

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 20, 2011**

**TO:** Honorable Jim Pitts, Chair, House Committee on Appropriations

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

**IN RE: HB21** by Riddle (Relating to reporting by state agencies on the financial effect of providing services to illegal immigrants.), **As Introduced**

**There would be an indeterminate cost to implement the provisions of the bill due to differences in current practices regarding the collection of information for services provided across state agencies and institutions of higher education.**

The bill would amend the Government Code to require each state agency to include a supporting schedule that accounts for amounts spent by the agency to provide services directly or indirectly to persons that were not lawfully present in the United States in their legislative appropriations request (LAR). This schedule would also include amounts distributed to a local governmental entity, including a school district, that were spent to provide services to persons not lawfully present in the United States.

The bill would authorize a state agency to adopt rules requiring local governmental entities to which the agency distributes money to provide sufficiently detailed information to enable the agency to comply with the provisions of the bill.

The bill would require the Legislative Budget Board to compile information regarding amounts spent to provide services to persons not lawfully present in the United States reported by state agency's LAR into a single report. This report would be required to summarize the financial effect of state agencies' direct and indirect provision of services to person not lawfully present in the United States.

Based on information received from state agencies, costs would be incurred to modify existing systems or create new systems to track the immigration status of individual's receiving services and related expenditure information; hire additional staff and purchase related equipment; and one-time costs associated with modifying and replacing various forms and manuals. These costs would vary from agency to agency and would be significant for some agencies depending upon programs administered by an agency and resources currently in place. For instance, the Office of the Attorney General reported a cost of \$1.2 million in All Funds for the 2012-13 biennium.

Based on information received from state agencies, the accuracy of information collected and reported by agencies in their LAR's would vary depending upon current program requirements and procedures. Some agencies anticipate difficulty complying if services funded are not provided directly by the agency to the individual recipient. For instance, the Texas Department of Transportation (TxDOT) assumes that persons not lawfully present in the United States use most transportation services and facilities provided by TxDOT; however, it would not be feasible to determine the residency status of each person using TxDOT-provided services and facilities.

The LBB could absorb any costs resulting from requirements of the bill using existing resources.

A technology impact would result from application and system modifications required to track the immigration status of individual's receiving services and related expenditure information. The costs associated with these modifications would vary from agency to agency depending upon the types of programs an agency administers and current resources.

## Local Government Impact

School districts would be required to modify local student information systems or work with vendors to update student information system packages to collect, report, and extract the immigration status and financial data to be reported to the Public Information Management System (PEIMS). Additional staff time would be required to track state expenditures by student, and additional changes to other local automated systems could be required.

Costs to school districts to modify local or vendor software packages could vary widely depending on the complexity of the updates to accommodate new immigration status and student expenditure data. School districts and open-enrollment charter schools could also incur new costs for administrative staff to collect immigration status of enrolled students. In addition, school districts could face a cost for litigation that may arise from the requirement to document immigration status.

Implementing the provisions of the bill could place an additional administrative burden on units of local government to determine immigration status for those who receive services, which could be significant. Costs would vary depending on current record keeping, agency rule requirements, and interpretation of the bill. The bill could potentially include a utility service, parks, streets, libraries, indigent health care, indigent defense, and counseling in Child Protective Services cases, among other services. The cost for conducting a check on citizenship status of and determining the amount spent to provide services to persons not lawfully present in the United States could be significant but cannot be estimated.

**Source Agencies:** 302 Office of the Attorney General, 307 Secretary of State, 320 Texas Workforce Commission, 332 Department of Housing and Community Affairs, 403 Veterans Commission, 405 Department of Public Safety, 454 Department of Insurance, 529 Health and Human Services Commission, 601 Department of Transportation, 608 Department of Motor Vehicles, 694 Youth Commission, 696 Department of Criminal Justice, 701 Central Education Agency, 720 The University of Texas System Administration, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board

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