

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 30, 2009

TO: Honorable Frank Corte, Jr., Chair, House Committee on Defense & Veterans' Affairs

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

IN RE: HB2372 by Vaught (Relating to the criteria for awarding certain medals to members of the armed forces from Texas.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2372, As Introduced: a negative impact of (\$4,667,142) through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$4,538,571)
2011	(\$128,571)
2012	(\$128,571)
2013	(\$128,571)
2014	(\$128,571)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	(\$4,538,571)	1.0
2011	(\$128,571)	1.0
2012	(\$128,571)	1.0
2013	(\$128,571)	1.0
2014	(\$128,571)	1.0

Fiscal Analysis

The bill would amend the Government Code by changing the requirements for awarding the Federal Service Medal to include a resident of the state who served on active duty in the United States armed forces for more than 60 days and received an honorable discharge. The Adjutant General's Department (AGD) presents the Federal Service Medal which is awarded to a person inducted into federal service from the state military forces between June 15, 1940 and January 1, 1946, or after June 1, 1950, if the service was for more than 90 days. The bill would require that the medal be awarded not only to members of the Texas National Guard, but additional branches of the military service. This would increase the eligible veterans who would receive the award to be managed and processed by the Adjutant General's Department.

Methodology

According to the AGD, there are approximately 1.7 million veterans who are residents of the Texas

and an estimated 200,000 are active or inactive members of the National Guard. The AGD indicates that there may be an additional 1.5 million Texas veterans eligible to receive the Federal Service medal. The estimated cost of awarding the Federal Service medal is \$4.5 million (each medal is \$3.00 multiplied by 1.5 million) for fiscal year 2010. Each year an estimated 30,000 Texas veterans are discharged. For fiscal year 2011 and thereafter, the estimated cost for the awards is \$90,000 annually (30,000 medals multiplied by \$3.00 each). In addition to the cost of the medal, there would be a significant increase in workload. It is estimated that one additional FTE would be needed to implement and maintain this additional requirement. The associated cost for one additional FTE is estimated to be \$38,571 annually (\$30,000 for the position + \$8,571 for benefits).

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 401 Adjutant General's Department

LBB Staff: JOB, KK, GG, SDO