

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 6, 2003**

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

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB2505** by Swinford (Relating to the review of the administration of university systems and identification of potential administrative and organizational reforms.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2505, As Introduced: a negative impact of (\$600,000) through the biennium ending August 31, 2005.

The bill would direct the Coordinating Board to review the organization and operations of each university system office to identify appropriate organizational structures for systems offices, describe current existing structures, and identify areas of duplicated services. The Board would be required to submit a report by November 1, 2004 recommending reorganization and consolidation of functions and identifying cost savings, including those from recommended personnel reductions.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	(\$600,000)
2005	\$0
2006	\$0
2007	\$0
2008	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1
2004	(\$600,000)
2005	\$0
2006	\$0
2007	\$0
2008	\$0

**Fiscal Analysis**

According to the Coordinating Board, they do not have the resources and expertise, including auditing expertise to ensure completion of the reviews by November 1, 2004. The Coordinating Board advises they would contract for Management Advisory Services with the State Auditor's Office for most of the analytic work. which would require approximately 5,000 hours - for a contract cost of \$600,000.

## **Methodology**

The Coordinating Board would incur contract costs to the State Auditor's Office. According to the SAO, the project would require approximately 5,000 hours - for a contract cost of \$600,000.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 781 Higher Education Coordinating Board

**LBB Staff:** JK, GO, PF, DSB