

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 20, 2009

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB2888 by Martinez, "Mando" (Relating to financial assistance administered by the Texas Department of Housing and Community Affairs.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2888, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2011.

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
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Federal Funds</i> 555	Change in Number of State Employees from FY 2009
2010	(\$1,347,411)	1.0
2011	(\$1,215,642)	1.0
2012	(\$1,215,642)	1.0
2013	(\$1,215,642)	1.0
2014	(\$1,215,642)	1.0

Fiscal Analysis

The bill would amend the Government Code relating to financial assistance administered by the Texas Department of Housing and Community Affairs (TDHCA).

The bill would establish the Volunteer Income Tax Assistance (VITA) Grant Program, to be administered by the TDHCA. The program would award grants to eligible organizations implementing VITA programs. Subject to legislative appropriation and to the extent authorized by federal law, TDHCA would distribute for VITA program grants at least 0.25 percent of the funds received by the state during each biennium under the federal Temporary Assistance for Needy Families (TANF) block grant. The Comptroller of Public Accounts would transfer funds received under the TANF block grant from the Health and Human Services Commission (HHSC) to TDHCA to implement this program.

This bill would take effect September 1, 2009.

Methodology

According to the analysis provided by TDHCA and information received from HHSC, currently the federal TANF block grant to the state is \$486,256,752. TDHCA estimates the total TANF funds available in fiscal year 2010 will be \$1,347,411, and in fiscal year 2011 through fiscal year 2014 a total of \$1,215,642 per year would be available for the program.

Based on information provided by TDHCA, it is assumed that implementation of the program would require the addition of one planner/contract specialist (1 FTE) who would be responsible for the preparation and release of the Notice of Funding Availability related to the VITA Program and with processing contracts, reviewing reports, and processing reimbursements related to the program. This analysis also assumes travel costs related to training and monitoring program subrecipients. Total staff related costs = Personnel \$47,267 + Travel \$4,250 + a Computer \$1,500 + Other Costs \$1000 = \$54,017 in Federal Funds.

To the extent that HHSC program caseloads that utilize TANF funding end up being less than current estimates, the agency may have TANF funding available. If a transfer occurs, and HHSC encounters a shortfall, it is assumed that HHSC may request use of unappropriated available balances of TANF through Article IX of the General Appropriations Act. If no TANF reserves are available, then the agency may seek to transfer General Revenue Funds to cover its needs.

Technology

The agency estimates an additional computer at a cost of \$1,500 would be needed for the new planner/contract specialist.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 332 Department of Housing and Community Affairs, 529 Health and Human Services Commission

LBB Staff: JOB, DB, MW, NV, ER, LI