

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 16, 2003

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

FROM: John Keel, Director, Legislative Budget Board

IN RE: SB1952 by Ellis, Rodney (Relating to the reorganization of, efficiency in, and other reform measures applying to state government.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1952, As Introduced: a positive impact of \$97,806,409 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	\$46,929,932
2005	\$50,876,477
2006	\$50,315,668
2007	\$54,632,707
2008	\$56,282,707

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/ (Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/(Loss) from <i>FOUNDATION SCHOOL FUND 193</i>	Probable Savings/ (Cost) from <i>All General Revenue Dedicated Accounts</i>
2004	\$8,547,988	\$37,782,944	\$599,000	\$5,631,039
2005	\$8,549,533	\$41,727,944	\$599,000	\$7,669,585
2006	\$3,676,124	\$46,040,544	\$599,000	\$10,128,985
2007	\$3,677,763	\$50,355,944	\$599,000	\$12,167,185
2008	\$5,302,763	\$50,380,944	\$599,000	\$12,167,185

Fiscal Year	Probable Savings/ (Cost) from <i>All Fed Funds outside GR</i>	Probable Savings/ (Cost) from <i>All Other Funds</i>	Change in Number of State Employees from FY 2003
2004	\$12,864,860	\$4,319,301	(898.0)
2005	\$15,845,563	\$4,448,252	(1,073.0)
2006	\$20,643,463	\$8,200,052	(1,417.0)
2007	\$25,565,563	\$11,415,452	(1,741.0)
2008	\$25,565,563	\$11,415,452	(1,741.0)

Fiscal Analysis

The bill would make certain changes to state government policies and operations. Those changes with a measurable fiscal impact are discussed below.

Methodology

All analysis is compared to current appropriations and law. Comparisons to the conference committee version of HB1 may yield different results.

The bill would transfer the manufactured housing function at the Department of Housing and Community Affairs to the Department of Licensing and Regulation (TDLR). In addition, the State Board of Barber Examiners, the Cosmetology Commission, the Board of Professional Land Surveying, the Board of Plumbing Examiners, the Structural Pest Control Board, the Funeral Services Commission and the Board of Professional Geoscientists would all be abolished and their powers and duties would be transferred to TDLR. General revenue savings would be \$874,085 in fiscal 2004 and \$1,490,809 in fiscal 2005.

The bill would abolish the Commission on Private Security and transfer its functions to the Department of Public Safety. General revenue savings would be an annual \$230,000.

The bill would transfer the Board of Vocational Nurse Examiners to the Board of Nurse Examiners. General revenue savings would be \$182,563 in fiscal 2004 and \$326,039 each year thereafter.

The bill would increase the fees on landscape architects, interior designers, land surveyors and property tax consultants by \$200, with \$50 allocated to the Foundation School Account and \$150 to general revenue. Gains to general revenue would be an annual \$1,796,000 and gains to the Foundation School Account would be an annual \$599,000.

The bill would require the Building and Procurement Commission (TBPC) to provide facilities management services for agencies in or adjacent to Travis County, excluding higher education, prison, military, capitol, and residential facilities. The State Energy Conservation Office would be required to provide utility management services for state agency facilities. TBPC estimates general revenue savings would be an annual \$8,700,000.

The bill would TBPC to develop a program for commercial use of state agency parking garages in Austin. TBPC estimates an revenue gain to general revenue of an annual \$728,091.

The bill would lower the allocation of office space per employee from 153 square feet to 135 square feet. TBPC estimates general revenue savings would be an annual \$5,757,496.

The bill would transfer some purchasing functions from the Attorney General and State Auditor and grant TBPC broader authority to dispose of surplus property and place the proceeds from sales in general revenue. TBPC estimates general revenue savings of \$2,773,897 in fiscal 2004 and \$2,775,442 in fiscal 2005.

The bill would delay contributions for new employees to their Employees Retirement System of Texas account for 90 days. General revenue savings would be \$2,837,000 in fiscal 2004 and \$3,095,000 each year thereafter; savings to GR-dedicated accounts would be \$413,639 in fiscal 2004 and \$451,185 each year thereafter; savings to federal funds would be \$739,260 in fiscal 2004 and \$806,363 each year thereafter; and savings to other funds would be \$819,101 in fiscal 2004 and \$893,452 each year thereafter.

The bill would reduce human resources staffing in state agencies. General revenue savings would be an annual \$11,994,000; savings to GR-dedicated accounts would be an annual \$1,720,000; savings to federal funds would be an annual \$3,074,000; and savings to other funds would be an annual \$3,406,000.

The bill would require state agencies with 100 or more FTEs to reach a 1:11 manager to staff ratio by

2007. General revenue savings would be \$7,207,800 in fiscal 2004 and \$10,134,600 in fiscal 2005; savings to GR-dedicated accounts would be \$3,497,400 in fiscal 2004 and \$5,498,400 in fiscal 2005; savings to federal funds would be \$9,051,600 in fiscal 2004 and \$11,965,200 in fiscal 2005; and savings to other funds would be \$94,200 in fiscal 2004 and \$148,800 in fiscal 2005.

The bill would change the rules that determine the date on which demutualized insurance company proceeds become unclaimed property. Revenue gains to general revenue would be \$3,250,000 in both fiscal 2004 and 2005, but revenue losses would occur in fiscal 2006 and 2007.

Reductions in FTEs reflected above come primarily from the provisions regarding human resources staffing and manager/staff ratios.

Technology

Assorted technological costs and savings are reflected in the above tables and description.

Local Government Impact

No direct fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 303 Building and Procurement Commission, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 327 Employees Retirement System, 332 Department of Housing and Community Affairs, 405 Department of Public Safety, 452 Department of Licensing and Regulation, 454 Department of Insurance, 456 Board of Plumbing Examiners, 464 Board of Professional Land Surveying, 467 Texas Commission on Private Security, 472 Structural Pest Control Board, 481 Board of Professional Geoscientists, 502 Board of Barber Examiners, 505 Cosmetology Commission, 507 Board of Nurse Examiners, 511 Board of Vocational Nurse Examiners, 513 Funeral Service Commission

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