

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Chisum, Naishtat, Crownover, Berman,  
Truitt, et al.

H.B. No. 407

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a home-delivered meal grant program in the Department of Agriculture.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 12, Agriculture Code, is amended by adding Section 12.042 to read as follows:

Sec. 12.042. HOME-DELIVERED MEAL GRANT PROGRAM. (a) The department shall establish a home-delivered meal grant program to benefit homebound elderly and disabled people in this state. The program must be designed to help defray the costs of providing home-delivered meals that are not fully funded by the Department of Aging and Disability Services or an area agency on aging.

(b) From funds appropriated for that purpose, the department shall make grants to qualifying organizations that provide home-delivered meals to the homebound elderly and disabled. The department may use not more than five percent of those appropriated funds for the administration of the grant program.

(c) An organization applying to the department for a grant under this section must:

(1) be a governmental agency or a nonprofit private organization that is exempt from taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3) of that code, that is a direct provider of home-delivered meals to the elderly or persons with disabilities in

1 this state;

2 (2) if it is a nonprofit private organization, have a  
3 volunteer board of directors;

4 (3) practice nondiscrimination;

5 (4) have an accounting system or fiscal agent approved  
6 by the county in which it provides meals;

7 (5) have a system to prevent the duplication of  
8 services to the organization's clients; and

9 (6) agree to use funds received under this section  
10 only to supplement and extend existing services related directly to  
11 home-delivered meal services.

12 (d) Before an organization may receive a grant from the  
13 department, the county in which the organization provides meals  
14 must make a grant to the organization. If the county makes a grant  
15 to the organization in an amount that is less than 25 cents for each  
16 person at least 60 years of age who resides in the county, according  
17 to the most recent federal decennial census, the maximum amount the  
18 department may provide to organizations in the county under  
19 Subsection (h) is reduced to an amount in proportion to the amount  
20 by which the county grant is less than 25 cents for each elderly  
21 resident.

22 (e) The department shall require an organization seeking a  
23 grant to file an application in a form approved by the department.  
24 The application must be notarized and signed by the organization's  
25 executive director and board chair, if applicable, be postmarked  
26 not later than November 1, and must include:

27 (1) the organization's name and address;

1           (2) the names and titles of the organization's  
2 executive director and board chair, if applicable;

3           (3) the name of the county in relation to which the  
4 organization is applying;

5           (4) the number of residents at least 60 years of age  
6 who reside in that county, according to the most recent federal  
7 decennial census;

8           (5) the amount of the grant awarded by that county as  
9 required by Subsection (d);

10          (6) the number of meals the organization delivered to  
11 elderly or disabled persons in that county during the preceding  
12 state fiscal year that were not fully funded for by the Department  
13 of Aging and Disability Services or an area agency on aging;

14          (7) appropriate documentation demonstrating that the  
15 organization:

16               (A) is a qualifying governmental agency or  
17 nonprofit private organization;

18               (B) has been awarded a grant by the county in  
19 relation to which the organization is applying, as required by  
20 Subsection (d); and

21               (C) has delivered the number of meals reported  
22 under Subdivision (6);

23          (8) the organization's most recent financial statement  
24 or audited financial report; and

25          (9) a list of the organization's board and officers.

26          (f) An organization that applies for a grant for meals  
27 delivered in more than one county must submit a separate

application in relation to each county.

(g) The department annually shall determine:

(1) the total amount of money available for grants  
under this section;

(2) the number of residents at least 60 years of age in  
this state, according to the most recent federal decennial census;  
and

(3) the number of residents at least 60 years of age in  
each county in this state, according to the most recent federal  
decennial census.

(h) Except as provided by Subsections (d), (i), and (j),  
grants from the department to qualifying organizations in a county  
in a state fiscal year may not exceed an amount determined by the  
formula:

$$\text{CR} \times (\text{TD}/\text{SR})$$

where:

"CR" is the number of residents at least 60 years of age in  
the county;

"TD" is the total amount of money appropriated to the  
department for that state fiscal year to make grants, less the  
department's administrative expenses; and

"SR" is the number of residents at least 60 years of age in  
this state.

(i) Not later than February 1 of each year, the department  
shall make a grant to each qualifying organization that has  
submitted an approved application under this section. Subject to  
Subsections (d) and (h), the department shall make grants in an

amount equal to one dollar for each meal that the organization delivered to homebound elderly or disabled persons in the county in the preceding state fiscal year that was not fully funded for by the Department of Aging and Disability Services or an area agency on aging. If more than one qualifying organization delivers meals in a county, the department shall reduce the grants proportionally to each qualifying organization in that county so that the total amount of the grants to the organizations does not exceed the amount described by Subsection (h).

(j) If the total amount of the grants made by the department under Subsection (i) is less than the amount appropriated to fund the program under this section in a state fiscal year, the department shall use the unspent funds to proportionally increase the grants to each qualifying organization.

(k) The home-delivered meal fund is an account in the general revenue fund. Money in the account may be appropriated only to the department to award grants under this section and to pay for the operation of the program under this section.

SECTION 2. As soon as practical after the effective date of this Act, the Department of Agriculture shall adopt rules as required by Section 12.042, Agriculture Code, as added by this Act.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2007.

FLOOR AMENDMENT NO. 1

BY: Phil Martin

1 In Section 1 of HB 407, on page 2, line 66, add the  
2 following: "(1) These funds shall not be considered by the Texas  
3 Department of Aging and Disability Services or the Area Agencies  
4 on Aging in setting unit rates."

**ADOPTED**

MAY 01 2007

*Larry Spaw*  
Secretary of the Senate

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 20, 2007

TO: Honorable Kip Averitt, Chair, Senate Committee on Natural Resources

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

IN RE: **HB407** by Chisum (Relating to the establishment of a home-delivered meal grant program in the Department of Agriculture.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB407, As Engrossed: a negative impact of (\$32,359,131) through the biennium ending August 31, 2009.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	(\$16,153,478)
2009	(\$16,205,653)
2010	(\$24,282,391)
2011	(\$24,282,391)
2012	(\$28,320,761)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>New GR-Dedicated Home-Delivered Meal Fund</i>	Probable Savings/ (Cost) from <i>New GR-Dedicated Home-Delivered Meal Fund</i>	Change in Number of State Employees from FY 2007
2008	(\$16,153,478)	\$16,153,478	(\$16,153,478)	1.0
2009	(\$16,205,653)	\$16,205,653	(\$16,205,653)	1.0
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2012	(\$28,320,761)	\$28,320,761	(\$28,320,761)	1.0

Fiscal Analysis

This bill creates a fund administered by the Texas Department of Agriculture (TDA) to help defray the cost of providing home-delivered meals. Grant applicants must be a governmental agency or a nonprofit private organization that provide home-delivered meals to the homebound elderly and disabled. Applicants must also receive a grant from the county where the meals are delivered. The amount of money from the fund available to programs in a county will depend on the number of county residents aged 60 or older, the amount of the county's grant and the total dollars appropriated to the fund. TDA grants can be up to one dollar for each meal delivered by the applying organization to homebound elderly or disabled persons in the county in the preceding state fiscal year that were not fully funded by the Department of Aging and Disability Services (DADS) or an Area Agency on Aging (AAA).

The act will take effect immediately if it receives a vote of two-thirds of all the members elected to each house. If this bill does not receive the vote necessary for immediate effect, the act takes effect September 1, 2007.



## Methodology

In order to implement the provisions of the bill, TDA anticipates needing one additional FTE and associated start up costs for a total of \$65,190 in fiscal year 2008 and \$52,175 in subsequent fiscal years. The agency also estimates a cost of \$10,800 in professional service fees to create the software to process the grant applications.

The Meals on Wheels Association of Texas estimates that they provide more than 50 million meals each year to homebound elderly and disabled people. DADS and AAA funding provided for 9.6 million meals to homebound elderly and disabled people in 2005, leaving approximately 40.4 million meals eligible for reimbursement under this program. Provided that TDA grants can be up to one dollar for each meal delivered by the applying organization and assuming that in the first two fiscal years of the program 40 percent of the eligible organizations apply, the cost to the state would be approximately \$16.2 million a fiscal year. It is anticipated that the cost to the state will increase in subsequent years as more eligible organizations apply for the grant program.

The bill would also create a new General Revenue-Dedicated Account, the Home-Delivered Meal fund, which would fund the grant program and related administrative costs. For purposes of this analysis, it is assumed that funding for the program would be provided by a transfer from the General Revenue Fund. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

## Technology

The agency anticipates a cost of \$2,000 for a computer and software for the new FTE and \$10,800 in professional service fees to create the software to process the grant applications

## Local Government Impact

A county match is required under this program. The cost to the county will vary according to the number of residents at least 60 years of age. The county must pay between 1 cent and 25 cents per resident of this age group. The grant amount an organization can receive depends on the amount of county matching funds. The applying organization may receive up to one dollar per meal if the county provides a matching grant of at least 25 cents per person. The organization's grant amount will be reduced proportionately if the county match is less than 25 cents times the number of county residents at least 60 years of age.

**Source Agencies:** 551 Department of Agriculture

**LBB Staff:** JOB, DB, WK, ZS, JF



LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 24, 2007

TO: Honorable Sid Miller, Chair, House Committee on Agriculture & Livestock

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

IN RE: **HB407** by Chisum (Relating to the establishment of a home-delivered meal grant program in the Department of Agriculture. ), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB407, Committee Report 1st House, Substituted: a negative impact of (\$32,359,131) through the biennium ending August 31, 2009.

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**LBB Staff:** JOB, WK, ZS, JF



LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION  
Revision 1

February 20, 2007

TO: Honorable Sid Miller, Chair, House Committee on Agriculture & Livestock

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

IN RE: **HB407** by Chisum (Relating to the establishment of a home-delivered meal grant program in the Department of Agriculture.), **As Introduced**

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**Source Agencies:** 551 Department of Agriculture

**LBB Staff:** JOB, WK, ZS, JF



LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 19, 2007

TO: Honorable Sid Miller, Chair, House Committee on Agriculture & Livestock

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

IN RE: **HB407** by Chisum (Relating to the establishment of a home-delivered meal grant program in the Department of Agriculture.), **As Introduced**

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