

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

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**  
**Revision 2**

**April 1, 2003**

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

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

**IN RE: SB915** by Fraser (Relating to the abolition of the State Aircraft Pooling Board, to the transfer of certain functions associated with the board to the Texas Building and Procurement Commission, and to providing for contracts with private charter aircraft providers in lieu of a central pool of state-owned aircraft.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB915, As Introduced: a positive impact of \$13,473,983 through the biennium ending August 31, 2005.

This bill would implement recommendation GG5 from the Comptroller's E-Texas Report to abolish the State Aircraft Pooling Board (SAPB) and transfer maintenance and coordination of an aircraft charter service to the Texas Building and Procurement Commission (TBPC).

The bill would require TBPC to sell for fair market value all state aircraft and aircraft-related equipment formerly under the custody of SAPB by September 1, 2005. Likewise, TBPC would have to sell the SAPB facilities at the Austin-Bergstrom International Airport and former Robert Mueller Airport by September 1, 2005. In each instance, the properties could not be sold for less than the amount contained in the current market value of the assessment of the property that would be made by the General Land Office.

This bill would take effect on September 1, 2003.

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

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2004	\$1,328,000
2005	\$12,145,983
2006	\$1,256,000
2007	(\$144,000)
2008	\$1,256,000

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

<b>Fiscal Year</b>	<b>Probable Revenue Gain from GENERAL REVENUE FUND 1</b>	<b>Probable Revenue (Loss) from GENERAL REVENUE FUND 1</b>	<b>Probable Savings/ (Cost) from GENERAL REVENUE FUND 1</b>	<b>Probable (Cost) from GENERAL REVENUE FUND 1</b>
2004	\$0	(\$72,000)	\$1,400,000	\$0
2005	\$22,471,500	(\$144,000)	\$0	(\$10,181,517)
2006	\$0	(\$144,000)	\$1,400,000	\$0
2007	\$0	(\$144,000)	\$0	\$0
2008	\$0	(\$144,000)	\$1,400,000	\$0

<b>Fiscal Year</b>	<b>Change in Number of State Employees from FY 2003</b>
2004	(20.0)
2005	(41.5)
2006	(41.5)
2007	(41.5)
2008	(41.5)

**Fiscal Analysis**

This bill would eliminate the Aircraft Pooling Board and transfer coordination of aircraft charter service for state employees to the Texas Building and Procurement Commission. This analysis assumes the elimination of FTEs and assets of the Aircraft Pooling Board. In addition, this bill would require that Texas Building and Procurement Commission sell the State Aircraft Pooling Board facility located at the Austin-Bergstrom International Airport and the facility located at the Robert Mueller Municipal Airport.

**Methodology**

**Impact on Revenue**

The sale of assets for the Aircraft Pooling Board would be a gain of approximately \$8,671,500 in General Revenue. A gain of approximately \$4.3 million would be realized from the sale of property located at the Robert Mueller Airport. The table above also includes General Revenue gain of approximately \$9.5 million in proceeds from the sale of the facility located at the Austin-Bergstrom International Airport.

According to the Texas Public Finance Authority, federal law requires that the state retire the debt for the Austin-Bergstrom International Airport site, estimated to be \$6,558,832 if paid on September 4, 2004, immediately upon selling of the site. Therefore, this would be a cost to the General Revenue Fund in the aforementioned amount.

In addition, the state would lose revenue generated from rent of approximately \$12,000 month from the Robert Mueller facility.

**Impact on Expenditures**

A savings of \$1.4 million in General Revenue would be realized from the elimination of the agency's capital budget for aircraft replacement. And, beginning in fiscal year 2005, annual salaries, benefits and expenses totaling \$3,519,738 in costs would be reduced due to shut down of the agency including elimination of 41.5 FTEs. These amounts consist of Appropriated receipts and Interagency Contacts (Other Funds). The actual savings would be realized by state agencies and institutions.

Revenue from the sale of assets would be used to pay off Master Lease Purchase Payments debt in the amount of \$2,322,685. In addition, the Texas Building and Procurement Commission would charge a six percent surcharge for the sale of assets of approximately \$1.3 million to recoup their costs.

This analysis also assumes that the Texas Building and Procurement Commission can satisfy all requirements of the bill with existing staff and resources, as indicated by the agency. In addition,

these savings are compared to fiscal year 2003 appropriations and may not be realized when compared to the initial general revenue amounts currently being considered by the legislature.

### **Technology**

This bill would have no technology impact.

### **Local Government Impact**

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

**Source Agencies:** 303 Building and Procurement Commission, 304 Comptroller of Public Accounts, 342 Aircraft Pooling Board, 347 Public Finance Authority

**LBB Staff:** JK, JO, SD, GO, MS, JM, KG