

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 31, 2009

TO: Honorable Mark Homer, Chair, House Committee on Culture, Recreation & Tourism

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

IN RE: HB4197 by Legler (Relating to boating safety and boater education.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4197, As Introduced: a negative impact of (\$74,000) 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	(\$37,000)
2011	(\$37,000)
2012	(\$37,000)
2013	(\$37,000)
2014	(\$37,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue (Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>Game, Fish, Water Safety Ac</i> 9	Probable (Cost) from <i>Game, Fish, Water Safety Ac</i> 9	Change in Number of State Employees from FY 2009
2010	(\$37,000)	\$537,000	(\$534,785)	1.0
2011	(\$37,000)	\$287,000	(\$246,430)	1.0
2012	(\$37,000)	\$287,000	(\$246,738)	1.0
2013	(\$37,000)	\$287,000	(\$246,738)	1.0
2014	(\$37,000)	\$287,000	(\$247,047)	1.0

The bill would amend the Parks and Wildlife Code to require that all persons born after September 1, 1984 operating a personal watercraft or motorboat on public waters successfully complete a boater education course. The bill would also direct that fees collected from boater education courses be deposited in the General Revenue-Dedicated Game, Fish, and Water Safety Account No. 9 rather than in General Revenue. For boater education via live classroom, Texas Parks and Wildlife Department (TPWD) may charge a fee of \$15 with the volunteer/agent keeping a "reasonable portion." TPWD indicates currently the fee is \$13 with the volunteer/agent keeping \$3. For courses offered over the internet, the internet agent may charge a reasonable fee for services as provided by the contract with TPWD. The bill would take effect September 1, 2009.

Fiscal Analysis

Total estimated revenue to General Revenue-Dedicated Game, Fish and Water Safety Account No. 9 is \$537,000 in fiscal year 2010 and \$287,000 in fiscal year 2011 and each year thereafter, offset by a decrease to General Revenue for existing fees currently deposited of \$37,000 in fiscal year 2010 and each year thereafter.

Total estimated costs for TPWD to implement provisions of the bill is \$534,785 in fiscal year 2010 and \$246,430 in fiscal year 2011 with similar costs each year thereafter.

Methodology

Revenue analysis:

Currently, individuals over 18 years of age or older are exempted from the boater education requirements. The bill would remove that exception which results in mandatory boater education for anyone born on or after September 1, 1984. In addition, the bill would provide that anyone at any age could operate a motorboat/personal watercraft upon the successful completion of boater education.

Current Parks and Wildlife administrative provisions provide that the minimum age for certification is 12 years. The bill would require individuals age 18-24 to take boater education as well as those age 12, who formerly were not allowed to operate a boat/watercraft without adult supervision (18 and over). This analysis excludes the population aged 13-17 because this population already must take boater education in lieu of being accompanied by an adult, and this analysis assumes most in this age group will have opted to take boater education. According to recent Census data there are approximately 2,500,000 Texans aged 12, and 18-24. TPWD estimates that approximately 2 percent of that population would require boater education in fiscal year 2010 (50,000); decreasing to 1 percent in fiscal year 2011 and each year thereafter (25,000 each fiscal year). Currently, for both the internet and live classroom the fee is \$13 with the agent/volunteer keeping \$3. The bill would propose raising the fee to \$15 with the volunteer/agent keeping a "reasonable fee". This analysis assumes that a reasonable fee is \$5 with TPWD retaining \$10. At \$10 per course/exam fee, TPWD would recognize a revenue gain of \$500,000 in fiscal year 2010 and \$250,000 in fiscal year 2011 and each year thereafter.

Section 5 of the bill would require boater education fees to be deposited into the Game, Fish, and Water Safety Account No. 9 rather than General Revenue. Based upon the Comptroller's estimate of current revenue from boater education fees, an additional \$37,000 per fiscal year would be deposited into the Game, Fish and Water Safety Account offset by a revenue loss to General Revenue in the same amount.

Costs:

Contracted Services - Internet Courses:

TPWD currently has an agreement with a company that administers internet and home study boater education courses. TPWD remits a service fee of \$10 to the internet provider for each boater education participant. Of the additional 50,000 new boater education participants in 2010 it is estimated that approximately 80 percent will use this internet provider for an estimated cost in fiscal year 2010 of \$400,000. After the initial rush for certification, it is estimated that 60 percent will take the online course for a total cost of \$150,000 in fiscal year 2011 and each year thereafter.

Additional FTE, contract costs, other operating expenses, and equipment - \$134,785 in fiscal year 2010 and \$96,430 in fiscal year 2011 with similar costs each year thereafter, which is described below:

TPWD indicates the boater education program currently relies on two field staff and one administrative staff at Austin headquarters. To meet the additional demand for boater education courses, TPWD would need an additional FTE (paid \$37,244 with \$10,641 in benefits in fiscal year 2010 with similar costs each year thereafter) to provide additional volunteer instructors and student courses across the state. The FTE's specific duties would include water safety presentations, in-service training of instructors, media presentations, communications, and management of volunteer trainers.

Other ongoing costs include travel (\$2,065 each fiscal year) and operating expenses, (\$26,450 each

fiscal year for supplies, fuel, and course location rental). One-time startup expenses of \$38,355 in fiscal year 2010 include costs for a truck, boat, boat trailer and other equipment needed for the new FTE to travel where needed providing boater education courses. Additionally, two part-time independent contractors would be needed to assist staff with student and instructor courses as well as other administrative and outreach functions associated with boater education at a cost of \$20,000 in fiscal year 2010 and each year thereafter.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 802 Parks and Wildlife Department

LBB Staff: JOB, WK, TB