

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 25, 2009

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

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

IN RE: HB612 by Naishtat (Relating to the eligibility of certain persons for the food stamp program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB612, As Introduced: a negative impact of (\$1,842,012) through the biennium ending August 31, 2011.

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
2010	(\$788,755)
2011	(\$1,053,257)
2012	(\$1,043,740)
2013	(\$1,045,240)
2014	(\$1,046,790)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>Federal Funds</i> 555
2010	(\$788,755)	(\$788,755)
2011	(\$1,053,257)	(\$1,053,257)
2012	(\$1,043,740)	(\$1,043,740)
2013	(\$1,045,240)	(\$1,045,240)
2014	(\$1,046,790)	(\$1,046,790)

Fiscal Year	Change in Number of State Employees from FY 2009
2010	17.0
2011	26.6
2012	26.6
2013	26.6
2014	26.6

Fiscal Analysis

The bill would amend Chapter 33 of the Human Resources Code by adding a section that would eliminate the lifetime disqualification of individuals with felony drug convictions from receipt of food stamps benefits. The bill would apply only to eligibility determinations made on or after September 1, 2009, the effective date of the bill.

Methodology

The estimated total cost of the bill would be \$1.6 million in All Funds and \$0.8 million in General Revenue Funds in fiscal year 2010 and \$2.1 million in All Funds in and \$1.1 million in General Revenue Funds in each subsequent fiscal year. This does not include the the increases in food stamp benefits, which are 100 percent federally funded and do not impact the state budget.

The Health and Human Services Commission (HHSC) anticipates that implementing the bill would increase the eligibility workload by 5,700 cases in fiscal year 2010 and 7,300 cases in each subsequent year. This would require 17 additional FTEs for fiscal year 2010 and 26.6 additional FTEs for fiscal years 2011 forward. The FTEs are based on 500 cases per worker, and 1 supervisor, 1 worker IV, and 3 clerks per 10 workers.

HHSC estimates there would be an additional cost of \$85.44 per case per year for the eligibility support contractor, totalling \$0.5 million in fiscal year 2010 and \$0.6 million in each subsequent year in All Funds (including \$0.3 million in General Revenue Funds each year.) HHSC estimates the one-time cost of modifying various automated eligibility systems would be \$89,760 in All Funds (including \$44,880 in General Revenue Funds.)

Technology

The bill would require a one-time cost of \$89,760 to modify various automated eligibility systems.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 529 Health and Human Services Commission

LBB Staff: JOB, CL, LI, MH