

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 14, 2021

TO: Honorable Chris Paddie, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3460 by Hernandez (Relating to the creation of a grant program to provide direct financial assistance to certain residents of this state who were affected by the winter disaster of 2021.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3460, As Introduced : a negative impact of (\$758,000) through the biennium ending August 31, 2023. In addition to the administrative costs depicted in the table, there would be an indeterminate cost for funding for the grants. The additional funding would depend on legislative appropriations for this purpose.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$379,000)
2023	(\$379,000)
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$379,000)	1.0
2023	(\$379,000)	1.0
2024	\$0	0.0
2025	\$0	0.0
2026	\$0	0.0

Fiscal Analysis

The bill would amend Chapter 403 of the Government Code to add Section 403.0281 regarding a grant program for individuals affected by the winter storm of 2021. The bill would direct the Comptroller to establish and administer a program to provide grants to local governments for financial assistance for eligible residents as

defined in the bill. The Comptroller would be required to establish a formula for distributing the grants, deadlines for spending the grants, an application for grant funds, and procedures for monitoring grant disbursements. The Comptroller would also be required to make rules to administer the program.

The bill would authorize the Comptroller to solicit gifts, grants, and donations for purposes of funding the grant program. Grants would be between \$1,000 and \$2,500 per eligible resident. The program would expire September 1, 2023.

Methodology

Based on the analysis of the Comptroller, the agency estimates administrative costs of \$379,000 annually for the duration of the program through September 1, 2023. This cost estimate includes \$300,000 for professional services and \$79,000 for salary and operating expenses for one full-time equivalent (FTE). The cost for professional services would be to engage a third-party vendor to provide outreach, monitor coordination, and provide on-going communication regarding the program to local governments. The FTE cost would cover salary, benefits, payroll contribution, and operating expenses for one Program Specialist FTE to perform the anticipated workload of the new program, including creating the grant program, creating a standardized application process, establishing a formula to distribute grants to local governments, establish monitoring procedures for disbursements, and develop an internal process to return unused grant funds.

The amount and timing of any appropriations, grants, gifts, or donations are unknown; therefore, the fiscal impact of the provisions of the bill regarding the financial assistance grants cannot be determined at this time.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JMc, SMAT, LCO, MBO, AF