

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 9, 2009

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Higher Education

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

IN RE: SB857 by West (Relating to the purchasing and contracting practices of junior college districts; providing criminal penalties.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB857, As Introduced: a negative impact of (\$488,400) through the biennium ending August 31, 2011.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$0
2011	(\$488,400)
2012	(\$488,400)
2013	(\$488,400)
2014	(\$488,400)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	\$0	0.0
2011	(\$488,400)	3.1
2012	(\$488,400)	3.1
2013	(\$488,400)	3.1
2014	(\$488,400)	3.1

Fiscal Analysis

The bill would structure how certain large, urban community college districts procure goods and services, to include defining criteria to request and process bids/contracts, as well as criteria to review and approve or reject bids/contracts.

The bill also includes certain criminal penalties in the enforcement of contract solicitation procedures.

Methodology

The bill requires additional duties and responsibilities for the State Auditor's Office (SAO).

SAO assumes it would conduct two audits per year based on a risk assessment of community college districts in certain large urban areas. SAO estimates these two audits would require 5,000 audit hours, with a billing rate of \$90 per hour. SAO also estimates \$38,400 for annual travel costs.

Local Government Impact

The bill's effect on local community college districts would depend on how similar or dissimilar each affected district's procurement process is from the procurement process required by the bill.

Source Agencies: 308 State Auditor's Office, 781 Higher Education Coordinating Board

LBB Staff: JOB, KK, RT, JAW