

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 20, 2009

TO: Honorable Todd Smith, Chair, House Committee on Elections

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

IN RE: HB3178 by Thompson (Relating to ethics of holders of and candidates for public office, public employees, and lobbyists; providing penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3178, As Introduced: a negative impact of (\$289,164) 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	(\$186,182)
2011	(\$102,982)
2012	(\$132,982)
2013	(\$102,982)
2014	(\$132,982)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2009
2010	(\$186,182)	2.0
2011	(\$102,982)	2.0
2012	(\$132,982)	2.0
2013	(\$102,982)	2.0
2014	(\$132,982)	2.0

Fiscal Analysis

The bill would amend statute and require the Texas Ethics Commission to contract with the Department of Information Resources (DIR), or a private vendor, to study the agency website and provide recommendations to increase the ease of using and obtaining information from the agency. In addition, the bill requires the Ethics Commission to adopt a regular program of auditing statements, reports, and other documents filed with the agency. The bill further requires the agency to provide three hours of ethics training every two years to all legislators and directors of each state agency.

Methodology

The Ethics Commission indicates that a one-time cost of approximately \$40,000 would be needed in fiscal year 2010 out of the General Revenue Fund (GR) to contract with the DIR, or a private vendor, to complete a study and provide recommendations to redesign the agency website to improve the ease of use in obtaining information from the agency.

To implement the provision of the bill directing the Ethics Commission to enhance auditing of statements, reports, and other filed documents, the agency indicates that it would require an additional attorney at a salary cost of \$47,800 each fiscal year out of GR. In addition, a one-time cost of \$6,600 would be needed out of GR in fiscal year 2010 for a computer, desk, chair, telephone, workstation, etc. Ongoing operating costs of \$513 each fiscal year would also be needed. An additional \$13,656 each fiscal year would be required out of GR to pay benefits and would be appropriated to the Employee Retirement System (ERS).

To implement the provision of the bill to provide three hours of ethics training every two years to all legislators and directors of each state agency, the Ethics Commission indicates that one additional FTE would be required at a salary cost of \$31,500 each fiscal year out of GR. In addition, a one-time cost of \$6,600 would be needed out of GR in fiscal year 2010 for a computer, desk, chair, telephone, workstation, etc. Ongoing operating costs of \$513 each fiscal year would also be needed. An additional \$9,000 each fiscal year would be required out of GR to pay benefits and would be appropriated to the Employee Retirement System (ERS).

The Ethics Commission also indicates that in order to develop the training curriculum and produce a DVD to assist with training, approximately \$30,000 every other fiscal year would be need out of GR. Ongoing funding every other fiscal year would be needed as a result of legislative changes affecting the content of the training.

The bill also provides that the Ethics Commission shall impose additional civil penalties; however, since the number of individuals that would violate the provisions provided in the bill is indeterminate, the amount of civil penalties collected can not be estimated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 313 Department of Information Resources, 356 Texas Ethics Commission

LBB Staff: JOB, TP, JM