

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 2, 2025

TO: Honorable Bryan Hughes, Chair, Senate Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1183 by Creighton (Relating to electronic benefits transfer cards used by or for recipients of benefits under certain assistance programs.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1183, As Introduced: a negative impact of (\$8,731,885) through the biennium ending August 31, 2027.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$362,927)
2027	(\$8,368,958)
2028	(\$8,541,793)
2029	(\$8,713,086)
2030	(\$8,884,419)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund</i>	<i>Probable Savings/(Cost) from GR Match For Medicaid</i>	<i>Probable Savings/(Cost) from Federal Funds</i>
	1	758	555
2026	(\$26,708)	(\$336,219)	(\$347,573)
2027	(\$7,834)	(\$8,361,124)	(\$8,361,124)
2028	(\$7,960)	(\$8,533,833)	(\$8,533,833)
2029	(\$8,092)	(\$8,704,994)	(\$8,704,994)
2030	(\$8,224)	(\$8,876,195)	(\$8,876,195)

Fiscal Analysis

This bill amends the Government Code to require all electronic benefits transfer (EBT) cards to include the photographic image of the individual for which the EBT card is issued. This bill also amends the Transportation code to allow the Health and Human Services Commission (HHSC) to receive of an individual's photographic image from the Department of Public Safety (DPS) for the expressed purpose of including the photographic image on the appropriate EBT card. This bill would require an annual report beginning December 1, 2026. This bill would take effect September 1, 2025.

Methodology

HHSC estimates that they would require \$362,927 from the General Revenue Fund (\$710,500 from All Funds) in fiscal year 2026 and \$8,368,958 from the General Revenue Fund (\$16,730,082 from All Funds) in fiscal year 2027 to implement the provisions of the bill, which includes modifying system changes to the Texas Integrated Eligibility Redesign System (TIERS), DataMart, and interfaces between DPS's systems and HHSC's EBT card systems. According to the agency, these system modifications are necessary to implement the inclusion of a benefits recipient's photographic image on an EBT card. Additionally, there are federal rules and guidelines the agency would have to incorporate into the redesign of the EBT cards to ensure compliance with federal rules and regulations.

Included in the amounts above are HHSC's stated and assumed information technology (IT) costs totaling \$362,927 from the General Revenue Fund (\$710,500 from All Funds) in fiscal year 2026 and are considered to be one-time costs related to the TIERS system modification.

According to the agency, and included in the amounts above, are the ongoing costs to the EBT vendor related to the issuance of EBT cards that conform to the provisions of the bill. HHSC assumes EBT cards that conform to the provisions of the bill would begin to be issued in fiscal year 2027 and the cost to the EBT vendor is estimated to total \$8,368,958 from the General Revenue Fund (\$16,730,082 from All Funds) in fiscal year 2027. These ongoing costs are projected to increase annually in fiscal years 2028 through 2030 based on caseload growth in the programs.

HHSC currently monitors the numbers of replacement EBT cards issued to each household; therefore, the agency assumes the annual report can be accomplished within existing agency resources.

Additionally, the agency notes that federal regulations require that HHSC provide an implementation plan (plan) to the United States Department of Agriculture Food and Nutrition Service (FNS). HHSC may need to delay implementation to allow time to develop and submit the plan for approval by FNS. Authorization of a plan submitted to FNS could take up to 12 months to receive federal approval before becoming effective.

This analysis assumes there would be a minimal cost to DPS associated with implementing the provisions of the bill that could be absorbed within existing agency resources.

Technology

As mentioned above, HHSC's assumed information technology (IT) costs totaling \$362,927 from the General Revenue Fund (\$710,500 from All Funds) in fiscal year 2026 are related to the TIERS system modification needed to implement the provisions of this bill.

Local Government Impact

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

Source Agencies: 405 Department of Public Safety, 529 Health and Human Services Commission

LBB Staff: JMc, WP, ER, LBI, NV