

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 7, 2011

TO: Honorable Richard Pena Raymond, Chair, House Committee on Human Services

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

IN RE: HB710 by Walle (Relating to electronic imaging used in the financial assistance and supplemental nutritional assistance programs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB710, As Introduced: a positive impact of \$3,128,850 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	\$1,472,057
2013	\$1,656,793
2014	\$1,656,793
2015	\$1,656,793
2016	\$1,656,793

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>Federal Funds</i> 555	Change in Number of State Employees from FY 2011
2012	\$1,472,057	\$1,427,405	(37.0)
2013	\$1,656,793	\$1,606,538	(37.0)
2014	\$1,656,793	\$1,606,538	(37.0)
2015	\$1,656,793	\$1,606,538	(37.0)
2016	\$1,656,793	\$1,606,538	(37.0)

Fiscal Analysis

The bill would repeal Section 31.0325, Human Resources Code, which requires fingerprint-imaging or photo-imaging for adult and teen applicants and recipients of Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance (SNAP) benefits, previously called food stamps. The bill would direct health and human services agencies, as defined by Section 531.001, Government Code, to discontinue using electronic fingerprint-imaging or photo-imaging for these clients.

The bill would direct the agency to seek federal approval or a waiver of federal requirements, if the agency determines that federal approval or a waiver of federal requirements were necessary to implement the provisions of the bill. In the event the agency is seeking federal approval, the bill would

authorize the delay of implementation until approval is granted.

If the bill receives a vote of two-thirds of all the members elected to each house, the bill would take effect immediately; otherwise, the bill would take effect on September 1, 2011.

Methodology

The Health and Human Services Commission (HHSC) assumes implementation of the provisions of the bill on September 1, 2011. Based on HHSC estimates, All Funds net savings are estimated to be \$2,899,462 in fiscal year 2012 and \$3,263,331 in each subsequent fiscal year. Savings in General Revenue Funds are estimated to be \$1,472,057 in fiscal year 2012 and \$1,656,793 in each subsequent fiscal year.

Based on HHSC estimates, elimination of the fingerprint-imaging requirement would reduce time spent by staff on processing eligibility for these programs, resulting in a reduction of training cost, salary and benefits, operating and travel costs, miscellaneous overhead costs and full time equivalent technology-related costs totaling an estimated savings of \$1,699,518 in All Funds each year for 37 full-time equivalents.

Savings associated with the Lone Star Imaging Services contract are estimated at \$1,102,444 in fiscal year 2012 and \$1,338,813 in each subsequent fiscal year. Additional savings relating to data center services supporting the Lone Star Imaging Services contract are estimated at \$225,000 each year. Modification of HHSC's automated eligibility system, Texas Integrated Eligibility Redesign System (TIERS) is estimated to require a one-time cost of \$127,500 in All Funds in fiscal year 2012.

Technology

Net savings for technology are estimated to be \$470,980 over the 2012-13 biennium. This includes a savings of \$148,480 associated with decreased workload; a savings of \$450,000 related to data center services supporting the Lone Star Imaging Services contract; and a one-time cost of \$127,500 in fiscal year 2012 to modify HHSC's automated eligibility system, TIERS.

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, MB, ES, LI