

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 19, 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.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1952, Committee Report 1st House, Substituted: a positive impact of \$315,405,091 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	\$151,647,862
2005	\$163,757,229
2006	\$155,272,697
2007	\$153,351,917
2008	\$155,720,291

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from GENERAL REVENUE FUND 1	Probable Savings/ (Cost) from GENERAL REVENUE FUND 1	Probable Revenue Gain/(Loss) from FOUNDATION SCHOOL FUND 193	Probable Savings/ (Cost) from (Cost) from All General Revenue Dedicated Accounts
2004	\$95,958,080	\$55,090,782	\$599,000	\$2,110,247
2005	\$102,458,275	\$60,699,954	\$599,000	\$4,900,229
2006	\$97,584,866	\$57,088,831	\$599,000	\$6,950,924
2007	\$97,586,505	\$55,166,412	\$599,000	\$9,461,381
2008	\$99,211,505	\$55,909,786	\$599,000	\$11,552,169

Fiscal Year	Probable Savings/ (Cost) from All Fed Funds outside GR	Probable Savings/ (Cost) from All Other Funds	Change in Number of State Employees from FY 2003
2004	\$2,963,174	\$2,579,768	(293.0)
2005	\$11,663,674	\$3,632,485	(658.0)
2006	\$14,577,274	\$3,687,085	(831.0)
2007	\$19,374,874	\$7,438,285	(1,175.0)
2008	\$24,296,674	\$10,654,285	(1,499.0)

## **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.

Article 1 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.

Article 2 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.

Article 3 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.

Article 4 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.

Article 5 would 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.

Article 6 would delay contributions for new employees to their Employees Retirement System of Texas (ERS) or Teacher Retirement System of Texas (TRS) account for 90 days. For ERS, 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. For TRS, general revenue savings would be \$42,020,174 in fiscal 2004 and \$43,280,779 in fiscal 2005, and savings to GR-dedicated accounts would be \$1,604,188 in fiscal 2004 and \$1,652,314 in fiscal 2005.

Article 7 would reduce human resources staffing in state agencies. General revenue savings would be \$5,640,000 in fiscal 2004 and \$8,460,000 each year thereafter; savings to GR-dedicated accounts would be \$341,000 in fiscal 2004 and \$512,000 each year thereafter; savings to federal funds would be \$1,997,000 in fiscal 2004 and \$2,997,000 each year thereafter; and savings to other funds would be \$1,739,000 in fiscal 2004 and \$2,608,000 each year thereafter.

Article 8 would require state agencies with 100 or more FTEs to reach a 1:11 manager to staff ratio by 2007. This analysis presumes these changes would not take effect until fiscal 2005. Fiscal 2005 general revenue savings would be \$6,152,400; fiscal 2005 savings to GR-dedicated accounts would be \$2,556,000; fiscal 2005 savings to federal funds would be \$7,612,800; and fiscal 2005 savings to other funds would be \$107,400.

Article 9 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.

Article 10 would establish a minimum presumptive value of used vehicles for motor vehicle sales tax purposes. The Comptroller's office estimates this will generate an annual revenue gain to general revenue of approximately \$86,000,000.

Article 11 would eliminate paid insurance for certain volunteers to the state. General revenue savings would be an annual \$1,550,000.

Article 12 would define the period after which unclaimed wages would become abandoned for the purposes of becoming state-claimed unclaimed property. Preliminary estimates of general revenue gains would be approximately \$6,500,000 per year beginning in fiscal 2005.

Article 15 would reduce the number of members of the Higher Education Coordinating Board (HECB) to nine. General revenue savings would be an annual \$18,000.

Article 16 would require the HECB to conduct a review of university system administration. The HECB indicates the cost of the study would be \$337,792.

Article 17 would allow the Railroad Commission to adopt fees to be assessed on railroads to recover costs necessary to administer the rail safety program. Revenue gains to general revenue would be \$1,410,092 in fiscal 2005 and \$1,408,742 each year thereafter.

Article 21 would create the Texas Innocence Commission to investigate wrongful convictions in the state. General revenue costs would be \$35,541 in fiscal 2004 and \$36,963 in fiscal 2005 (this analysis presumes immediate effect).

Article 25 creates the Texas B-On-time Student Loan Program to provide zero interest loans for eligible students at institutions of higher education. General revenue costs would be \$2,558,555 in fiscal 2004 and \$7,806,758 in fiscal 2005.

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**

Minimal direct fiscal implications to units of local government are anticipated.

**Source Agencies:** 301 Office of the Governor, 302 Office of the Attorney General, 303 Building and Procurement Commission, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 323 Teacher Retirement System, 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, 601 Department of Transportation

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