

**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: HB1625** by Naishtat (Relating to the exclusion of certain resources in determining eligibility for the financial assistance, medical assistance, and food stamp programs.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1625, As Introduced: a negative impact of (\$2,256,156) 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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2010	(\$1,113,124)
2011	(\$1,143,032)
2012	(\$1,185,238)
2013	(\$1,231,190)
2014	(\$1,278,727)

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

<b>Fiscal Year</b>	<b>Probable (Cost) from GR Match For Medicaid 758</b>	<b>Probable (Cost) from Federal Funds 555</b>
2010	(\$1,113,124)	(\$2,473,878)
2011	(\$1,143,032)	(\$2,513,091)
2012	(\$1,185,238)	(\$2,578,824)
2013	(\$1,231,190)	(\$2,648,806)
2014	(\$1,278,727)	(\$2,721,202)

**Fiscal Analysis**

The bill would amend Section 31.032(d) of the Human Resources Code to modify the vehicle asset exclusion criteria for eligibility determination in the financial assistance program (TANF Cash Assistance). It would exclude from the applicant's available resources:

- the fair market value of each motor vehicle in which the applicant or any other person in the applicant's household has an ownership interest and the fair market value of which is less than \$4,650;
- each motor vehicle that may be excluded under 7 C.F.R. Section 273.8 (e)(3);
- the fair market value of certain other motor vehicles that have the greatest fair market value as compared to each other vehicle in which the applicant or any other person in the applicant's household

has an ownership interest; and

-with respect to vehicles in which the applicant has an ownership interest, other than vehicles otherwise excluded, or the values of which are otherwise excluded, the greater of the difference between the fair market value of the vehicle and the value of the applicant's equity in the vehicle or \$4,650.

The bill applies these same criteria to eligibility for the medical assistance program (Medicaid) and the Supplemental Nutritional Assistance Program (SNAP).

The bill would take effect September 1, 2009.

### **Methodology**

The following changes are assumed in the programs affected by provisions of the bill:

**Cash Assistance:** Caseload is assumed to increase by 403 persons per month at an average monthly cost of \$160 in each fiscal year. Funds for system changes are included at a cost of \$5,569.

**Medicaid:** Caseload is assumed to increase by 700 in FY 2010, 721 in FY 2011, 748 in FY 2012, 777 in FY 2013, and 807 in FY 2014. Average monthly costs are assumed to be \$323.79 in each fiscal year. This includes the cost of the Vendor Drug program. Federal matching funds are included for client services. Non client-service costs are estimated to be approximately \$85,000 per fiscal year. This includes eligibility support, enrollment broker, outreach and system modifications. Federal matching funds are included for administration.

**SNAP (Food Stamps):** Caseload is assumed to increase by 342 in FY 2010, 356 in FY 2011, 370 in FY 2012, 385 in FY 2013, and 401 in FY 2014. Average monthly costs are assumed to be \$270 in each fiscal year.

This results in an All Funds cost of \$3.6 million in FY 2010, including \$1.1 million in General Revenue; \$3.7 million in FY 2011, including \$1.1 million in General Revenue; \$3.8 million in FY 2012, including \$1.2 million in General Revenue; \$3.9 million in FY 2013, including \$1.2 million in General Revenue; and \$4.0 million in FY 2014, including \$1.3 million in General Revenue.

The Medicaid program would also accrue Vendor Drug Rebates as a result of increased pharmacy expenditures. These funds are not estimated and would not be significant.

### **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, MB