

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 25, 2005

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

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

IN RE: SB1644 by Shapleigh (Relating to the TexasOnline project, the TexasOnline Authority, and related powers and fees.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1644, As Introduced: a negative impact of (\$142,810) 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	(\$71,405)
2007	(\$71,405)
2008	(\$71,405)
2009	(\$71,405)
2010	(\$71,405)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from <i>GENERAL REVENUE FUND</i> 1	Change in Number of State Employees from FY 2005
2006	(\$71,405)	1.0
2007	(\$71,405)	1.0
2008	(\$71,405)	1.0
2009	(\$71,405)	1.0
2010	(\$71,405)	1.0

Fiscal Analysis

The bill requires that if the Department of Information Resources (DIR) contracts with a private vendor for TexasOnline, such a contract must include terms on sharing fees. The bill permits a state agency or the TexasOnline vendor, as determined by the TexasOnline Authority to collect all fees charged to use TexasOnline.

The bill permits the TexasOnline Authority to set prices in an amount equal to the cost of the project plus a reasonable rate of return regarding any fees that a state agency, including the TexasOnline Authority, or a local government can charge for a TexasOnline transaction. This could result in additional costs to state agencies and users of TexasOnline due to any increase in fees charged for TexasOnline services.

The bill adds clarifying language prohibiting DIR and the TexasOnline Authority from incurring any debt or costs associated with the TexasOnline project.

The bill permits a state agency or local government to use TexasOnline to automate systems relating to the state agency or local government's record. Currently, the contractor for TexasOnline services, BearingPoint, would cover the costs for the development of the online records applications. However, this would delay total cost recovery for BearingPoint and delay the percentage increase in the State's share of revenue generated from TexasOnline.

Through the repealer, the bill continues to permit licensing entities to increase the occupational license issuance or renewal fees up to \$5 for an annual license or \$10 for a biennial license.

Methodology

The bill permits a state agency or the TexasOnline vendor, as determined by the TexasOnline Authority to collect all fees charged to use TexasOnline. If a state agency collects the fees, the agency will forward the fees to the vendor (if the agency has a contract with a vendor) and the vendor determines the state's appropriate share of the fee and forwards it to the state. If the vendor collects the fees, it will determine the state's appropriate share and forward it to the state. DIR would increase oversight of TexasOnline fees resulting in a cost of \$71,405 per fiscal year for 1 FTE.

Local Government Impact

There could be additional costs to local government entities that use TexasOnline due to any increase in fees charged for TexasOnline services.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 601 Department of Transportation, 329 Real Estate Commission, 337 Board of Tax Professional Examiners, 405 Department of Public Safety, 450 Savings and Loan Department, 452 Department of Licensing and Regulation, 454 Department of Insurance, 456 Board of Plumbing Examiners, 472 Structural Pest Control Board, 476 Racing Commission, 481 Board of Professional Geoscientists, 503 Board of Medical Examiners, 507 Board of Nurse Examiners, 512 Board of Podiatric Medical Examiners, 514 Optometry Board, 515 Board of Pharmacy

LBB Staff: JOB, SMi, LB, MS, RC