

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 24, 2007

TO: Honorable David Swinford, Chair, House Committee on State Affairs

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.),
Committee Report 1st House, Substituted

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, 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:

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.

For the 2008-09 biennium, 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) granted to 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 state auditor, 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.

The bill would prescribe additional duties and responsibilities to the State Auditor's Office, including:

1. assisting the Comptroller in developing rules and procedures for Reporting, auditing, and approving purchases;
2. reviewing purchase information to determine if an audit is needed;
3. auditing agencies to determine compliance with procurement rules and statutes;
4. participating in the joint study on the functions of the TFC.

SAO estimates these activities would require 2,130 hours of agency resources in fiscal year 2008 and 40 hours of agency resources in each year after. At SAO's current billing rate of \$96 per hour, the resulting cost to the agency would be \$208,320 during the 2008-09 biennium. Without increasing audit FTEs, the requirement to participate in the joint study could result in a reduction of the resources available for discretionary audit work by the agency.

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

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Building and Procurement Commission, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 308 State Auditor's Office, 313 Department of Information Resources, 356 Texas Ethics Commission

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