

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 15, 2009

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

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

IN RE: SB474 by Estes (Relating to the comptroller's electronic funds transfer system and the use of electronic paycards.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would implement the recommendation in the report, "Eliminate Warrants by Using Direct Deposit or Electronic Pay Cards for State Payments" in the Legislative Budget Board's *Government Effectiveness and Efficiency Report* submitted to the Eighty-first Texas Legislature, 2009.

The bill would amend the Government Code to allow the comptroller to issue salary, travel expense reimbursements, and annuitant payments on electronic paycards as an alternative to electronic funds transfers. As a result, the comptroller reports that state warrants for these payment types would, in almost all cases, no longer be produced.

The bill would repeal Section 403.016(h) of the Code, which provides criteria for persons or other state agencies to request payments be made with a state warrant.

This bill would require the comptroller to contract, by competitive bid, with one or more qualified vendors of electronic paycard services.

This bill would take effect January 1, 2010.

The comptroller was unable to quantify the administrative savings related to a reduction in the number of warrants issued. However, it is expected that comptroller staff whose sole responsibility is the processing of warrants would be eliminated or reduced, resulting in savings. The extent of the savings cannot be determined until the terms of a contract with a vendor are established and full implementation is achieved.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, YD, MN, JI