

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 13, 2007

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

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

IN RE: HB3560 by Swinford (Relating to transferring to the comptroller the duties of the Texas Building and Procurement Commission that do not primarily concern state facilities.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

This bill would divide the duties and responsibilities of the Texas Building and Procurement Commission (TBPC) between the Comptroller of Public Accounts (Comptroller) and a new state agency, to be named the Texas Facilities Commission (TFC). Because the bill would provide for the transfer of existing appropriation authority and FTEs, there would be no fiscal impact to the state.

All powers and duties of TBPC that relate to the following areas would be performed by TFC, including:

1. charge and control of state buildings, grounds, or property;
2. maintenance or repair of state buildings, grounds, or property;
3. construction of a state building;
4. purchase or lease of buildings, grounds, or property by or for the state; and
5. child care services for state employees.

All other powers and duties of TBPC would be transferred to the Comptroller, including:

1. statewide procurement;
2. training and compliance;
3. statewide HUB program;
4. travel procurement;
5. fleet management;
6. surplus property; and
7. support services.

Based on TBPC's 2007 operating budget, the bill would transfer approximately \$17.4 million and 143 FTEs from TBPC to the Comptroller. The remaining appropriations authority (\$130.6 million) and FTEs (435) for TBPC would be redirected to TFC. All TBPC employees would become employees of either TFC or the Comptroller, as applicable. A management employee of TBPC would not automatically continue to hold a management position with the Comptroller after the transfer. To hold the management position on other than an interim basis the person would have to apply for the position with the applicable office.

All money, contracts, leases, rights, bonds, and obligations of TBPC would be transferred to TFC or the Comptroller, as applicable. All personal property, including records, in the custody of TBPC relating to transferred activities would become the property of TFC or the Comptroller, as applicable. All funds appropriated by the Legislature to TBPC, including funds for providing administrative support for transferred services, would be transferred to TFC or the Comptroller, as applicable.

The bill would increase the involvement of the Texas Ethics Commission in administering and enforcing statutory conflict of interest requirements related to state procurement operations. The Ethics Commission estimates that these activities would require an additional Attorney 3 position,

costing \$81,455 in fiscal year 2008 and \$77,804 each year after.

The bill would increase the membership of the State Council on Competitive Government (CCG) by one, to include the state's land commissioner. The bill would also replace the TBPC presiding officer with the presiding officer of the Texas Facilities Commission as a member of the CCG.

The bill would require the TFC, the Legislative Budget Board (LBB), and GLO to participate in a joint study to assess the functions of the Texas Facilities Commission, including:

1. the acquisition of state buildings through lease or purchase;
2. the construction of buildings owned by the state; and
3. the control and maintenance of state buildings.

While the LBB could participate in the study given existing resources, the requirement to participate would result in a reduction of the resources available for other performance review work.

The bill also contains language concerning the Department of Information Resources' duties and responsibilities relating to telecommunications services for state government. No changes to DIR's current telecommunications activities are anticipated.

The state could realize savings in future years as a result of the passage of the proposed bill once the Comptroller has fully reviewed individual procurement program operations for reorganization or efficiency improvement opportunities. However, because the bill would transfer existing appropriation authority and FTEs, there are no anticipated savings in the 2008-09 biennium.

Local Government Impact

Local governments that use the TBPC's certification processes and programs to identify HUBs would have no additional costs (e.g. the city of Waco). Larger cities and counties that already have certification processes in place are likely to have the means to quickly and affordably create an online searchable database (e.g. Dallas County and the city of Houston).

Local governments that certify HUBs or conduct certifications and do not have a searchable database already created would incur some costs. For example, the city of LaMarque reported initial costs of \$65,500 in fiscal year 2008 for new staff, capital outlay, and operational costs. These costs would fall to \$54,271 and would consist mostly of salary, benefits, and telephone and software maintenance.

Source Agencies:

LBB Staff: JOB, MN, JI, KJG, KY