

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**  
**Revision 1**

**March 26, 2007**

**TO:** Honorable Jane Nelson, Chair, Senate Committee on Health & Human Services

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

**IN RE: SB1098** by Patrick, Dan (Relating to a subsidy for health benefits coverage for certain adopted children.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1098, As Introduced: a negative impact of (\$1,399,470) 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:**

| <b>Fiscal Year</b> | <b>Probable Net Positive/(Negative)<br/>Impact to General Revenue Related<br/>Funds</b> |
|--------------------|---|
| 2008               | (\$358,080)   |
| 2009               | (\$1,041,390)   |
| 2010               | (\$1,751,655)   |
| 2011               | (\$2,487,098)   |
| 2012               | (\$3,253,290)   |

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

| <b>Fiscal Year</b> | <b>Probable (Cost) from<br/>GENERAL REVENUE FUND<br/>1</b> |
|--------------------|--|
| 2008               | (\$358,080)  |
| 2009               | (\$1,041,390)  |
| 2010               | (\$1,751,655)  |
| 2011               | (\$2,487,098)  |
| 2012               | (\$3,253,290)  |

**Fiscal Analysis**

The bill would amend Section 162.304, Family Code, to require the Department of Family and Protective Services to pay \$150 per month for health benefits coverage for children under age 18 who are adopted from the agency's conservatorship and not eligible for Medicaid. It would be effective on September 1, 2007.

**Methodology**

The Department of Family and Protective Services estimates that 10 percent of consummated adoptions are not eligible for adoption assistance which means the children are not eligible for categorically determined Medicaid. It is assumed that 3,664 adoptions would be consummated in

fiscal year 2008, 3,908 in fiscal year 2009, 3,978 in fiscal year 2010, 4,177 in fiscal year 2011, and 4,324 in fiscal year 2012. The adoptions would be phased-in each year, with one-twelfth of the adoptions taking place in September, another one-twelfth in October, etc. Ten percent of the children would receive the health benefits subsidy, and all of these children would receive the subsidy for more than five years. The cost would rise steadily from \$0.4 million in fiscal year 2008 to \$3.3 million in fiscal year 2012. General Revenue Funds would be used to finance the program.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 530 Family and Protective Services, Department of

**LBB Staff:** JOB, CL, PP, NM