

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 4, 2011

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

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

IN RE: HB2819 by King, Susan (Relating to the operation and efficiency of the eligibility determination process for supplemental nutrition assistance program benefits.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2819, As Introduced: a negative impact of (\$12,041,571) 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	(\$6,326,934)
2013	(\$5,714,637)
2014	(\$5,757,715)
2015	(\$5,876,762)
2016	(\$5,932,221)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GR Match Food Stamp Adm</i> 8014	Probable (Cost) from <i>Federal Funds</i> 555
2012	(\$6,326,934)	(\$6,326,934)
2013	(\$5,714,637)	(\$5,714,637)
2014	(\$5,757,715)	(\$5,757,715)
2015	(\$5,876,762)	(\$5,876,762)
2016	(\$5,932,221)	(\$5,932,221)

Fiscal Year	Change in Number of State Employees from FY 2011
2012	184.4
2013	197.2
2014	200.4
2015	204.6
2016	206.8

Fiscal Analysis

The bill would require the Health and Human Services Commission (HHSC) to develop procedures for local eligibility determination offices where clients apply for Supplemental Nutrition Assistance Program (SNAP) benefits that ensure the offices provide clear guidance on eligibility requirements and provide outreach regarding forms and information necessary for submission of an application in advance of an interview.

The bill would require HHSC to determine the feasibility of using scanning technology to create electronic case files for SNAP cases and to implement a risk scoring program for SNAP applications.

The bill would require HHSC to improve management of SNAP eligibility determination staff through various practices and reviews, to identify eligibility determination system performance indicators, and to collect performance indicator data and reports.

The bill would take effect September 1, 2011.

Methodology

HHSC has implemented, or is currently implementing, many of the requirements of the bill. This analysis assumes that changes currently underway can be accomplished within existing agency resources.

For purposes of this analysis, it is assumed that the Texas Integrated Eligibility Redesign System (TIERS) could replace the System for Application Verification, Eligibility, Referral and Reporting (SAVERR) reports required by the bill, as the roll-out of TIERS is close to completion, and HHSC will be phasing out SAVERR.

While the bill directs HHSC to pursue supplemental federal funding to the extent possible, this analysis assumes the current SNAP administration matching rate of 50 percent. It is unknown what supplemental federal funding would be available, if any.

Based on HHSC analysis, the provision requiring eligibility determination workers to contact applicants by phone in advance of interviews would necessitate an increase in full-time equivalents (FTEs) due to increased staff time for accomplishing this task. Based on HHSC current SNAP caseloads and an estimated two interview actions per year, HHSC would require an additional 184.4 FTEs in fiscal year 2012, 197.2 FTEs in fiscal year 2013, 200.4 FTEs in fiscal year 2014, 204.6 FTEs in fiscal year 2015, and 206.8 FTEs in fiscal year 2016.

Total All Funds costs for increasing staffing for eligibility determination is estimated to be \$12,653,868 in fiscal year 2012, \$11,429,274 in fiscal year 2013, \$11,515,430 in fiscal year 2014, \$11,753,524 in fiscal year 2015, and \$11,864,442 in fiscal year 2016. These estimates include salaries, overhead costs, travel, basic supplies, technology costs, and employee benefits.

Based on HHSC analysis, there would be increased mailing costs of approximately \$500,000 per fiscal year for an estimated 20% of applicants who could not otherwise be reached by phone.

Technology

The total technology net costs included above are estimated to be \$1,034,005 in fiscal year 2012, \$416,765 in fiscal year 2013, \$407,271 in fiscal year 2014, \$417,541 in fiscal year 2015 and \$418,268 in fiscal year 2016. Included are FTE-related costs for seat management, basic data storage services under the contract for data center services, and a one-time cost of \$357,000 in fiscal year 2012 for system modifications to the Texas Integrated Eligibility Redesign 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, VJC