

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION
Revision 1

April 6, 2011

TO: Honorable Joseph Pickett, Chair, House Committee on Defense & Veterans' Affairs

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

IN RE: HB3720 by Turner (Relating to the transfer of housing funds from the Texas Department of Housing and Community Affairs to the Texas Veterans Commission.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3720, As Introduced: a negative impact of (\$2,368,940) through the biennium ending August 31, 2013.

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
2012	(\$1,188,970)
2013	(\$1,179,970)
2014	(\$1,179,970)
2015	(\$1,179,970)
2016	(\$1,179,970)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2011
2012	(\$1,188,970)	3.0
2013	(\$1,179,970)	3.0
2014	(\$1,179,970)	3.0
2015	(\$1,179,970)	3.0
2016	(\$1,179,970)	3.0

Fiscal Analysis

This bill would amend the Government Code relating to the transfer of the housing funds from the Texas Department of Housing and Community Affairs (TDHCA) to the Texas Veterans Commission (TVC). The bill directs TDHCA to transfer \$4 million in each biennium to the TVC for the Veterans Housing Assistance Program. This transfer occurs after \$2.6 million of the Housing Trust Fund has been set aside for loans, grants, or other comparable forms of assistance and made available exclusively for local units of government, public housing authorities, and nonprofit organizations.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. If the bill does not receive a two-thirds vote in each house, the bill would take effect September 1, 2011.

Methodology

For the purposes of this analysis, information provided by TVC was considered in addition to the estimated \$1 million each fiscal year currently expended by TDHCA to administer the program. This analysis assumes that the \$1 million currently being spent by TDHCA would be transferred and that an additional \$1 million in General Revenue would be required each year under the provisions of the bill. Based on the analysis of TVC, it is assumed the agency would need three additional staff and operating expenses for new staff to implement the provisions of this bill. TVC estimates this cost at \$188,970 in FY 2012 and \$179,970 in FY 2013 for the following: salaries/benefits/other operating expenses (\$158,663 each year); travel (\$14,000 each year); rent (\$2,000 each year); other operating expenses (\$5,607 in 2012 and \$4,104 in subsequent years); equipment (\$7,500 in FY 2012); and utilities (\$1,200 each year).

Technology

TVC estimates a one-time technology impact of \$7,500 for FY 2012 for start-up costs for three computers and software.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 332 Department of Housing and Community Affairs, 403 Veterans Commission

LBB Staff: JOB, KM, MW, NV, SD