

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 19, 2007

TO: Honorable Burt R. Solomons, Chair, House Committee on Financial Institutions

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

IN RE: HB939 by Naishtat (Relating to the creation of the individual development account program to provide savings incentives and opportunities to eligible low-income individuals and households.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB939, As Introduced: a negative impact of (\$527,557) through the biennium ending August 31, 2009.

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 |
|--------------------|---|
| 2008 | (\$276,466) |
| 2009 | (\$251,091) |
| 2010 | (\$251,091) |
| 2011 | (\$251,091) |
| 2012 | (\$251,091) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable (Cost) from GENERAL REVENUE FUND 1 | Change in Number of State Employees from FY 2007 |
|--------------------|--|---|
| 2008 | (\$276,466) | 5.0 |
| 2009 | (\$251,091) | 5.0 |
| 2010 | (\$251,091) | 5.0 |
| 2011 | (\$251,091) | 5.0 |
| 2012 | (\$251,091) | 5.0 |

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 to accumulate assets and savings, and expend funds on employment related items, higher education, and other approved items.

Methodology

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

clearinghouse for information on the agency's website. Administrative costs for the agency associated with implementing the provisions of the bill would be \$276,466 in General Revenue and 5 additional FTEs for the first year and \$251,091 in General Revenue and 5 FTEs for each additional year.

Technology

There would be no significant fiscal impact for technology.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JRO, MS, JM