

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

February 25, 2019

TO: Honorable James B. Frank, Chair, House Committee on Human Services

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB285** by Springer (Relating to work requirements and employment and training services for certain persons receiving benefits under the supplemental nutrition assistance program.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB285, As Introduced: a negative impact of (\$39,201,084) through the biennium ending August 31, 2021.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$19,600,542)
2021	(\$19,600,542)
2022	(\$19,600,542)
2023	(\$19,600,542)
2024	(\$19,600,542)

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
2020	(\$19,600,542)	(\$19,600,542)
2021	(\$19,600,542)	(\$19,600,542)
2022	(\$19,600,542)	(\$19,600,542)
2023	(\$19,600,542)	(\$19,600,542)
2024	(\$19,600,542)	(\$19,600,542)

Fiscal Analysis

The bill would amend Chapter 33 of the Human Resources Code to prohibit the Health and Human Services Commission (HHSC) from requesting to waive or exempt certain supplemental nutrition assistance program recipients (SNAP), known as able-bodied adults without dependents (ABAWD), from federal work requirements associated with program participation.

The bill would require HHSC, in conjunction with the Texas Workforce Commission (TWC), to ensure that SNAP recipients not classified as ABAWDs receive services through the SNAP employment and training program (SNAP E&T).

Methodology

This analysis assumes that implementing the provisions of the bill would cost \$19.6 million in General Revenue and \$39.2 million in All Funds in fiscal year 2020 and every year thereafter.

TWC anticipates that serving all SNAP recipients not classified as ABAWDs in SNAP E&T would require them to outreach an additional 502,578 individuals each year. TWC estimates that 15.6 percent of those individuals will respond and participate in services each year based on the response rate from board contract year 2018. TWC anticipates that serving these 78,402 individuals at a cost of \$500.00 per participant would cost \$39.2 million each year. This analysis assumes that the state would be reimbursed for 50 percent of these costs by the federal U.S. Department of Agriculture (USDA).

TWC indicates that the state does not currently have a waiver related to ABAWD work requirements and there is no fiscal impact for implementing this provision of the bill. The state will exempt an estimated 13,836 ABAWDs from work requirements in fiscal year 2019, according to TWC. The provision of the bill prohibiting HHSC from exempting these individuals from work requirements puts additional ABAWDs at risk of losing SNAP benefits if they are not able to meet the requirements. In fiscal year 2019, the state has pledged to serve all ABAWDs at risk of losing SNAP benefits for not meeting work requirements and receives additional federal funds for SNAP E&T from USDA as a result. Not serving previously exempted ABAWDs in SNAP E&T would make the state ineligible for these federal funds.

HHSC indicates that there would be no costs associated with implementing the provisions of the bill.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 320 Texas Workforce Commission, 529 Health and Human Services Commission

LBB Staff: WP, AKi, ER, ADe