

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 24, 2007

TO: Honorable Patrick M. Rose, Chair, House Committee on Human Services

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

IN RE: HB2904 by Harper-Brown (Relating to TANF employment programs and participation in those programs by certain parents who are not TANF recipients.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2904, As Introduced: an impact of \$0 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	\$0
2009	\$0
2010	\$0
2011	\$0
2012	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>FEDERAL FUNDS - TANF</i> 555	Probable (Cost) from <i>FEDERAL FUNDS - Federal Child Care</i> 555
2008	(\$18,494,384)	(\$19,262,958)
2009	(\$18,790,796)	(\$20,518,233)
2010	(\$18,781,048)	(\$20,518,233)
2011	(\$18,781,048)	(\$20,518,233)
2012	(\$18,781,048)	(\$20,518,233)

Fiscal Analysis

The bill would amend the Human Resources Code and the Labor Code by defining persons who are non-TANF recipients but are parents of TANF recipients as "nonrecipient parents" and including those persons in employment services and programs.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. If the bill does not receive the vote necessary for immediate effect, it would take effect on September 1, 2007.

Methodology

The analysis assumes an effective date for the bill of September 1, 2007.

Based on analysis by the Texas Workforce Commission, implementation of this bill would result in an increase of approximately 6,000 clients per year. The total cost would be \$37,225,128 in Federal Funds in fiscal year 2008 and \$39,236,593 in Federal Funds in fiscal year 2009 and each year thereafter, including related child care costs of \$19,262,958 in fiscal year 2008 and \$20,518,233 in fiscal year 2009 and each year thereafter. Calculations assume an average annual cost of \$965.76 per Choices client for fiscal years 2008-2012 and an average daily child care cost of \$18.15 in fiscal year 2008 and \$18.48 in fiscal years 2009-2012.

Due to a decline in TANF caseloads, the Texas Workforce Commission can absorb the costs associated with serving nonrecipient parents within existing resources. However, it would require a movement of funds within the child care strategies, leaving less funds available to provide child care services to at-risk children.

Technology

The Health and Human Services Commission estimates that implementation of the bill would have a Technology Impact of \$604,650 in Federal Funds for the 2008-09 biennium and a 5-year cost of \$792,714 in Federal Funds. These amounts are included above.

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, PP, VJC