

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 27, 2009

TO: Honorable Patrick M. Rose, Chair, House Committee on Human Services

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

IN RE: HB1627 by Naishtat (Relating to Low-Income Home Energy Assistance Program payments to assist certain households receiving food stamp benefits.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1627, Committee Report 1st 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>Community Affairs Fed Fd</i> 127	Change in Number of State Employees from FY 2009
2010	(\$1,221,961)	1.0
2011	(\$856,756)	1.0
2012	(\$891,952)	1.0
2013	(\$891,952)	1.0
2014	(\$891,952)	1.0

Fiscal Analysis

This bill would amend the Government Code relating to Low-Income Home Energy Assistance Program (LIHEAP) payments to assist certain households receiving food stamp benefits.

The bill would require that Health and Human Services Commission (HHSC) and the Texas Department of Housing and Community Affairs (TDHCA) enter into an interagency agreement and states that HHSC would provide \$1 annually under LIHEAP to every family receiving food stamps if the household is not already receiving energy assistance benefits. The bill states that TDHCA would transfer funds to HHSC including sufficient administrative funds, to provide the payments, and specify the manner in which HHSC would make the payments.

This bill would take effect September 1, 2009.

Methodology

For the purpose of this analysis, HHSC estimates one additional FTE (Accountant II) will be needed each fiscal year. The all funds staff related cost is estimated at \$70,308 in FY 2010 and \$63,346 in each year from FY 2011-14. Included in this amount are capital costs related to seat management (personal computers and telephone) and data center services costs of \$1,600 in FY 2010 and \$1,507 in each year from FY 2011-14. The accountant will be responsible for entering and maintaining each \$1 recipient as a vendor in the system in order to receive a check from the State. HHSC estimates there will be over 500,000 vendors to maintain.

HHSC assumes the following for Client Services. The percent of households not receiving LIHEAP benefits is estimated at 46% of caseload. Client services costs are estimated as \$1 per recipient and total: \$505,922 in FY 2010, \$528,940 in FY 2011, and \$552,404 in each year from FY 2012 through FY 2014.

The annual postage and correspondence preparation costs are projected at 1 mailing per payment at a cost of \$.50 each. The all funds postage costs are estimated as: \$252,961 in FY 2010, \$264,470 in FY 2011 and \$276,202 in each year from FY 2012-14. Additional costs include \$392,770 in FY 2010 for the modification of various automated eligibility systems.

Technology

HHSC estimates a technology impact cost of \$396,392 in FY 2010 and \$2,073 in each year from FY 2011-2014. This includes modifications to various automated eligibility systems are estimated at a one-time cost of \$392,770 in FY 2010 and one time and on-going non-capital technology costs related to FTEs are estimated as: \$2,022 in FY 2010 and \$566 in each year from FY 2011-14. Capital costs include seat management services (PC and telecommunications) and basic data storage under the contract for data center services. The all funds costs are estimated as: \$1,600 in FY 2010 and \$1,507 in each year from FY 2011-14.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: JOB, CL, MW, NV