

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 3, 2007

TO: Honorable Jeff Wentworth, Chair, Senate Committee on Jurisprudence

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

IN RE: HB75 by Naishtat (Relating to administrative and judicial review of certain decisions about public assistance benefits.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB75, As Engrossed: a negative impact of (\$616,022) through the biennium ending August 31, 2009.

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
2008	(\$226,247)
2009	(\$389,775)
2010	(\$474,191)
2011	(\$466,471)
2012	(\$466,471)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1	Probable (Cost) from <i>GR MATCH FOR</i> <i>MEDICAID</i> 758	Probable (Cost) from <i>GR MATCH FOOD</i> <i>STAMP ADM</i> 8014	Probable (Cost) from <i>FEDERAL FUNDS</i> 555
2008	(\$140,987)	(\$26,137)	(\$59,123)	(\$93,121)
2009	(\$270,168)	(\$36,666)	(\$82,941)	(\$130,637)
2010	(\$352,337)	(\$37,355)	(\$84,499)	(\$133,090)
2011	(\$344,617)	(\$37,355)	(\$84,499)	(\$133,090)
2012	(\$344,617)	(\$37,355)	(\$84,499)	(\$133,090)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	3.5
2009	6.0
2010	7.0
2011	7.0
2012	7.0

Fiscal Analysis

The bill requires that the proceedings of a hearing conducted by the Health and Human Services Commission (HHSC) or a health and human services agency related to a decision regarding public assistance benefits for Medicaid or nutrition programs (Food Stamps) that is contested by an applicant be recorded; the cost of preparing the record and transcript may not be charged to the applicant. The bill requires that, before an applicant for these public assistance benefits may appeal a decision of a hearing officer for HHSC or a health and human services agency related to those benefits, the applicant request an administrative review by an attorney of the commission or agency; the administrative review must be completed, and the applicant notified in writing, by the 15th business day after the date the attorney receives the request. The bill allows for judicial review of a decision made by a hearing officer of the commission or a health and human services agency.

Methodology

The following estimate accounts for projected increases in administrative expenditures; it does not address the potential for increased expenditures in client services.

HHSC estimates a need for 2.0 FTEs in fiscal year 2008, 3.0 FTEs in fiscal year 2009 and subsequent costs. HHSC estimates a total cost for FTEs, system changes, and transcripts of \$0.2 million All Funds (including \$0.1 million General Revenue Funds) in fiscal year 2008 and \$0.3 million All Funds (including \$0.1 million General Revenue Funds) in fiscal year 2009 and beyond.

There would also be an impact to attorney workload at the Office of the Attorney General (OAG) as it is assumed that office would be responsible for representing state agencies in those cases that advance to judicial review. OAG estimates a need for 1.5 FTEs in fiscal year 2008, 3.0 FTEs in fiscal year 2009, and 4.0 FTEs in fiscal year 2010 and beyond at a cost of \$0.1 million General Revenue Funds in fiscal year 2008, \$0.3 million General Revenue Funds in fiscal year 2009, and \$0.4 million General Revenue Funds in fiscal year 2010 and subsequent years.

The total estimated cost of the bill is \$0.3 million All Funds (including \$0.2 million General Revenue Funds) in fiscal year 2008, \$0.5 million All Funds (including \$0.4 million General Revenue Funds) in fiscal year 2009, and \$0.6 million All Funds (including \$0.5 million General Revenue Funds) in fiscal year 2010 and beyond.

Technology

\$25,000 for system changes in fiscal year 2008 are included in HHSC's estimated costs.

Local Government Impact

No 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, MN, CL, PP, LR