

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 24, 2003

TO: Honorable Teel Bivins, Chair, Senate Committee on Finance

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3441 by Pickett (Relating to a reduction in expenditures of certain state governmental entities, including changes affecting the Commission on Human Rights, attorney general's office, management of certain accounts and funds, and certain election-related forms.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3441, Committee Report 2nd House, Substituted: a negative impact of (\$1,517,710) 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	(\$758,855)
2005	(\$758,855)
2006	\$787,765
2007	\$787,765
2008	\$787,765

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain from <i>New General Revenue Dedicated Accounts</i>	Probable Savings/ (Cost) from <i>General Revenue Dedicated Accounts</i>	Probable Revenue (Loss) from <i>FEDERAL FUNDS 555</i>
2004	(\$758,855)	\$14,010,204	(\$1,497,545)	(\$1,546,620)
2005	(\$758,855)	\$799,600	(\$622,227)	(\$1,546,620)
2006	\$787,765	\$789,100	\$130,838	\$0
2007	\$787,765	\$799,600	(\$1,215,985)	\$0
2008	\$787,765	\$789,100	\$174,916	\$0

Fiscal Year	Probable Savings/ (Cost) from <i>STATE HIGHWAY FUND 6</i>	Change in Number of State Employees from FY 2003
2004	(\$3,000,000)	2.0
2005	(\$3,000,000)	2.0
2006	(\$3,000,000)	2.0
2007	(\$3,000,000)	2.0
2008	(\$3,000,000)	2.0

Fiscal Analysis

Regarding the Office of the Attorney General (OAG), the bill would: transfer the functions of the Commission on Human Rights to the civil rights division of the OAG; allow the Attorney General to determine whether the crime victims institute would continue to perform its duties based on appropriations from the legislature; amend statute to allow, but not require, the distribution of the premarital handbook; and repeal provisions related to the administrative attachment to the State Office of Risk Management (SORM).

In addition, regarding funds administered by the Preservation Board, the bill would designate the Comptroller of Public Accounts as trustee of the Capitol Trust Fund, which is held outside the state treasury; create the General Revenue-Dedicated Capitol Account for all deposits other than donations and securities; create the General Revenue -Dedicated Capital Renewal Account for the maintenance and preservation of the Capitol, the General Land Office Building, their contents and their grounds; and provide for the transfer of funds from the Capitol Account to the Capital Renewal Account.

With the exception of the Texas Department of Transportation and the Department of Criminal Justice, the bill would require that all leasing services for state agencies be administered by the Building and Procurement Commission.

The bill would also repeal the requirement for the Ethics Commission to send forms to filers and local filing authorities.

The bill would provide that the Texas Department of Transportation (TxDOT) could enter into agreements with private entities offering the best value for design and construction of TxDOT facilities and leases, and leases with the option to purchase building constructed on leased property.

The bill would allow each state agency receiving appropriations under Article I of the General Appropriations Act to reduce or recover expenditures by collecting fees or charges to recover costs, if the agency provides written notice to the Legislative Budget Board before the 60th day preceding the effective date of the increase.

The bill would take effect immediately upon a two-thirds vote of all members of each house, otherwise the bill would take effect September 1, 2003.

Methodology

Transfer to of the duties of the Commission on Human Rights to the Office of the Attorney General. The Commission on Human Rights reports that the state could lose up to two years of federal funding from the federal Equal Employment Opportunity Commission (\$729,480/year) and the Department of Housing and Urban Development (\$817,140/year) since the Attorney General's Civil Rights Division would need to be certified by these two federal agencies prior to being eligible to receive federal funds. In fiscal years 2004 and 2005, it is assumed that general revenue funds (\$1,546,620) would be used to fund employment and housing discrimination cases. However this amount would be offset partially by savings due to the elimination of 13 administrative FTEs, estimated at \$520,000 each fiscal year, including salaries and benefits.

Crime Victims Institute at the Office of the Attorney General. Based on expenditure levels for fiscal year 2003, \$257,956 each fiscal year could be saved out of the General Revenue-Dedicated Crime Victims Compensation Account No. 469, if the office were eliminated.

Creation of Certain General Revenue-Dedicated Accounts for the Preservation Board. Currently there are three Funds held outside the state treasury under the authority of the Preservation Board. The bill would bring two of the three accounts into the state treasury, the Capitol Trust Fund and the Capital Renewal Fund, and create General Revenue Dedicated Accounts for each respective account. The Museum Fund would continue to be held outside the state treasury. Assumptions for the fiscal note include the deposit of fiscal year 2003 fund balances from the Capitol Fund and the Capital

Renewal Fund into the state treasury to the credit of the new GR-Dedicated Accounts totaling \$13,221,104 million and consisting of \$1,443,000 from the Capitol Fund and \$11,778,104 from the Capital Renewal Fund. In addition, approximately \$780,000 in revenue each fiscal year would be deposited to the new GR-Dedicated Accounts for a total of \$14,010,204 in balances and receipts in FY 2004 and approximately 780,000 in receipts each year thereafter.

Further, it is assumed that expenditures previously made out of the Funds held outside the state treasury would be made from the new GR-Dedicated Accounts ranging from \$1.755 million in fiscal year 2004 to \$83,040 in fiscal year 2008. These amounts would go toward an interagency contract with the Department of Public Safety, \$80,000 per fiscal year, and varying amounts for repairs and renovations for the building maintained by the Preservation Board. Implementation of this provision would result in an increase of 2.0 FTEs previously paid from funds held outside the state treasury.

Building and Procurement Administration of Leasing Functions. It is anticipated that \$231,361 in General Revenue Funds would be saved each fiscal year.

Repeal of provisions relating to the distribution of forms to filers and local filing authorities. It is estimated that \$36,404 per fiscal year out of General Revenue Funds would be saved by eliminating the costs associated with printing and mailing forms.

Duties relating to leasing, construction and lease-to-purchase services by TxDoT. It is anticipated that provisions of the bill would result in a cost of \$3 million each fiscal year out of the State Highway Fund No. 6.

Note: Because the bill would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source, the fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Building and Procurement Commission, 809 Preservation Board

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