

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 18, 2009

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

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

IN RE: HB1080 by Turner, Chris (Relating to eligibility for the child health plan program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1080, As Introduced: a negative impact of (\$1,139,175) 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	(\$771,337)
2011	(\$367,838)
2012	(\$374,802)
2013	(\$382,519)
2014	(\$389,128)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable (Cost) from <i>GR Match For Title XXI</i> 8010	Probable (Cost) from <i>Federal Funds</i> 555
2010	(\$21,788)	(\$749,549)	(\$1,848,540)
2011	(\$31,126)	(\$336,712)	(\$834,868)
2012	(\$31,126)	(\$343,676)	(\$852,550)
2013	(\$32,682)	(\$349,837)	(\$867,835)
2014	(\$32,682)	(\$356,446)	(\$884,228)

Fiscal Analysis

The bill would add child support expenses to the expenses that are deducted from family income for the purposes of determining income eligibility for the Children's Health Insurance Program (CHIP).

Methodology

It is assumed that beginning September 1, 2009 child support expenses will be excluded from the calculation of income resulting in an additional 499 average monthly recipient months in fiscal year 2010; 732 in fiscal year 2011; 747 in fiscal year 2012; 761 in fiscal year 2013; and 775 in fiscal year 2014. The average cost per recipient month is estimated to be \$129.69 in each fiscal year. The additional cost to the program from higher caseloads would be \$0.8 million All Funds, including \$0.2 million in General Revenue Funds, in fiscal year 2010 increasing to \$1.2 million All Funds,

including \$0.4 million in General Revenue Funds in fiscal year 2014.

There would also be additional administrative expenditures associated with the expanded program estimated to be \$1.8 million All Funds, including \$0.5 million in General Revenue Funds, in fiscal year 2010 and approximately \$60,000 to \$70,000 All Funds in fiscal year 2011 and subsequent years. These amounts include one-time costs for system changes and policy implementation and ongoing costs for eligibility and enrollment broker services and postage.

The total cost of the bill is estimated to be \$2.6 million All Funds, including \$0.8 million in General Revenue Funds, in fiscal year 2010 and \$1.2 to \$1.3 million All Funds, including \$0.4 million in General Revenue Funds, in fiscal year 2011 and beyond. It is assumed that CHIP federal matching funds will be available; however, if the state exhausts its capped federal allotment, General Revenue Funds would be required in lieu of assumed Federal Funds.

Technology

Technology costs included above total \$1.0 million All Funds, including \$0.3 million in General Revenue Funds, in fiscal year 2010 for one-time costs associated with system changes.

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, PP, LR, JJ, SJ