

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

February 23, 2005

TO: Honorable Dianne White Delisi, Chair, House Committee on Public Health

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB880 by Delisi (Relating to attorney general review of certain contracts for health care purposes.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB880, As Introduced: a negative impact of (\$1,029,749) through the biennium ending August 31, 2007.

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
2006	(\$528,317)
2007	(\$501,432)
2008	(\$501,432)
2009	(\$501,432)
2010	(\$501,432)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2006	(\$528,317)
2007	(\$501,432)
2008	(\$501,432)
2009	(\$501,432)
2010	(\$501,432)

Fiscal Year	Change in Number of State Employees from FY 2005
2006	5.0
2007	5.0
2008	5.0
2009	5.0
2010	5.0

Fiscal Analysis

The bill requires the Attorney General to receive notification of the planning phase of the contracting

process and review the form and terms of any contract prior to a state agency or retirement system entering into a health care contract with a contract amount of \$50 million or more. The Attorney General may also provide or recommend training for the state agency’s employees relating to the contracting process and may require the state agency to enter into an interagency agreement or obtain outside legal services. The sections added by this Act apply only to a contract described by those sections that are entered into on or after November 1, 2005.

This Act takes effect on September 1, 2005.

Methodology

The Attorney General's Office estimates that it may review at least 12 agency contracts each year and will require additional staff to handle the increased workload. Such staff is estimated to cost \$501,432 annually, with a one-time cost \$10,185 in fiscal 2006 for technology needs.

In addition to the costs identified above, both the Teacher Retirement System and the Employees Retirement System estimate that they would be require outside legal services relating to the affected contracts.

Technology

A one-time cost to the Attorney General's Office of \$10,185 in fiscal 2006 for technology needs is estimated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 323 Teacher Retirement System, 327 Employees Retirement System, 529 Health and Human Services Commission

LBB Staff: JOB, CL, WP