

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 26, 2007

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

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

IN RE: **SB1096** by Janek (Relating to mandatory participation in certain TANF employment programs by certain persons.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1096, As Engrossed: a positive impact of \$5,357,394 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	\$1,528,638
2009	\$3,828,756
2010	\$4,194,220
2011	\$4,594,145
2012	\$5,035,325

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>FEDERAL FUNDS - TANF (TWC)</i> 555	Probable (Cost) from <i>FEDERAL FUNDS- Federal Child Care (TWC)</i> 555	Probable Savings from <i>GENERAL REVENUE FUND (HHSC)</i> 1	Probable Savings from <i>GR MATCH FOR MEDICAID (HHSC)</i> 758
2008	(\$13,265,680)	(\$14,227,785)	\$184,368	\$1,344,270
2009	(\$13,821,957)	(\$15,151,218)	\$300,796	\$3,527,960
2010	(\$13,821,957)	(\$15,151,218)	\$313,450	\$3,880,770
2011	(\$13,821,957)	(\$15,151,218)	\$326,636	\$4,267,509
2012	(\$13,821,957)	(\$15,151,218)	\$340,378	\$4,694,947

Fiscal Year	Probable Savings from <i>FEDERAL FUNDS - TANF (HHSC)</i> 555	Probable Savings from <i>FEDERAL FUNDS - Medicaid (HHSC)</i> 555
2008	\$3,000,300	\$2,003,998
2009	\$4,856,119	\$5,211,994
2010	\$5,060,410	\$5,729,106
2011	\$5,273,297	\$6,305,343
2012	\$5,495,140	\$6,942,463

Fiscal Analysis

Section 3 of the bill would amend the Human Resources Code by defining persons who are non-TANF recipients but are parents of TANF recipients as "nonrecipient parents" and includes those persons as mandatory participants in work or employment activities. Section 4 of the bill requires the Texas Workforce Commission to establish criteria for good cause failure to cooperate in work participation activities and prohibit the Health and Human Services Commission from adopting rules that provide exceptions to required participation. The bill would take effect on September 1, 2007.

Methodology

Based on analysis by the Texas Workforce Commission (TWC), implementation of the bill would increase the average monthly number of adults served by approximately 250 clients eligible under TWC's criteria and 6,000 nonrecipient parents. The total cost would be \$27,493,465 in Federal Funds in fiscal year 2008 and \$28,973,175 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 this new population 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.

According to the Health and Human Services Commission (HHSC), implementation of the bill would decrease the average recipients per month for the TANF assistance program by 4,048 in fiscal year 2008, with a decrease of 7,305 by 2012. Medicaid caseloads for TANF adults would decrease by 840 recipient months per month in fiscal year 2008, with a decrease of 2,424 by 2012. Calculation of these decreases in caseloads are based on HHSC February 2007 update estimates. No net change in full-time equivalent levels are assumed; new work requirements specified by the bill would be offset by reduced workloads associated with fewer clients.

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

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