

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 25, 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.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1627, As Introduced: 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	(\$957,471)	1.0
2011	(\$955,971)	1.0
2012	(\$957,471)	1.0
2013	(\$955,971)	1.0
2014	(\$955,971)	1.0

Fiscal Analysis

This bill would amend the Government Code relating to Low-Income Home Energy Assistance Program payments to assist certain households receiving food stamp benefits. The bill requires the Texas Department of Housing and Community Affairs (TDHCA) to enter into an interagency agreement with the Health and Human Services Commission (HHSC) to provide \$1 annually under Low Income Home Energy Assistance Program (LIHEAP) to every family receiving food stamps if the household is not already receiving energy assistance benefits. The bill also requires TDHCA to begin automatic payments to eligible food stamp recipients no later than December 1, 2009.

This bill would take effect September 1, 2009.

## Methodology

Based on the information provided by the HHSC, the TDHCA estimates that 1,052,989 Texas households will receive food stamps in 2010, growing to 1,099,852 in 2014. For the purposes of this analysis, TDHCA assumes that families currently eligible for the Standard Utility Allowance provided by Food Stamps also receive LIHEAP assistance and that only those families not receiving the Standard Utility Assistance will be eligible for the \$1 LIHEAP subsidy. According to HHSC, approximately 48% of their food stamps caseload receive the Standard Utility Allowance. Using the estimated caseload for SFY 2010 and assuming that a \$1 LIHEAP subsidy will be required for 52% of this population, TDHCA anticipates an annual cost of approximately \$550,000 per year in LIHEAP funds for this subsidy.

The bill specifies that TDHCA is to make the payments required under the bill. The majority of the assistance provided through TDHCA administered programs, including LIHEAP, is provided through local administrators and not directly by the Department. To develop a cost estimate for making direct payments, TDHCA looked at staff time needed to process payments made through its Section 8 Housing Choice Program. TDHCA assumed that HHSC would annually provide data. This data would be uploaded into TDHCA's accounting system. TDHCA estimates one additional FTE (Accountant II paid \$44,000 each year plus benefits), as well as temporary staff to provide assistance and process the mail out of the initial checks (Temporary Assistance Costs of 7,245 hours times \$20 per hour would equate to \$144,900) would be needed to implement the provisions of the bill. The agency estimates \$407,471 in FY 2010 and FY 2012 and \$405,971 in FY 2011 and FY 2013 for the salary, benefits and other operating expenses associated with the additional staff.

Based on the analysis provided by HHSC there is no significant fiscal impact to the agency as a result of implementing this bill. It is assumed that any cost could be absorbed within existing resources.

## Local Government Impact

According to TDHCA, the bill would decrease funding provided to subgrantees by \$957,471 per year but would entitle clients served to additional food stamp benefits.

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

**LBB Staff:** JOB, CL, MW, NV