

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATURE 1st CALLED SESSION - 2003

July 25, 2003

TO: Honorable David Swinford, Chair, House Committee on Government Reform

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB22 by Ellis, Rodney (Relating to the organization, board membership, and functions of certain state agencies and to the transfer of certain functions to other state agencies; providing penalties.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB22, As Engrossed: a positive impact of \$15,121,222 through the biennium ending August 31, 2005.

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
2004	\$4,310,611
2005	\$10,810,611
2006	(\$564,389)
2007	(\$564,389)
2008	\$1,060,611

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/ (Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings from <i>CLEAN AIR ACCOUNT 151</i>	Probable Savings from <i>USED OIL RECYCLE ACCT 146</i>
2004	\$3,250,000	\$1,060,611	\$55,555	\$55,555
2005	\$9,750,000	\$1,060,611	\$55,555	\$55,555
2006	(\$1,625,000)	\$1,060,611	\$55,555	\$55,555
2007	(\$1,625,000)	\$1,060,611	\$55,555	\$55,555
2008	\$0	\$1,060,611	\$55,555	\$55,555

Fiscal Year	Probable Savings from <i>HAZARDOUS/WASTE FEE ACCT 549</i>	Probable Revenue (Loss) from <i>OVERSIGHT WORKERS' COMP 5016</i>	Probable Revenue Gain from <i>New General Revenue Dedicated</i>	Probable Savings from <i>OVERSIGHT WORKERS' COMP 5016</i>
2004	\$388,890	(\$27,468)	\$832,396	\$0
2005	\$388,890	(\$27,468)	\$832,396	\$0
2006	\$388,890	(\$27,468)	\$832,396	\$27,468
2007	\$388,890	(\$27,468)	\$832,396	\$27,468
2008	\$388,890	(\$27,468)	\$832,396	\$27,468

Fiscal Year	Probable (Cost) from New General Revenue Dedicated	Change in Number of State Employees from FY 2003
2004	(\$832,396)	(8.0)
2005	(\$832,396)	(8.0)
2006	(\$832,396)	(8.0)
2007	(\$832,396)	(8.0)
2008	(\$832,396)	(8.0)

Fiscal Analysis

The bill would amend various state and local government budgetary and fiscal management statutes. For the purposes of this fiscal note, only those bill provisions having a fiscal impact are discussed. Article 3 states that property distributable in the course of a demutualization, rehabilitation, or related reorganization of an insurance company would be presumed abandoned on the first anniversary of the date the property becomes distributable if, on that date, (1) the last known address of the owner was known to be incorrect or the correspondence with the owner was returned by the post office, and (2) the owner had not communicated with the holder of the property.

Article 10 would eliminate a requirement for a local solid waste management plan to include waste reduction goals. The article would also eliminate numerous reports currently required as stand-alone reports, including: used oil recycling, low-emission vehicles and alternative fuels use, and numerous reports on waste prevention, management, and disposal.

Article 12 would amend the Code of Criminal Procedure by requiring in capital cases, the members of the Board of Pardons and Paroles to perform the members' duties in clemency matters by meeting as a body or by participating in a telephone conference call as permitted by the Government Code.

Article 14 would transfer responsibilities for reviewing interscholastic competition, performance of school districts, efficiency of state agencies and records management to the Legislative Budget Board from the Comptroller of Public Accounts. This article would also create a policy council division within the Legislative Budget Board. The article would require the Legislative Budget Board to conduct workers' compensation research.

Article 15 would define the period after which unclaimed wages would become abandoned for the purposes of becoming state-claimed unclaimed property.

Article 16 would require state agencies to make their publications accessible via their websites in an electronic format. If state agencies do not have websites, the bill requires the agencies to provide electronic source files for each of their printed publications to the Library and Archives Commission. In addition, if an electronic state publication is not printed or available from an agency's website, the agency shall furnish the Texas State Library copies of the publication.

Methodology

The state receives revenue from its role as custodian of unclaimed property. The change in dates that property is considered abandoned would result in an acceleration of revenue collected from abandoned property as a result of an insurance company demutualization. The annual estimated general revenue gain is \$3,250,000 for fiscal years 2004 and 2005. Annual estimated revenue losses for fiscal years 2006 and 2007 are estimated to be \$1,625,000. However, future demutualizations are expected to partially offset these amounts.

The reduction in the number and frequency of required reports prepared by the Commission on Environmental Quality is expected to reduce costs of personnel time and printing. The proposed article is projected to result in a total cost savings to the agency of \$500,000 per year by reducing 10 full-time staff positions and miscellaneous printing expenses.

According to the Texas Department of Criminal Justice the cost of implementing the proposed changes in clemency hearing requirements would not be significant.

The provisions transferring responsibilities to the Legislative Budget Board from the Comptroller's Office would result in cost savings. The amount currently appropriated for these functions for fiscal years 2004 and 2005 is \$6.2 million in general revenue each year, including \$2.0 million for professional fees and contracts. It is assumed that the amount of professional fees and contracts would remain the same and that other costs would be reduced by 25 percent. The amount of full-time equivalent employees for these programs is 44. It is also assumed that the number of full-time equivalent employees would be reduced by 25 percent or 11. The amount of appropriation necessary to support the policy council division would be determined by the Legislature. The workers' compensation research would result in additional costs of \$832,396 each year, and an additional 13 full-time equivalent employees. These costs would be offset by the proposed maintenance tax.

The change in dates after which unclaimed wages would become abandoned for the purposes of becoming state-claimed unclaimed property is estimated to result in a general revenue gain of approximately \$6,500,000 in fiscal year 2005.

The requirement to provide reports via websites would result in cost savings to the State. The amount of cost savings would vary among state agencies depending upon the number of published reports and the number currently accessible on websites.

Local Government Impact

Minimal direct fiscal implications to units of local government are anticipated.

Source Agencies: 303 Building and Procurement Commission, 327 Employees Retirement System, 453 Workers' Compensation Commission, 454 Department of Insurance, 478 Research and Oversight Council on Workers' Compensation, 501 Department of Health, 601 Department of Transportation, 313 Department of Information Resources, 103 Legislative Council, 301 Office of the Governor, 304 Comptroller of Public Accounts, 405 Department of Public Safety, 582 Commission on Environmental Quality, 781 Higher Education Coordinating Board, 802 Parks and Wildlife Department

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