

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 4, 2007

TO: Honorable John Whitmire, Chair, Senate Committee on Criminal Justice

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

IN RE: HB914 by Madden (Relating to the establishment of an office of inspector general and the authority of the state auditor to conduct audits at the Texas Youth Commission.),
Committee Report 2nd House, Substituted

| |
|---|
| Estimated Two-year Net Impact to General Revenue Related Funds for HB914, Committee Report 2nd House, Substituted: a negative impact of (\$526,210) through the biennium ending August 31, 2009. |
|---|

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2008 | (\$265,265) |
| 2009 | (\$260,945) |
| 2010 | (\$261,425) |
| 2011 | (\$261,905) |
| 2012 | (\$262,385) |

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 2007 |
|-------------|--|---|
| 2008 | (\$265,265) | 4.0 |
| 2009 | (\$260,945) | 4.0 |
| 2010 | (\$261,425) | 4.0 |
| 2011 | (\$261,905) | 4.0 |
| 2012 | (\$262,385) | 4.0 |

Fiscal Analysis

The bill would amend Article 2.12 of the Code of Criminal Procedure adding inspectors general to the Youth Commission (TYC) as peace officers. The bill would amend Section 61.0451 of the Human Resources Code to require TYC to establish an office of inspector general for the purpose of investigating fraud committed by TYC employees, including contract parole officers and crime committed in TYC facilities or contract programs. TYC would establish policies and procedures for the operations of the office of inspector general. The office of inspector general would be able to employ commissioned peace officers as inspectors general with all the powers and duties given to peace officers in this state. The TYC board would select a commissioned peace officer as chief inspector general, who may only be discharged for cause. The office of inspector general would be required to prepare and deliver a variety of reports regarding operations and investigation results to the TYC board, the governor, the Lieutenant governor, committees in both houses with primary jurisdiction over correctional facilities, the state auditor, the special prosecution unit (SPU), the comptroller, and any other appropriate state agency. The inspector general could request information

or assistance from the state auditor, and could coordinate with the state auditor to review or schedule a plan for an investigation. The state auditor would be able to access all information maintained by the office of inspector general. The bill would take effect immediately if it receives a vote of two-thirds of all members of each house, or on September 1, 2007 if it does not receive the necessary vote.

Methodology

TYC reports it will need 4.0 FTEs in each year of the biennium to implement the provisions of the bill at a cost of \$340,280 in salaries for the biennium and \$170,140 each year thereafter. Additional costs (travel, equipment, benefits and operating expenses) total \$185,930 for the biennium and average \$92,005 in each year thereafter.

TYC does not currently have authority to hire Schedule C employees. This means peace officers hired by TYC would not be paid at Schedule C rates unless TYC is added to the list of eligible agencies in Article IX of the General Appropriations Bill, As Introduced.

The SPU anticipates no significant fiscal impact from the passage of this bill.

Technology

The TYC technology impact for fiscal year 2008 is estimated at \$5,232 and includes computer workstations and infrastructure for the 4 FTEs. The ongoing technology cost is estimated at \$432 per year.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, ES, GG, AI