

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

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**April 12, 2005**

**TO:** Honorable George "Buddy" West, Chair, House Committee on Energy Resources

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

**IN RE: HB1512** by Merritt (Relating to a requirement that the Bureau of Economic Geology of The University of Texas at Austin conduct a study of the East Texas Oil Field.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB1512, As Introduced: a negative impact of (\$2,210,066) through the biennium ending August 31, 2007.

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

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	(\$1,115,740)
2007	(\$1,094,326)
2008	\$0
2009	\$0
2010	\$0

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

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2005
2006	(\$1,115,740)	8.6
2007	(\$1,094,326)	8.6
2008	\$0	0.0
2009	\$0	0.0
2010	\$0	0.0

**Fiscal Analysis**

The bill would require the Bureau of Economic Geology of The University of Texas at Austin to conduct a study of the East Texas Oil Field for the purpose of making comprehensive recommendations regarding ways to maximize the ultimate recovery of oil and gas from the field. The bill would establish the East Texas Oil Field Advisory Committee. The report must be completed on or before January 1, 2007.

**Methodology**

Based on previous studies conducted by the Bureau of Economic Geology, The University of Texas System assumes that 8.6 full-time employee's would be needed to conduct the study. Salaries and wages for these additional employees represent \$585,398 in fiscal year 2006 and \$614,676 in fiscal year 2007. The remaining costs, including retirement benefits and other operating expenses, would be \$530,342 in fiscal year 2006 and \$479,650.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 455 Railroad Commission, 720 The University of Texas System Administration

**LBB Staff:** JOB, WK, RT, GO