

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 19, 2009

TO: Honorable Steve Ogden, Chair, Senate Committee on Finance

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

IN RE: HB2507 by Chisum (Relating to the establishment of an interoperable statewide emergency radio infrastructure and the establishment of an emergency radio infrastructure account.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2507, As Engrossed: an impact of \$0 through the biennium ending August 31, 2011.

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
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>New General Revenue Dedicated</i>	Probable (Cost) from <i>New General Revenue Dedicated</i>	Probable Revenue (Loss) from <i>Oper & Chauffeurs Lic Ac 99</i>	Probable Revenue (Loss) from <i>Fugitive Apprehension 5028</i>
2010	\$44,643,000	(\$44,643,000)	(\$21,084,000)	(\$23,559,000)
2011	\$48,957,000	(\$48,957,000)	(\$23,000,000)	(\$25,957,000)
2012	\$49,217,000	(\$49,217,000)	(\$23,000,000)	(\$26,217,000)
2013	\$49,479,000	(\$49,479,000)	(\$23,000,000)	(\$26,479,000)
2014	\$49,744,000	(\$49,744,000)	(\$23,000,000)	(\$26,744,000)

Fiscal Year	Change in Number of State Employees from FY 2009
2010	4.0
2011	4.0
2012	4.0
2013	4.0
2014	4.0

Fiscal Analysis

The bill, as substituted, would redirect 23.2330 percent of court fees collected under Section 113.102 of the Local Government Code to an emergency radio infrastructure account. These fees are currently deposited in General Revenue-Dedicated Account 0099 (Operators and Chauffeurs License), which is appropriated to the Department of Public Safety (DPS) and General Revenue-Dedicated Account 5028 (Fugitive Apprehension), which may be appropriated to DPS and the Department of Criminal Justice.

Appropriations from the new account would be restricted to the Commission on State Emergency Communications (CSEC) and the DPS.

Funds from the emergency radio infrastructure account would be used for the planning, development, provision, enhancement, or ongoing maintenance of an interoperable statewide emergency radio infrastructure, including development of a regional or state interoperable radio communication system. The bill would allow the CSEC to distribute the funds as grants to regional councils of governments and other state agencies requiring emergency radio infrastructure. The bill would prohibit the use of the funds for purchase or maintenance of radio subscriber equipment.

The bill would take effect on September 1, 2009.

Methodology

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in the bill would be subject to funds consolidation review by the current legislature.

Revenue estimates were based on the Comptroller's 2010-11 Biennial Revenue Estimate. Revenue from fiscal year 2010 was adjusted based on eleven months of collection. The bill would result in a gain of \$98,600,000 to the emergency radio infrastructure account and losses of \$44,084,000 to Account 0099 and \$49,516,000 to Account 5028 during the 2010-11 biennium.

The analysis assumes appropriations from the account would be at or similar to collection levels.

The CSEC would administer the program to develop, implement and maintain an interoperable statewide emergency radio infrastructure. Of the revenue generated and appropriated to the CSEC, the agency would retain approximately \$253,331 each year for administration of the program. This includes 4 full-time equivalent positions for a total of \$211,318 each fiscal year for salary costs; benefits are estimated to be at \$60,374. These positions include one accountant, one program supervisor and two program specialists to develop and implement interoperability plans as well as coordinate with other state agencies and regional councils of governments. Other expenses would include travel, rental of office space, equipment and furniture, and other operating expenses.

The remaining amounts, which vary from \$44.3 million in fiscal year 2010 to \$49.4 million in fiscal year 2014, would be awarded as grants to regional councils of governments and to other state agencies requiring emergency radio communications infrastructure for implementation of interoperability plans, excluding the purchase and maintenance of radio subscriber equipment.

Local Government Impact

The bill would establish an interoperable statewide emergency radio infrastructure and redirect a percentage of court fees to an emergency radio infrastructure account. Funds from the account could be used for the development of a regional interoperable radio communication system, or distributed as grants by the CSEC to regional councils of governments that have an interlocal agreement.

The Panhandle Regional Planning Council (PRPC) reported costs associated with an interoperable statewide emergency radio infrastructure system would cost an estimated \$794,664 in fiscal year 2010 for salary and benefits for one additional employee, capital outlay, and operational and maintenance expenses. The PRPC also stated the revenue from the new account would significantly offset costs.

The Concho Valley Council of Governments (CVCOG) reported costs associated with an interoperable statewide emergency radio infrastructure system would cost an estimated \$76,380 in fiscal year 2010 for salary and benefits for one additional employee, training, capital outlay, and operational and maintenance expenses. The CVCOG also stated the revenue from the new account would allow the completion of projects in the region.

The East Texas Council of Governments (ETCOG) reported costs associated with an interoperable statewide emergency radio infrastructure system would cost an estimated \$1,973,700 in fiscal year 2010 for salary and benefits for two additional employees, newly established services of accounting and human resources, capital outlay, consultant fees to design a system and operational and maintenance expenses of the existing infrastructure. The ETCOG also stated the anticipated costs over five years would be an estimated minimum of \$1.5 million to cover approximately 10,000 square miles in the region. In addition, ETCOG stated the revenue from the new account would likely exceed the costs incurred by the region.

Counties and cities that reported the provisions of the bill would not have a significant cost or revenue gain included Bexar, Austin, Lubbock, McLennan, Garland, Taylor, Jasper, Newton and Sabine.

Source Agencies: 304 Comptroller of Public Accounts, 405 Department of Public Safety, 477 Commission on State Emergency Communications

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