LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 2, 2003

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on International Relations and Trade

FROM: John Keel, Director, Legislative Budget Board

IN RE: **SB517** by Shapleigh (Relating to the creation of the Texas Border Strategic Investment Commission.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB517, As Introduced: a negative impact of ($347,219) 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	($320,139)
2005	($27,080)
2006	($162,080)
2007	($27,080)
2008	($162,080)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from *GENERAL REVENUE FUND* 1	Change in Number of State Employees from FY 2003
2004	($320,139)	0.5
2005	($27,080)	0.5
2006	($162,080)	0.5
2007	($27,080)	0.5
2008	($162,080)	0.5

Fiscal Analysis

The bill would add a new chapter to the Government Code to set forth the establishment, composition, and functions of the Texas Border Strategic Investment Commission to bring a statewide perspective to strategic Texas-Mexico border region investments.

The commission would consist of the Lieutenant Governor, the Speaker of the House of Representatives, the Comptroller, the Commissioner of Agriculture, the Chair of the Senate Finance Committee, the Chair of the House Appropriations Committee, and the Secretary of State. The bill would require the Lieutenant Governor to serve as the chair of the commission.

The bill would require the commission to identify and recommend funding for strategic investment initiatives in the six metropolitan areas in the Texas-Mexico border region. The bill would require the strategic investment initiatives recommended to be identified using certain criteria; and it would provide for the commission to make a recommendation for funding.

The bill would allow the commission to conduct a study of counties classified by the federal government as persistent poverty counties to determine strategic investment needs and opportunities.

The bill would require the commission to file a report with the Legislature no later than December 1 of each even-numbered year. The report would state the strategic investment initiatives recommended by the commission and identify the initiatives that received funding during the preceding biennium. The bill would require the commission to evaluate, using specified performance measures, recommended initiatives that received funding. The bill would require the report to contain any recommendations for legislative action the commission considered appropriate.

The bill would authorize the commission to request state agencies to apply for funds from the federal government or any other public or private source and to solicit grants, gifts, and donations from private sources on the state's behalf.

The bill would allow the commission to require and review reports from state agencies that receive appropriations, gifts, grants, funds, or endowments as a result of the commission's recommendations.

This bill would take effect immediately upon enactment assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003.

Methodology

The Comptroller of Public Accounts estimates that $290,000 would be needed in fiscal year 2004 and $135,000 every other year thereafter to hire a consultant with expertise in economic development analysis to conduct an economic development study.

The Secretary of State estimates that one-half FTE would be needed to compile and report on the performance measures identified in Section 489.005 of the bill at an estimated cost of $30,129 in fiscal year 2004 and $27,080 each year thereafter. For the purposes of this fiscal note it is assumed that the Secretary of State would use its resources to compile and prepare the report required by Section 489.005.

Sections 489.004 and 489.006 relate to appropriations made for the purpose of the legislation. Specifically, the first section requires the commission to recommend funding every other year to carry out the provisions of the bill. Section 489.006 refers to appropriations made by the legislature. It is assumed that some or all of the funding recommended by the commission would be included in existing agency appropriations, and that any additional amounts would be considered by the legislature during deliberations on the biennial appropriations bill.

Lastly, it is assumed that the commission would be staffed by existing personnel in the offices of designated commission officials; therefore no additional costs would be incurred for administrative expenses.

Local Government Impact

Implementation of strategic investment initiatives should result in beneficial financial and economic gains to populations, industries and local governments in the targeted border regions.

Source Agencies:	304 Comptroller of Public Accounts, 307 Secretary of State, 551 Department of Agriculture
LBB Staff:	JK, EB, MS