

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 11, 2011

TO: Honorable Jim Jackson, Chair, House Committee on Judiciary & Civil Jurisprudence

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

IN RE: HB120 by Castro (Relating to the establishment of an employment services program to assist certain unemployed or underemployed child support obligors.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB120, As Introduced: an impact of \$0 through the biennium ending August 31, 2013.

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
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from Wrkforce Commission Fed 5026
2012	(\$1,585,000)
2013	(\$2,440,000)
2014	(\$7,131,371)
2015	(\$7,131,371)
2016	(\$7,131,371)

Fiscal Analysis

The bill would amend the Labor Code relating to the establishment of an employment services program to assist certain unemployed or underemployed child support obligors.

The bill establishes employment service programs to assist certain unemployed or underemployed non-custodial parents. The bill authorizes the Texas Workforce Commission (TWC) and the Title IV-D agency to jointly develop and administer a statewide employment services program to provide eligible child support obligors with assistance in obtaining employment so that the obligors may satisfy their child support obligations. The bill lists the eligibility criteria for non-custodial parents: to participate in the employment service program; to require participation by certain obligors; to allocate Temporary Assistant for Needy Families (TANF) funds for the development, implementation, and administration of the program through the grant provided under Section 403, Social Security Act (42

U.S.C. Section 603), and may use any other federal or state funds available for that purpose. In addition, the bill permits the TWC, in collaboration with the Title IV-D agency to adopt rules as necessary for the administration and implementation of this bill.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2011.

Methodology

For the purpose of this analysis TWC assumes that nine additional workforce boards would be brought into the program. TWC and Office of the Attorney General (OAG) currently administer Noncustodial Choices Program (NCP) through 18 workforce development boards (there are a total of 28 LWDBs, 2 workforce areas are currently served by one board), to which TWC grants federal TANF funding. Distributed funds are used for NCP services and support services. TWC estimates grant to be \$1,585,000 in fiscal year 2012 and \$2,440,000 in fiscal year 2013. TWC also assumes that two existing full-time equivalents (FTEs) would be used to administer the NCP Choices Program beginning in fiscal year 2014 through 2016. This includes 1 Program Specialist VI (\$81,000 each year) and 1 Program Specialist IV (\$58,000 each year).

Based on TWCs capacity projections of 6,840 additional non-custodial parents served each year, the OAG anticipates an increase in child support payments to custodial parents; potential savings in Medicaid and TANF benefits; and additional federal performance incentives awarded to the state.

Based on information provided by the Health and Human Services Commission (HHSC) implementation of the employment services program could potentially result in savings to the TANF and Medicaid programs, if child support obligors become employed and begin making child support payments to current TANF and Medicaid recipient households. As a result of the increased household income, these households may no longer qualify for TANF benefits. Based on OAG and HHSC estimates, there is a potential savings and positive impact to General Revenue in the range of \$500,000 to \$1,600,000 for the 2012-13 biennium.

Based on the analysis of the OAG and HHSC, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 320 Texas Workforce Commission, 529 Health and Human Services Commission

LBB Staff: JOB, JT, MW, NV, SD, JM, ES