

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 24, 2003

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB650 by Shapleigh (Relating to requiring state investment funds to post certain information on the Internet.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to require almost all state investment funds to post, quarterly on the Internet, a report containing certain financial information. The Employee Retirement System and the Texas Education Agency indicate that they could absorb the costs associated with the bill within their current resources. The University of Texas System and the Teacher Retirement System indicate that implementing the bill would cost approximately \$90,000 in operating costs and staff time for the year 2004 and lower costs for the subsequent years. The Texas A&M System indicates that the fiscal impact would be approximately \$100,000 for programming costs and staff time in the year 2004 and lower costs for subsequent years. The bill would take effect immediately if it receives a two-thirds vote in each house; otherwise, it would take effect September 1, 2003.

The University of Texas System remains concerned that releasing the prior years performance history and description of the investments could have a significant indirect fiscal impact of at least \$1 billion dollars over a five year period because of a conflict with Federal Securities Law.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 313 Department of Information Resources, 323 Teacher Retirement System, 701 Central Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 304 Comptroller of Public Accounts, 327 Employees Retirement System

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