

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 22, 2009

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

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

IN RE: HB3219 by Chavez (Relating to the creation and operation of a council to increase state efforts to offer service-enriched housing through increased coordination of housing and health services.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3219, Committee Report 1st House, Substituted: a negative impact of (\$572,058) 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	(\$309,107)
2011	(\$262,951)
2012	(\$271,299)
2013	(\$259,659)
2014	(\$272,031)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2010	(\$309,107)
2011	(\$262,951)
2012	(\$271,299)
2013	(\$259,659)
2014	(\$272,031)

Fiscal Analysis

The bill would implement recommendations in the Legislative Budget Board's *Government Effectiveness and Efficiency Report* to the Eighty-first Legislature entitled "Coordinate Housing and Health Services to Meet Aging Population Demands."

The bill would establish the housing and health services coordination council within the Texas Department of Housing and Community Affairs (TDHCA). The council would have 15 members, and the public members appointed by the governor would be entitled to reimbursement for expenses while performing council functions. The council would be required to meet at least quarterly.

The bill would require the council to develop and implement policies to coordinate and increase state

efforts to offer service-enriched housing, identify barriers that may prevent or slow service-enriched housing efforts, cross educate selected staff from state housing and health service agencies, identify opportunities for agencies to provide technical assistance and training to local housing and health entities, and develop suggested performance measures to track the council's progress in meeting its goals. The bill would require the council to develop a biennial plan to implement their goals and report their findings and recommendations to the governor and Legislative Budget Board by August 1 on even-number years. The first report would be due September 1, 2010.

The bill would establish the duties of TDHCA employees providing support to the council. Among these duties, employees would be required to provide technical assistance and training about local, state, and federal statutes and funding sources for service-enriched housing programs, provide an evaluation of the capacity of statewide long term care providers and interest in housing developers investing in service-enriched housing projects; create a financial feasibility model that assists in making preliminary determination of the financial viability of proposed service-enriched housing projects; and maintain a clearinghouse of information that contains tools and resources for entities seeking to develop service-enriched housing projects, and recommend changes to Medicaid waivers to increase consistency with housing regulations.

The bill would be effective September 1, 2009.

Methodology

The cost of creating the Housing and Health Services Coordination Council at the Texas Department of Housing and Community Affairs (TDHCA) assumes the addition of three Full-time Equivalents (FTE) beginning in fiscal year 2010. Two of the staff would be responsible for conducting research for the council and providing technical assistance to entities interested in developing or investing in service-enriched housing projects. The third staff would act as administrative support for the council and their meetings.

The salaries and benefits cost for three FTEs is estimated at \$197,192 in General Revenue Funds. In addition it is estimated that other operating expenses would cost \$111,915 in fiscal year 2010. One time start-up costs included in this cost are: workstation furniture and chairs, computers, and telephone set-up. Operating costs would decrease to \$65,759 in fiscal year 2011 and beyond. These operating costs include: telephone service, office supplies, Internet access, utilities and square footage, professional services, training, and travel reimbursement for the eight public council members and TDHCA staff.

Professional services are assumed to cost \$32,000 in fiscal year 2010 for a contractor to conduct an analysis of statewide capacity of long term care providers and the interest level of housing developers in investing in service-enriched housing projects and programming and creation of a web site and database for the public to access information and technical assistance about service-enriched housing projects. An additional \$4,000 is estimated for maintenance of the web site and database in fiscal year 2011.

Training for the two TDHCA staff who will provide technical assistance is assumed to cost \$4,000 annually. Training both FTEs about the intricacies of federal funding for multi-family development housing and Medicaid waiver funding is the basis for maximizing federal funds to increase service-enriched housing projects in Texas and increasing collaboration among state agencies that offer programs benefiting older Texans and non-aged persons with disabilities.

Travel costs are assumed to be \$42,244 annually for TDHCA staff and the eight public council members. It is assumed the council would have one meeting per month. Reimbursement costs are assumed per council member based on a 400-mile round trip, two meals, and 1 overnight stay at a cost of \$39,444. Travel costs are also assumed for 2 TDHCA staff to attend out-of-state training twice a year for 3 days.

Technology

Technology costs are assumed to be \$23,900 in fiscal year 2010. TDHCA would use professional

services to create and program a database and web site for service-enriched housing information to be accessible to the public at a cost of \$20,000. Additional technology costs are assumed to be \$3,900 for purchasing computers, Internet access, and software licenses. In fiscal year 2011, it is assumed technology costs would decrease to \$4,300 and would include \$4,000 for maintenance for the database and web site and \$300 for Internet access costs.

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, 538 Assistive and Rehabilitative Services, Department of, 539 Aging and Disability Services, Department of, 551 Department of Agriculture

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