

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 6, 2011

TO: Honorable Bill Callegari, Chair, House Committee on Government Efficiency & Reform

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

IN RE: HB1181 by Deshotel (Relating to abolishing the Texas Department of Rural Affairs and transferring its functions to the Texas Department of Housing and Community Affairs, Department of State Health Services, and Department of Agriculture.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1181, As Introduced: a positive impact of \$908,784 through the biennium ending August 31, 2013.

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
2012	\$454,392
2013	\$454,392
2014	\$454,392
2015	\$454,392
2016	\$454,392

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2011
2012	\$454,392	(5.0)
2013	\$454,392	(5.0)
2014	\$454,392	(5.0)
2015	\$454,392	(5.0)
2016	\$454,392	(5.0)

Fiscal Analysis

The bill would amend statute relating to abolishing the Texas Department of Rural Affairs (TDRA) and transferring its functions to the Texas Department of Housing and Community Affairs (TDHCA), Department of State Health Services (DSHS), and Department of Agriculture (TDA).

The bill would transfer all TDRA's rural health functions, to include the state office of rural health, and TDRA's emergency services district program to DSHS.

The bill would transfer all economic and community development, housing in rural communities, and the administration of the federal Community Development Block Grant (CDBG) funds to TDHCA.

The bill would transfer the water desalination program and the renewable energy program to TDA. The bill would require TDA to continue with the following current TDRA functions: assist rural communities regarding renewable energy and water projects; serve as a clearing house for project information; identify and prioritize policy issues affecting renewable energy and water projects; make recommendations to the legislature and monitor developments that have a substantial effect on rural communities; and compile an annual report describing and evaluating renewable energy and water projects in rural communities.

The bill would require that TDHCA, DSHS, and TDA each submit a biennial report to the legislature regarding that agency's activities and any findings/recommendations relating to rural issues. The bill would require that TDRA, TDHCA, DSHS, and TDA enter into a memorandum of understanding providing for a comprehensive plan of orderly transition of all programs operated by TDRA to the appropriate agency.

The bill would take effect September 1, 2011.

Methodology

This analysis assumes that the bill would achieve certain administrative savings by transferring TDRA functions to TDHCA, DSHS, and TDA. These savings are estimated to include \$454,392 out of the General Revenue Fund and 5.0 FTEs in each fiscal year. These amounts include \$164,482 out of the General Revenue Fund and 2.0 FTEs from the Rural Policy and Research strategy in each fiscal year, \$211,297 out of the General Revenue Fund and 2.0 FTEs out of Central Administration in each fiscal year, and \$78,613 out of the General Revenue Fund and 1.0 FTE from Information Resources in each fiscal year.

Based on the analysis provided by the Comptroller, this analysis assumes that transferring all programs, to include funding and FTEs, to the designated agencies would have no significant fiscal impact on TDHCA, DSHS, and TDA.

Based on the analysis provided by the Sunset Advisory Commission, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Technology

It is assumed that implementation of the bill will result in no significant technology impact.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 304 Comptroller of Public Accounts, 332 Department of Housing and Community Affairs, 357 Texas Department of Rural Affairs, 537 State Health Services, Department of, 551 Department of Agriculture

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