

**TEXAS DEPT. OF HOUSING AND COMMUNITY AFFAIRS**  
SFY 2026 Operating Budget  
Comparison Report  
June 12, 2025

This Comparison Report provides an explanation of some of the changes to cost categories which have a variance greater than \$25,000 and 10%.

In total, this SFY 2026 Operating Budget is \$48,494,906 or a \$2,456,368 (4.8%) decrease over the prior year budget.

COVID-19 stimulus federal funding and other initiatives associated with the CARES Act, Emergency Rental Assistance (ERA), the American Rescue Plan Act (ARPA), and the Bipartisan Infrastructure Law (BIL) account for \$8,222,290 of the decrease. The decrease is offset by a \$1,717,302 increase for Capital Budget projects, and a \$4,048,620 or 12.0% increase associated with the Department's core programs.

Please refer to the Comparison by Expense Object schedule on Page 4.

1. **Salaries/Wages and Payroll Related Costs.** These two line items represent 75.6% of the total operating budget.

The budget reflects 397 FTEs, a decrease of 2 FTEs over the previous year. Of the total FTEs, 291 CAP FTEs are associated with the Department, 64 CAP FTEs are associated with the Manufactured Housing portion of the agency, and 42 are associated with temporary federal funding.

The Salaries and Wages line item increased by \$165,740 or 0.6%.

Salaries related to temporary programs decreased \$2,312,280 or 37.1% as a result of attrition of staff from Texas Rent Relief (TRR), Homeowners Assistance Fund (HAF), Community Development Block Grant (CDBG), and HOME ARPA.

Salaries related to the Department's core programs increased \$2,478,121 or 10.7%. The increase is primarily due to 17 FTEs proposed in the Department's 2026-2027 Legislative Appropriation Request (LAR) to support the increase in volume and complexity of single family, multifamily, tax credit and Information Resources activity. In addition, 3 FTEs were appropriated related to the monitoring of Migrant Labor Housing through Senate Bill 243 and 1 FTE related to the monitoring of Housing Finance Corporations through House Bill 21 passed by the 89<sup>th</sup> Texas Legislature.

Payroll related costs related to the Department's core programs increased \$39,778. The increase in payroll related costs is proportional to the increase in salaries.

2. **Travel In-State.** Travel In-State decreased by \$135,945 or 21.3%. The decrease is primarily attributed to a decrease of \$60,702 related to the impending conclusion of various COVID related programs and \$75,243 attributed to efficiencies identified within the Department's core operations.
3. **Travel Out-of-State.** Travel Out-of-State decreased by \$71,100 or 25.6%. The decrease is primarily attributed to a decrease of \$25,716 related to the impending conclusion of various COVID related programs and \$45,384 attributed to efficiencies identified within the Department's core operations.
4. **\*Professional Fees.** Professional Fees decreased by \$2,489,746 or 27.4%. This is primarily related to the conclusion of an outsourcing contract to assist in the administration and oversight of the Homeowner Assistance Fund (HAF) program.
5. **Repairs and Maintenance.** Repairs and Maintenance increased by \$462,898 or 48.1%. The increase is primarily related to \$300,000 in system maintenance estimated costs for the Community Affairs Statewide Reporting System and \$100,000 is estimated cost for new budgeting software.
6. **Rentals and Leases.** Rentals and Leases increased by \$28,852 or 27.6%. This increase is largely due to the potential need for alternative spaces, related transcription, and post-production requirements to conduct Board meetings, Audit and Finance Committee meetings, and Single-Family Activities Committee meetings.
7. **Membership Fees.** Membership Fees decreased by \$43,025 or 27.4%. The decrease is primarily attributed to a decrease of \$16,251 related to the impending conclusion of various COVID related programs and \$26,774 attributed to the discontinuation in participation for some organizations within the Department's core operations.
8. **Staff Development.** Staff Development decreased by \$28,650 or 11.7%. The decrease is primarily attributed to a decrease of \$17,366 related to the impending conclusion of various COVID related programs and \$11,284 attributed to identification of other training alternatives with potentially lower costs.
9. **Advertising.** Advertising decreased by \$400,750 or 79.0%. The decrease is primarily attributed to a \$400,000 reduction to the advertising budget for the BIL WAP Program due to reduced need.
10. **Temporary Help.** Temporary Help decreased \$59,688 or 11.3%. The decrease is primarily attributed to a decrease of \$38,175 related to the impending conclusion of various COVID related programs and \$21,513 attributed to a lesser need for resources due to the additional FTEs.
11. **\*Furniture and Equipment.** Included in this category is the Legislature's approval of the Department's Hardware and Software Replacements project for SFY26 and SFY27 as it relates to non-capital expenses such as update and replacement of end-user computers and operational software upgrades, including the replacement of desktop computers and laptops that will be six years old or older and software updates. The benefits of these planned purchases include increased security, better performance for end-user computers, and the ability to provide continued support for TDHCA's enterprise systems, such as the Central Database, CAPPS Financials, MITAS Accounting/Loan Servicing, and the Manufactured Housing System.

This line item increased \$36,444 or 11.4%, due to an anticipated increase in capital expenditures for items such as computers and printers, the majority of which occur in the first year of the biennium.

12. **Communication and Utilities.** Communication and Utilities increased \$62,691 or 11.2%. This category is also included in the Department's Hardware and Software Replacement project as it relates to direct capital expenses such as server hardware upgrades and network equipment enhancements, to ensure systems remain supported by vendors and security and reliability remain at high levels.

*\*The Department's Capital Projects are included in Professional Fees, Repairs/Maintenance, Furniture and Equipment and Capital Outlay. These projects include hardware and software replacements, database consolidation, ongoing Low Income Housing Tax Credit application, ongoing CAPPS financials license fees, Office 365, and the Disaster recovery services through the data center services performed by the Department of Information Resources.*

## **Methods of Finance**

The SFY 2026 Budget includes the following sources:

### **General Revenue**

State appropriated funds including Housing Trust Fund, Housing and Health Services Coordinating Council, and Homeless Housing and Services Program.

Earned Federal Funds - Federal funds appropriated for indirect costs associated with administering federal funds.

### **Federal Funds**

Federal Funds-(Non-Housing and Economic Recovery Act (HERA)) - Core federal programs such as Community Services Block Grant (CSBG), Emergency Solutions Grant (ESG), HOME, U.S. Dept. of Energy (DOE), Section 8 Housing, Section 811 PRA Program, Low Income Home Energy Assistance Program (LIHEAP), and National Housing Trust Fund.

Neighborhood Stabilization Program - Federally appropriated funds specifically designated for HERA-NSP.

Federal Funds – (CARES Act, CRBRA, & ARPA) - Supplemental stimulus funding in response to the Coronavirus pandemic for core federal programs such as CSBG, ESG, Section 8, and LIHEAP. In addition, it reflects funding for the Community Development Block Grant (CDBG), ERA, HAF, and BIL WAP.

### **Appropriated Receipts - Housing Finance (HF):**

Bond Admin Fees - Appropriated receipts associated with our Single Family and Multifamily bond programs such as application fees, issuance fees, and administration fees.

Low Income Housing Tax Credit Fees - Appropriated receipts associated with our housing tax credit program such as application fees and commitment fees.

Compliance Fees - Fees assessed to multifamily developers for the purpose of ensuring long-term compliance.

Asset Oversight Fees - Fees assessed to Tax Credit Assistance Program (TCAP) and Exchange property owners for the purpose of safeguarding the Department's financial interest in their properties.

Migrant Labor Housing Fees – Fees assessed for the purpose of inspections of migrant housing facilities.

**Appropriated Receipts (MH)** - Manufactured Housing Division fees generated through inspecting, licensing, and titling activities.

**Interagency Contracts** - Contract with the Texas Department of Agriculture for the Office of Colonia Initiatives (OCI) Self-Help Center's operation and administration; and a contract with the Texas Health and Human Services Commission (HHSC) for the Money Follows the Person program.

### Comparison by Expense Object

	2025 Budget (a)	2026 Budget (b)	Variance (b-a)	Percentage Change
Salaries and Wages	\$ 29,392,850	\$ 29,558,590	\$ 165,740	0.6%
Payroll Related Costs	7,054,284	7,094,062	39,778	0.6%
Travel In-State	637,395	501,450	(135,945)	-21.3%
Travel Out-of-State	277,380	206,280	(71,100)	-25.6%
*Professional Fees	9,078,762	6,589,016	(2,489,746)	-27.4%
Material and Supplies	317,746	292,461	(25,285)	-8.0%
*Repairs/Maintenance	962,560	1,425,458	462,898	48.1%
Printing and Reproduction	29,447	22,361	(7,086)	-24.1%
Rentals and Leases	104,637	133,490	28,852	27.6%
Membership Fees	157,249	114,224	(43,025)	-27.4%
Staff Development	243,900	215,250	(28,650)	-11.7%
Insurance/Employee Bonds	694,042	713,976	19,934	2.9%
Employee Tuition	11,500	4,500	(7,000)	-60.9%
Advertising	507,000	106,250	(400,750)	-79.0%
Freight/Delivery	37,825	33,825	(4,000)	-10.6%
Temporary Help	529,069	469,381	(59,688)	-11.3%
*Furniture and Equipment	320,800	357,244	36,444	11.4%
Communication and Utilities	559,565	622,256	62,691	11.2%
*Capital Outlay	-	-	-	n/a
State Office of Risk Management	35,263	34,832	(431)	-1.2%
Total Department	50,951,274	\$ 48,494,906	\$ (2,456,368)	-4.8%

\* Budget categories that include Capital Budget items

FTE's	399	397	(2.00)	-0.5%
Method of Finance:				
GR-General Revenue	\$ 669,584	\$ 1,527,319	\$ 857,735	128.1%
GR-Earned Federal Funds	3,107,218	3,212,809	105,590	3.4%
Federal Funds-Non-HERA	10,377,290	11,462,415	1,085,124	10.5%
Federal Funds-Neighborhood Stabilization Program (HERA)	33,102	12,844	(20,258)	-61.2%
Federal Funds-CARES Act	1,421,775	796,987	(624,788)	-43.9%
Federal Funds-CRBRA	1,899,059	939,671	(959,388)	-50.5%
Federal Funds-ARPA	7,270,462	1,950,252	(5,320,210)	-73.2%
Federal Funds-DOE BIL	3,109,919	2,054,818	(1,055,101)	-33.9%
Appropriated Receipts - Housing Finance	22,140,542	25,609,240	3,468,699	15.7%
Appropriated Receipts - Migrant Labor Housing	129,237	128,350	(888)	-0.7%
Appropriated Receipts - Manufact. Housing	511,204	512,133	929	0.2%
Interagency Contracts	281,881	288,068	6,187	2.2%
Total, Method of Finance	\$ 50,951,274	\$ 48,494,906	\$ (2,456,368)	-4.8%

Note: Appropriated Receipts - Housing Finance include Bond Administration Fees, Housing Tax Credit Fees, Asset Management Fees and Compliance Fees.

Note: Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and

Comparison by Expense Object												
	2025 Budget	2025 Capital Budget	2025 Temporary Funds (a)	2025 Base Budget (b)	2026 Budget	2026 Capital Budget	2026 Temporary Funds (c)	2026 Base Budget (d)	Base Variance (d)-(b)	Percentage Change	Temp Variance (c)-(a)	Percentage Change
Salaries and Wages	\$ 29,392,850		\$ 6,235,975	\$ 23,156,875	\$ 29,558,590		\$ 3,923,595	\$ 25,634,995	\$ 2,478,121	10.7%	\$ (2,312,380)	-37.1%
Payroll Related Costs	7,054,284		1,496,634	5,557,650	7,094,062		941,663	6,152,399	594,749	10.7%	(554,971)	-37.1%
Travel In-State	637,395		87,828	549,567	501,450		27,126	474,324	(75,243)	-13.7%	(60,702)	-69.1%
Travel Out-of-State	277,380		69,581	207,799	206,280		43,865	162,415	(45,384)	-21.8%	(25,716)	-37.0%
*Professional Fees	9,078,762	2,570,375	5,031,849	1,476,538	6,589,016	4,149,014	435,819	2,004,183	527,645	35.7%	(4,596,030)	-91.3%
Material and Supplies	317,746		48,192	269,554	292,461		24,773	267,688	(1,866)	-0.7%	(23,419)	-48.6%
*Repairs/Maintenance	962,560	347,375	95,562	519,623	1,425,458	415,194	35,373	974,891	455,268	87.6%	(60,189)	-63.0%
Printing and Reproduction	29,447		2,775	26,672	22,361		1,107	21,254	(5,418)	-20.3%	(1,668)	-60.1%
Rentals and Leases	104,637		24,382	80,255	133,490		8,376	125,114	44,859	55.9%	(16,006)	-65.6%
Membership Fees	157,249		36,474	120,775	114,224		20,223	94,001	(26,774)	-22.2%	(16,251)	-44.6%
Staff Development	243,900		43,915	199,985	215,250		26,548	188,702	(11,284)	-5.6%	(17,366)	-39.5%
Insurance/Employee Bonds	694,042		88,371	605,671	713,976		50,179	663,797	58,126	9.6%	(38,192)	-43.2%
Employee Tuition	11,500		2,500	9,000	4,500		-	4,500	(4,500)	-50.0%	(2,500)	-100.0%
Advertising	507,000		500,000	7,000	106,250		100,000	6,250	(750)	-10.7%	(400,000)	-80.0%
Freight/Delivery	37,825		4,120	33,705	33,825		1,070	32,755	(949)	-2.8%	(3,051)	-74.0%
Temporary Help	529,069		151,451	377,618	469,381		113,276	356,105	(21,513)	-5.7%	(38,175)	-25.2%
*Furniture and Equipment	320,800	238,800	26,829	55,171	357,244	309,644	5,803	41,797	(13,374)	-24.2%	(21,026)	-78.4%
Communication and Utilities	559,565	-	57,430	502,135	622,256		22,878	599,378	97,243	19.4%	(34,552)	-60.2%
*Capital Outlay	-	-	-	-	-	-	-	-	-	n/a	-	n/a
State Office of Risk Management	35,263		180	35,083	34,832		85	34,747	(336)	-1.0%	(96)	-53.1%
Total Department	\$ 50,951,274	\$ 3,156,550	\$ 14,004,048	\$ 33,790,676	\$ 48,494,906	\$ 4,873,852	\$ 5,781,758	\$ 37,839,296	\$ 4,048,620	12.0%	\$ (8,222,290)	-58.7%

Method of Finance:												
General Revenue:	2025 Budget	2025 Capital Budget	2025 Temporary Funding (a)	2025 Base Budget (b)	2026 Budget	2026 Capital Budget	2026 Temporary Funding (c)	2026 Base Budget (d)	Base Variance (d)-(b)	Percentage change	Temp Variance (c)-(a)	Percentage Change
GR-General Revenue	\$ 669,584		\$ -	\$ 669,584	\$ 1,527,319			\$ 1,527,319	\$ 857,735	128.1%	\$ -	n/a
GR-Earned Federal Funds	\$ 3,107,218		\$ 302,834	\$ 2,804,385	\$ 3,212,809			\$ 3,172,778	\$ 368,393	13.1%	\$ (262,803)	-86.8%
Federal Funds-Non-HERA	\$ 10,377,290	1,998,945	\$ -	\$ 8,378,345	\$ 11,462,415	2,161,714	\$ 40,031	\$ 9,300,701	922,355	11.0%	\$ -	n/a
Federal Funds-Neighborhood Stabilization Program (HERA)	\$ 33,102		\$ -	\$ 33,102	\$ 12,844			\$ 12,844	(20,258)	-61.2%	\$ -	n/a
Federal Funds-CARES Act	\$ 1,421,775		1,421,775	\$ -	\$ 796,987		796,987	\$ -	-	n/a	\$ (624,788)	-43.9%
Federal Funds-CRBRA	\$ 1,899,059		1,899,059	\$ -	\$ 939,671		939,671	\$ -	-	n/a	\$ (959,388)	-50.5%
Federal Funds-ARPA	\$ 7,270,462		7,270,462	\$ -	\$ 1,950,252		1,950,252	\$ -	-	n/a	\$ (5,320,210)	-73.2%
Federal Funds-DOE BIL	\$ 3,109,919		3,109,919	\$ -	\$ 2,054,818	-	2,054,818	\$ -	-	n/a	\$ (1,055,101)	-33.9%
Appropriated Receipts - Housing Finance	\$ 22,140,542	1,157,605	\$ -	\$ 20,982,937	\$ 25,609,240	2,712,138		\$ 22,897,102	1,914,166	9.1%	\$ -	n/a
Appropriated Receipts - Migrant Labor Housing	\$ 129,237		\$ -	\$ 129,237	\$ 128,350			\$ 128,350	(888)	-0.7%	\$ -	n/a
Appropriated Receipts - Manufact. Housing	\$ 511,204		\$ -	\$ 511,204	\$ 512,133			\$ 512,133	929	0.2%	\$ -	n/a
Interagency Contracts	\$ 281,881		\$ -	\$ 281,881	\$ 288,068			\$ 288,068	6,187	2.2%	\$ -	n/a
Total, Method of Finance	\$ 50,951,274	\$ 3,156,550	\$ 14,004,048	\$ 33,790,676	\$ 48,494,906	\$ 4,873,852	\$ 5,781,758	\$ 37,839,296	\$ 4,048,620	12.0%	\$ (8,222,290)	-58.7%



**FISCAL YEAR 2026**  
**OPERATING BUDGET**  
*(September 1, 2025 through August 31, 2026)*

**June 12, 2025**

*Prepared by the Financial Administration Division*

**TEXAS DEPARTMENT OF HOUSING AND  
COMMUNITY AFFAIRS SFY-2026 OPERATING BUDGET**

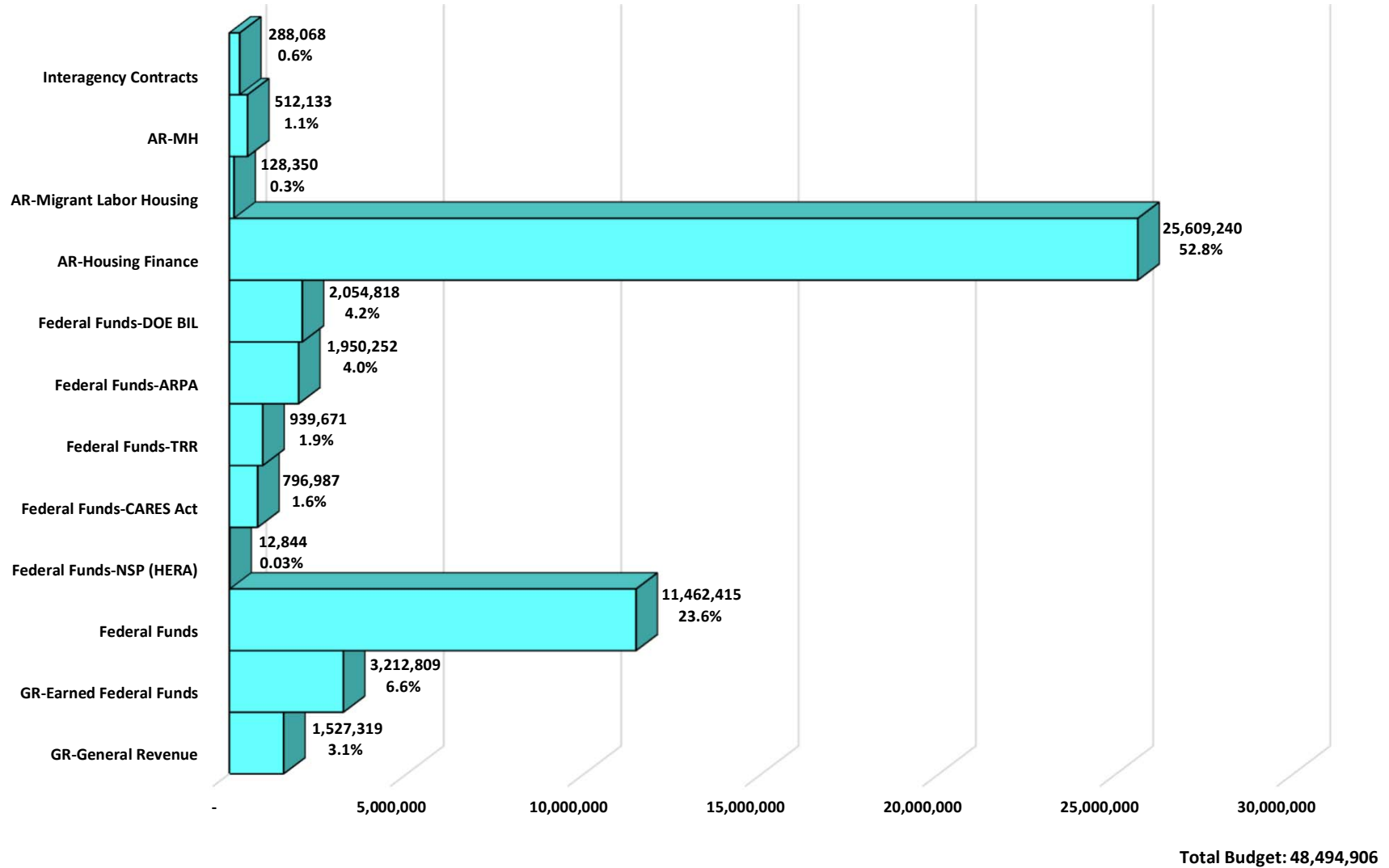
**T A B L E   O F   C O N T E N T S**

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**Texas Department of Housing and Community Affairs  
SFY 2026 Method of Finance**



# Agency Wide - By Method of Finance

September 1, 2025 thru August 31, 2026

Budget Categories							Appropriated Receipts	Interagency Contract	MH		Total
	General Revenue	Federal Funds	CARES Act	CRBRA	ARPA	BIL WAP			Appropriated Receipts		
Salaries	3,114,381	6,221,568	614,148	586,014	1,516,262	1,207,170	15,711,582	182,398	405,066		29,558,590
Payroll Related Costs	747,451	1,493,176	147,396	140,643	363,903	289,721	3,770,780	43,775	97,216		7,094,062
Travel In-State	40,447	153,850	8,000	143	3,156	15,828	278,027	2,000	-		501,450
Travel Out-of-State	3,810	60,682	3,000	357	6,961	33,547	97,923	-	-		206,280
Professional Fees	564,813	2,445,486	-	117,130	36	316,733	3,088,915	55,903	-		6,589,016
Materials/Supplies	48,381	36,947	3,000	487	1,628	5,144	195,873	1,000	-		292,461
Repairs/Maintenance	131,359	533,980	5,000	2,380	6,283	6,116	740,341	-	-		1,425,458
Printing and Reproduction	2,707	1,858	-	-	51	1,056	16,689	-	-		22,361
Rental/Lease	11,244	8,910	-	42	50	5,621	107,622	-	-		133,490
Membership Dues	1,731	32,199	-	-	-	20,223	60,071	-	-		114,224
Staff Development	14,235	53,962	2,000	286	9,916	13,347	121,505	-	-		215,250
Insurance/Employee Bonds	113,781	117,964	9,330	8,960	13,615	18,274	419,239	2,962	9,851		713,976
Employee Tuition	1,019	-	-	-	-	-	3,481	-	-		4,500
Advertising	-	2,250	-	-	-	100,000	4,000	-	-		106,250
Freight/Delivery	2,163	1,959	100	100	770	100	28,634	-	-		33,825
Temporary Help	18,012	106,747	-	78,519	20,081	10,335	235,687	-	-		469,381
Furniture/Equipment	2,248	120,799	-	86	3,601	2,116	228,394	-	-		357,244
Communications/Utilities	43,894	81,606	5,000	4,491	3,897	9,490	473,878	-	-		622,256
Capital Outlay	-	-	-	-	-	-	-	-	-		-
State Office of Risk Management	6,803	1,314	12	32	40	-	26,601	30	-		34,832
<b>Total</b>	<b>4,868,477</b>	<b>11,475,258</b>	<b>796,987</b>	<b>939,672</b>	<b>1,950,254</b>	<b>2,054,818</b>	<b>25,609,240</b>	<b>288,068</b>	<b>512,133</b>		<b>48,494,906</b>
Budget by Method of Finance, 2025	3,906,039	10,410,392	1,421,775	1,899,060	7,270,464	3,109,919	22,140,542	281,881	511,204		50,951,274
Variance from 2025	962,438	1,064,867	(624,788)	(959,388)	(5,320,210)	(1,055,101)	3,468,699	6,187	927		(2,456,369)