

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 21, 2007

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

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

IN RE: SB1527 by Eltife (Relating to the consolidation of state vehicle fleets.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1527, As Introduced: a positive impact of \$498,354 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	\$166,118
2009	\$332,236
2010	\$332,236
2011	\$332,236
2012	\$332,236

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings from GENERAL REVENUE FUND 1
2008	\$166,118
2009	\$332,236
2010	\$332,236
2011	\$332,236
2012	\$332,236

Fiscal Analysis

This bill would implement recommendation 1 of the *LBB Government Effectiveness and Efficiency Report* entitled "Consolidate State Fleet Management Operations."

The bill would require the fleet vehicle assets of the state, excluding those held by institutions of higher education, to be consolidated at six state agencies, including: (1) Texas Department of Transportation; (2) Department of Public Safety; (3) Texas Department of Criminal Justice; (4) Parks and Wildlife Department; (5) Health and Human Services Commission; and (6) the Texas Building and Procurement Commission.

The bill would require the Health and Human Services Commission to make vehicles available for use by health and human services agencies on a full cost recovery basis obtained through a per mile fee.

The bill would require the Texas Building and Procurement Commission to make vehicles available for use by other state agencies not covered above on a full cost recovery basis obtained through a per mile fee.

The bill would require the Health and Human Services Commission and the Texas Building and Procurement Commission to establish transition plans to implement the above requirements by December 1, 2007.

Methodology

The bill states that transition plans for the consolidation of assets would be due December 7, 2007, mid-way through the first fiscal year of the biennium. It is assumed that the actual transfer of assets, and manage of such assets by a central body, would occur in a phased process over the remaining course of the biennium. Therefore, the direct operational savings sought by the bill (including improved contract prices from bulk and purchasing negotiations and possible fleet reductions from efficiency increases) would occur in future years and are not reflected in this fiscal estimate.

The savings identified in the summary statement above are a result of a method of finance change for funds related to existing fleet management resources within the Texas Building and Procurement Commission (TBPC). TBPC currently employs fleet management personnel to oversee both statewide fleet management data collection and policy development and the daily maintenance and management of the TBPC vehicle fleet. It is assumed that these resources would form the base of the staffing team responsible for managing the newly formed consolidated fleet. It is also assumed that any FTE increases required to staff the program would be offset by equivalent FTE decreases in fleet management personnel at fleet user agencies. Therefore, TBPC would receive Interagency Contract Funds from user agencies to support these resources, replacing current General Revenue appropriations. The net effect of the method of finance change is noted in the fiscal impact table above.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Building and Procurement Commission, 405 Department of Public Safety, 529 Health and Human Services Commission, 601 Department of Transportation, 696 Department of Criminal Justice, 802 Parks and Wildlife Department

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