

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 25, 2007

TO: Honorable Bill Callegari, Chair, House Committee on Government Reform

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

IN RE: HB2443 by Callegari (Relating to the operation, organization, and management of governmental entities, including the repeal of certain obsolete laws.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2443, Committee Report 1st House, Substituted: a negative impact of (\$188,444) 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	(\$96,472)
2009	(\$91,972)
2010	(\$91,972)
2011	(\$91,972)
2012	(\$91,972)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from GENERAL REVENUE FUND 1
2008	(\$96,472)
2009	(\$91,972)
2010	(\$91,972)
2011	(\$91,972)
2012	(\$91,972)

Fiscal Year	Change in Number of State Employees from FY 2007
2008	1.0
2009	1.0
2010	1.0
2011	1.0
2012	1.0

Fiscal Analysis

SECTION 1.01 would add Section 441.0135, Government Code, to establish the Report of Reports as a responsibility of the Texas State Library and Archive Commission and to require state agencies to cooperate with the commission for the necessary information, as set out in the section. SECTION 1.02 would amend Section 441.157(d), Government Code, to specify that the recipients of the Texas State Library and Archive Commission's Grant in Aid Program Report are the Legislative Budget Board and the Office of the Governor and to add a sunset provision terminating this report in the same year that the commission faces sunset. SECTION 1.03 would amend Section 751.005(b), Government Code, to delete the Funds Received and Disbursed Report from the Office of State-Federal Relations. SECTION 1.04 would amend Section 1231.086(b), Government Code, to delete a reporting requirement to the Joint Committee Monitoring Goals for Historically Underutilized Businesses, which no longer exists.

SECTION 1.05 would amend Section 21.504, Labor Code, to delete the compiled Report on Minority Hiring Practices as a separate report. SECTION 1.06 would add Section 21.5511, Labor Code, to consolidate requirements that state agencies report their equal employment opportunity policies to the Civil Rights Division of the Texas Workforce Commission. The Texas Workforce Commission estimates that new Section 21.5511(b), Labor Code, would lead to a cost in General Revenue of \$96,472 in fiscal year 2008 and \$91,972 in subsequent years.

SECTION 1.07 would amend Section 21.553, Labor Code, to compile the information from the Report on Minority Hiring Practices with the Equal Employment Opportunity Report. SECTION 1.08 would amend Article 6447a-1, Revised Statutes, to clarify a reference to the Railroad Commission of Texas in light of the amendments in SECTION 1.09.

SECTION 1.09 would repeal Equal Employment Opportunity Report requirements throughout statute, as SECTION 1.06 consolidated these requirements into the Labor Code. SECTION 1.09 would further repeal requirements for the Funds Received and Disbursed Report, which has been replaced by the annual financial report required in Government Code §2101.011. SECTION 1.09 would repeal the Report on Minority and Female-Owned Business Policies of the Department of Agriculture, which is already contained in the Historically Underutilized Businesses report. SECTION 1.09 would repeal Chapter 320, Government Code, which relates to the Interagency Work Group on Unfunded Mandates, which no longer exists. SECTION 1.09 would repeal Subchapter G of Chapter 531, Government Code, which relates to the Texas Integrated Enrollment Services Legislative Oversight Committee, which was abolished in 2002. SECTION 1.09 would repeal Chapter 782, Government Code, which relates to the Greater South Texas Cultural Basin Commission. SECTION 1.09 would repeal Section 443.0135(e), Government Code, which requires a Report on Alcoholic Beverages in the Capitol.

SECTION 1.10 would require state agencies to comply with Section 21.5511, Labor Code, no later than October 1, 2007.

Article 6 of the bill would require the comptroller to devise and implement a statewide system of vehicle fleet management to handle:

1. vehicle acquisition, maintenance, and repair;
2. fueling operations;
3. inventory and data management; and
4. disposal or sale of excess vehicles.

The bill would authorize the comptroller to contract with a private vendor for the provisions of any, or all, of the above services.

Article 6 of the bill would abolish the Office of Vehicle Fleet Management and transfer all functions, property, and funds appropriated to the Texas Building and Procurement Commission, for the provision of vehicle fleet management services, to the comptroller.

The bill would require that before December 1, 2007, the Comptroller to establish a transition plan with each of the 36 state agencies for the transfer of vehicles owned by the agency to the Comptroller.

The bill would also, transfer ownership, possession, and control of vehicles at 36 state agencies to the comptroller as established by a required transition plan.

Methodology

The Texas Workforce Commission (TWC) estimates that new Section 21.5511(b), Labor Code, would lead to a cost in General Revenue of \$96,472 in fiscal year 2008 and \$91,972 in subsequent years. Section 21.5511(b) would require the Civil Rights Division of TWC to inform state agencies when an agency's written policy statement does not comply with current federal or state statutes or rules regarding equal employment opportunity, which TWC states would lead to more frequent reviews of all state agency policies on file. The cost is related to employing an additional Attorney III FTE.

Interpretation of Article 6 of the bill could vary, and depending on the interpretation of these provisions, the fiscal impact of this section could also vary. The cost would be dependent on the comptroller's chosen implementation of the required statewide fleet management system.

The provisions of Article 6 of the bill are not assumed to result in a direct fiscal impact to the state. It is assumed that the comptroller would be responsible for maintaining the same number of vehicles currently in individual agency fleets. It is also assumed the comptroller would be required to make the vehicles available to the agencies, at no more than a pure cost recovery rate, to ensure the continued provision of agency services at no additional cost.

However, agencies report that the requirements of the bill could put undue strain on agency operations and client service provision, resulting in increased costs and possible losses in revenue. Because the bill does not detail the nature of the consolidated management system to be put in place by the comptroller's office, agencies are unable to calculate the financial impact of such a change.

Finally, there is the possibility that transferring vehicles purchased with federal funds from the current owning agency to the comptroller may result in a loss of federal funds received to maintain such vehicles. Agencies report that 425 of the state's vehicles were purchased using federal funds. Based on a yearly federal reimbursement of \$500 per vehicle to maintain these assets, the state could lose \$212,500 per year in federal funding of vehicle maintenance.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 303 Building and Procurement Commission, 304 Comptroller of Public Accounts, 306 Library & Archives Commission, 307 Secretary of State, 313 Department of Information Resources, 320 Texas Workforce Commission, 352 Bond Review Board, 362 Texas Lottery Commission, 401 Adjutant General's Department, 405 Department of Public Safety, 454 Department of Insurance, 455 Railroad Commission, 458 Alcoholic Beverage Commission, 529 Health and Human Services Commission, 530 Family and Protective Services, Department of, 538 Assistive and Rehabilitative Services, Department of, 539 Aging and Disability Services, Department of, 551 Department of Agriculture, 580 Water Development Board, 582 Commission on Environmental Quality, 601 Department of Transportation, 665 Juvenile Probation Commission, 694 Youth Commission, 696 Department of Criminal Justice, 701 Central Education Agency, 710 Texas A&M University System Administrative and General Offices, 802 Parks and Wildlife Department

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