$400 per person. TWC indicates that it currently expends all 100 percent federally funded grants for food stamps employment and training services and that additional expenditures would be 50 percent General Revenue and 50 percent Federal Funds.

### **Local Government Impact**

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

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

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