

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 20, 2005

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: SB1538 by Barrientos (Relating to the creation of the individual development account program to provide savings incentives and opportunities to eligible low-income, working individuals or households.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1538, Committee Report 1st House, Substituted: a negative impact of (\$1,000,000) through the biennium ending August 31, 2007.

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
2006	(\$500,000)
2007	(\$500,000)
2008	(\$500,000)
2009	(\$500,000)
2010	(\$500,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1
2006	(\$500,000)
2007	(\$500,000)
2008	(\$500,000)
2009	(\$500,000)
2010	(\$500,000)

Fiscal Analysis

The bill would amend the Government Code and require the Comptroller of Public Accounts to develop and implement an individual development account program. Through this program, the agency would contract with nonprofit organizations to assist low-income persons accumulate assets and savings, expend funds on employment related items, higher education, and other approved items.

Methodology

The bill would require the agency to contract with sponsoring agencies to administer the individual development account program and adopt rules and guidelines for contract monitoring, reporting, and termination of grant recipients. The agency would also be required to serve as a clearinghouse for

information on asset development among low-income families and post that information on the agency's website. It is assumed that additional duties and responsibilities for the agency associated with implementing the provisions of the bill could be absorbed within existing state resources.

The bill would also authorize the Legislature to appropriate funds for the program. It is assumed that approximately \$500,000 in General Revenue would be appropriated in each fiscal year for this purpose.

This bill would take effect September 1, 2005.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 529 Health and Human Services Commission

LBB Staff: JOB, WP, SD, MS, JM