

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 10, 2019

TO: Honorable Angie Chen Button, Chair, House Committee on Urban Affairs

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB3180 by Bowers (Relating to the establishment of a centralized homelessness crisis response data system.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3180, As Introduced: a negative impact of (\$1,900,550) through the biennium ending August 31, 2021.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would require the Texas Interagency Council for the Homeless (TICH) to designate and collaborate with a state agency to create a centralized homelessness crisis response data system through which state agencies, local governmental entities, including law enforcement, court systems, school districts, and emergency service providers, and other relevant persons, can share and access information related to individuals who experience chronic homelessness in order to connect these individuals to services, including affordable housing opportunities.

The TICH or its designee would be required to report on the effectiveness of the crisis response data system in addressing chronic homelessness in this state by September 1, 2021.

The bill would take effect September 1, 2019.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|--------------------|---|
| 2020 | (\$414,101) |
| 2021 | (\$1,486,449) |
| 2022 | (\$854,843) |
| 2023 | (\$741,393) |
| 2024 | (\$741,383) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable (Cost) from General Revenue Fund | Change in Number of State Employees |
|--------------------|--|--|
|--------------------|--|--|

| Fiscal Year | General Revenue Fund 1 | from FY 2019 |
|--------------------|-----------------------------------|---------------------|
| 2020 | (\$414,101) | 4.0 |
| 2021 | (\$1,486,449) | 5.0 |
| 2022 | (\$854,843) | 7.0 |
| 2023 | (\$741,393) | 6.0 |
| 2024 | (\$741,383) | 6.0 |

Fiscal Analysis

A fiscal impact results from the bill's requirement for TICH to collaborate with a state agency to develop a data system. It is assumed that the Department of Housing and Community Affairs (TDHCA) would collaborate with TICH. TDHCA reviewed older cost estimate data on a similar but smaller project in developing the fiscal impact. It also notes the possible need for scalability, depending on how many entities participate overall. The agency assumed that entities would not be required to participate and that entities may incur costs to build data interfaces and have concerns about data security, and this may depress participation. If actual participation were higher, the costs could be higher. And finally, there would be a need for information technology security expertise to protect sensitive data and comply with federal law.

Methodology

TDHCA assumes that procurement of the data system would occur in FY 2021, and cost \$1,000,000, with ongoing maintenance costs assumed to be \$200,000 per year after that.

The agency estimates a need for four full-time equivalents (FTE) in FY 2020, five in FY 2021, seven in FY 2022, and six in FY 2023-2024. This includes:

- 1) one Project Manager III in the first three years, responsible for building a project plan, managing the project schedule, organizing team members, reporting to the steering committee of TDHCA executive staff, and all required Texas Project Delivery Framework/Quality Assurance Team reporting;
- 2) two Information Technology Security Analyst I in all five years, dedicated to information security and vendor oversight for security compliance;
- 3) one Program Specialist VI (the program lead) in all five years; and
- 4) one Program Specialist IV in the second year, and two more Program Specialist IV in years three through five. These employees would support all the Texas organizations across the state that use the system and/or submit homelessness information into the system. These employees would be program staff who would help customers use the system and would be trained on all applicable laws and rules and provide various forms of guidance.

TDHCA also assumes that there would be travel required to solicit input from local entities and develop data sharing agreements.

These staffing costs would be \$414,102 in FY 2020, \$486,449 in FY 2021, \$654,843 in FY 2022, \$541,383 in FY 2023 and FY 2024.

Technology

Significant information technology costs of \$1,000,000 occur in FY 2021 to procure the data

system. The remaining years would incur the ongoing data system maintenance cost estimated to be \$200,000 per year.

Local Government Impact

There would likely be some fiscal impact on the local government entities that participate in this project, involving interfacing with the new system, and/or the need to upgrade their data system to participate.

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: WP, AF, SGr, MB