

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATURE 2nd CALLED SESSION - 2003

August 4, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB10 by Swinford (Relating to performance reviews of school districts.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB10, As Introduced: a positive impact of \$853,714 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 | \$426,857 |
| 2005 | \$426,857 |
| 2006 | \$426,857 |
| 2007 | \$426,857 |
| 2008 | \$426,857 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1 | Change in Number of State Employees from FY 2003 |
|-------------|--|---|
| 2004 | \$426,857 | (6.0) |
| 2005 | \$426,857 | (6.0) |
| 2006 | \$426,857 | (6.0) |
| 2007 | \$426,857 | (6.0) |
| 2008 | \$426,857 | (6.0) |

Fiscal Analysis

This bill would transfer the performance review of school districts to the Legislative Audit Committee from the Comptroller of Public Accounts.. All unexpended and unobligated appropriations and employees relating to the performance review would be transferred to the Legislative Audit Committee.

Methodology

Transferring school district review responsibilities to the Legislative Audit Committee from the Comptroller's Office would result in cost savings. The amount currently appropriated for these functions for fiscal years 2004 and 2005 is \$3.7 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, resulting in a

general revenue savings of \$426,857 each year. The amount of full-time equivalent employees for these programs is 24.2. It is also assumed that the number of full-time equivalent employees would be reduced by 25 percent or 6.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JK, GO, WP, DLBe