

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 2, 2009

TO: Honorable Jeff Wentworth, Chair, Senate Committee on Jurisprudence

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

IN RE: SB1388 by Wentworth (Relating to process server certification and the establishment of a certification division within the Office of Court Administration of the Texas Judicial System.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1388, Committee Report 1st House, Substituted: 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 - Process Server Certification Account</i>	Probable (Cost) from <i>New General Revenue Dedicated - Process Server Certification Account</i>	Change in Number of State Employees from FY 2009
2010	\$416,075	(\$331,463)	4.0
2011	\$242,505	(\$312,297)	4.0
2012	\$225,369	(\$312,297)	4.0
2013	\$261,324	(\$312,297)	4.0
2014	\$280,296	(\$312,297)	4.0

Fiscal Analysis

The bill would amend the Government Code relating to process server certification and the establishment of a certification division within the Office of Court Administration of the Texas Judicial System. The bill would authorize the Process Server Review Board (PSRB) to propose, and the Supreme Court to approve, fees for certification of process servers. The bill permits the PSRB to prorate fees for process servers who are certified on the bill's effective date, September 1, 2009. The Office of Court Administration (OCA) will collect the fees, and the fees will be deposited into the process server certification account, which may be appropriated only to the Supreme Court or OCA for the support of certification programs, which would include the Court Reporters Certification Board

and the Guardianship Certification Board in addition to the PSRB. The bill also authorizes reimbursement of PSRB members for expenses incurred in connection with travel and performing official board duties. Finally, the bill provides that OCA shall establish a certification division to oversee the regulatory programs assigned to OCA and the Supreme Court. The bill would take effect September 1, 2009.

In the fiscal year 2010-11 biennium, the bill will have a net, positive fiscal impact of \$14,820. 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 this bill would be subject to funds consolidation review by the current Legislature.

Methodology

Revenue analysis: This estimate assumes a process server certification fee of \$153 for a 3-year certification. According to OCA, as of September 1, 2009, there will be 2,683 certified process servers whose 3-year certification terms have not expired. Under provisions of the bill, the fees for the servers remaining terms will be prorated, and it is assumed the servers will be billed in fiscal year 2010. During fiscal year 2010, approximately 672 process servers will renew their certificates at a fee of \$153. It is also estimated that 600 new certificates will be issued. Adding prorated fees (\$221,459) and renewed (672 x \$153= \$102,816) and new certificates (600 x \$153=\$91,800), results an estimate of \$416,075 in revenue for fiscal year 2010. During the remaining fiscal years, it is estimated that process servers will renew their certificates each year at the following rates: fiscal year 2011 - 1149; fiscal year 2012 - 1037; fiscal year 2013 - 1272; and, fiscal year 2014 - 1396. It is also estimated that 500 new certificates will be issued each fiscal year. Adding the new and renewed certificates, the total revenue for each fiscal year is estimated to be: fiscal year 2011 - \$242,505; fiscal year 2012 - \$225,369; fiscal year 2013 - \$261,324; and, fiscal year 2014 - \$280,296.

Cost analysis: OCA indicates that 4.0 additional FTEs are necessary to oversee the agency's certification functions, including one director paid \$85,000 annually, one investigator paid \$65,000, one program specialist paid \$45,000, and one administrative assistant paid \$36,000. Although an estimated one-third of the director's, investigator's, and administrative assistant's duties would involve oversight of OCA's court reporter and guardianship certifications, this analysis shows all costs in the new Process Server Certification Account because the bill would allow all revenue from process server certifications to be used for OCA's certification programs. Salaries and related benefits for the 4.0 FTEs would be \$296,997 in fiscal year 2010 and each year thereafter. Related travel and operating expenses would be \$34,466 in fiscal year 2010 and \$15,300 in fiscal year 2011 and each year thereafter.

Technology

In the first year of implementation, OCA will need to procure PCs and printers for the certification division staff. The total cost for these items is \$7,966 and is included in costs noted above.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council

LBB Staff: JOB, TB, MN