

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 22, 2007

TO: Honorable Phil King, Chair, House Committee on Regulated Industries

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

IN RE: HB896 by King, Phil (Relating to the members and operation of the Public Utility Commission of Texas.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB896, As Introduced: a negative impact of (\$2,298,138) through the biennium ending August 31, 2009.

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
2008	(\$1,361,569)
2009	(\$936,569)
2010	(\$936,569)
2011	(\$936,569)
2012	(\$936,569)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from GENERAL REVENUE FUND 1	Change in Number of State Employees from FY 2007
2008	(\$1,361,569)	11.0
2009	(\$936,569)	11.0
2010	(\$936,569)	11.0
2011	(\$936,569)	11.0
2012	(\$936,569)	11.0

Fiscal Analysis

The bill would amend the Utilities Code to increase the number of commissioners at the Public Utility Commission (PUC) from three to five, and requires the PUC to employ a legal clerk for each commissioner.

The bill would take effect September 1, 2007

Methodology

Based on the analysis of the Public Utility Commission (PUC), it is assumed that there would be costs associated with employing two additional commissioners, five additional attorneys, two additional executive assistants, and two additional program specialists, including office renovations and

purchasing additional furniture and equipment.

The PUC currently employs one executive assistant and one program specialist for each commissioner and reports that some additional renovation costs would be necessary to expand its facilities to accommodate the two additional commissioners. It is estimated that the PUC will incur General Revenue costs for additional staff of \$641,465 and 11.0 FTEs through fiscal year 2012. Other costs and operating expenses are estimated to be \$538,634 in fiscal year 2008 and at \$113,634 through 2012. Associated benefits are estimated to be \$181,470 through 2012.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 473 Public Utility Commission of Texas

LBB Staff: JOB, JRO, MW, TGI