

# LEGISLATIVE BUDGET BOARD

Austin, Texas

## FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 13, 2011

**TO:** Honorable Byron Cook, Chair, House Committee on State Affairs

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

**IN RE: HB1553** by Larson (Relating to citizenship information reported by persons, including state agencies, political subdivisions of this state, nonprofit organizations, and public and private entities, who receive local or state money to provide services.), **As Introduced**

**The total fiscal impact to the state from the provisions of this bill is indeterminate due to the case-by-case nature of the impact on institutions of higher education and differences in current practices regarding the collection of information for services provided across state agencies.**

This bill would add Subchapter F to the Government Code and Section 140.008 to the Local Government Code to require a person (including a state agency, political subdivision, nonprofit organization, or public or private entity) who receives any appropriated money from the state to provide a health care, educational, welfare, correctional, or other service to an individual in this state to identify the individual's country of citizenship before providing the service to the individual, determine the cost of providing the service to an individual who is a citizen of a foreign country, and submit to the Comptroller of Public Accounts (CPA) any other information required by CPA rule.

This bill would require the CPA to compile a report that lists, by country, the total amount of money spent by this state and any political subdivision to provide services to the citizens of each foreign country; submit a copy of the report to the governor, lieutenant governor, and speaker of the house of representatives; and submit to each foreign country identified in the report a request for reimbursement of the total costs to this state and political subdivisions of providing services to its citizens.

This bill would prohibit the CPA from disbursing any money to a person that fails to comply with the requirements of this subchapter.

Based on information received from state agencies, costs would be incurred to modify existing systems or create new systems to track the country of citizenship of individual's receiving services and the cost of providing services, hire additional staff and purchase related equipment, and one-time costs associated with modifying and replacing various application forms. These costs would vary from agency to agency and would be significant for some agencies depending upon the programs administered by an agency and resources currently in place. For instance, the Office of the Attorney General reported a cost of \$1.4 million in All Funds for the 2012–13 biennium, and the Department of State Health Services reported a cost of \$5.0 million in All Funds for the 2012–13 biennium.

Some agencies reported a loss of federal funds could occur as a result of implementing provisions of the bill. For instance, the Health and Human Services Commission reported the Centers for Medicare and Medicaid Services may conclude this would be a Maintenance of Effort (MOE) violation under the Patient Protection and Affordable Care Act. By requiring the country of citizenship to be determined before benefits can be provided, a more restrictive eligibility policy for Medicaid and the Children's Health Insurance Program (CHIP) would be in place than was in effect on March 23, 2010. The Texas Department of Agriculture (TDA) assumed that the requirement to determine citizenship status would decrease participation in school-based Food and Nutrition Programs; resulting in a loss of federal meal reimbursement revenue of up to \$244 million for each year of the 2012–13 biennium.

Based on the analysis of the CPA it is assumed any costs resulting from requirements of the bill could be absorbed within existing resources.

A technology impact would result from application and system modifications required to track the county of citizenship of individual's receiving services and the cost of providing services. The costs associated with these modification varies from agency to agency depending upon the types of programs and agency administers and current resources.

### **Local Government Impact**

The bill would amend the Government Code and the Local Government Code to require an entity who receives any appropriated money from the state to provide a health care, educational, welfare, or other service to an individual to track the individual's country of citizenship, determine the cost of the services, and submit this information to the Comptroller. Implementing the provisions of the bill could place an additional administrative burden on units of local government to verify country of citizenship for those who receive services, which could be significant.

Costs to cities would vary depending on current record keeping, Comptroller requirements, and interpretation of the bill. The Texas Municipal League (TML) noted that the bill could potentially include utility service, parks, streets, and libraries, among other services. The cost for conducting a check on country of citizenship on persons receiving these services and estimating the cost of service provided would be significant but cannot be estimated.

The Texas Associated of Counties (TAC) reported that counties provide many services to individuals, such as indigent health care, indigent defense, health care for jail inmates, juvenile probation, counsel in Child Protective Services cases, and meals on wheels, among others. TAC stated that while some counties could meet the requirements of the bill, some counties may see a significant fiscal impact. Bexar County stated that the requirements of the bill could be met with existing resources.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 307 Secretary of State, 320 Texas Workforce Commission, 357 Texas Department of Rural Affairs, 362 Texas Lottery Commission, 403 Veterans Commission, 405 Department of Public Safety, 448 Office of Injured Employee Counsel, 452 Department of Licensing and Regulation, 454 Department of Insurance, 456 Board of Plumbing Examiners, 458 Alcoholic Beverage Commission, 464 Board of Professional Land Surveying, 473 Public Utility Commission of Texas, 477 Commission on State Emergency Communications, 479 State Office of Risk Management, 513 Funeral Service Commission, 529 Health and Human Services Commission, 537 State Health Services, Department of, 539 Aging and Disability Services, Department of, 551 Department of Agriculture, 582 Commission on Environmental Quality, 608 Department of Motor Vehicles, 665 Juvenile Probation Commission, 694 Youth Commission, 696 Department of Criminal Justice, 697 Board of Pardons and Paroles, 701 Central Education Agency, 710 Texas A&M University System Administrative and General Offices, 719 Texas State Technical College System Administration, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 802 Parks and Wildlife Department, UIL University Interscholastic League

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