

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION
Revision 1

April 13, 2011

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

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

IN RE: HB2373 by Gallego (Relating to the abolition of the Texas Facilities Commission and the transfer of its duties to the General Land Office.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2373, As Introduced: a positive impact of \$2,588,867 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	\$1,238,154
2013	\$1,350,713
2014	\$1,350,713
2015	\$1,350,713
2016	\$1,350,713

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings from General Revenue Fund 1	Probable Savings from Interagency Contracts 777	Change in Number of State Employees from FY 2011
2012	\$1,238,154	\$501,050	(19.3)
2013	\$1,350,713	\$546,600	(21.0)
2014	\$1,350,713	\$546,600	(21.0)
2015	\$1,350,713	\$546,600	(21.0)
2016	\$1,350,713	\$546,600	(21.0)

Fiscal Analysis

The bill would abolish the Texas Facilities Commission (TFC) and transfer all of its powers, duties, and appropriations to the General Land Office (GLO). The Commissioner of the GLO would remain the head of the expanded agency. The bill would take effect on October 1, 2011.

Methodology

The GLO reports that savings could be realized by eliminating costs for duplicative services in central administration, information resources, and other support services, if the two agencies would be aggregated. The GLO estimates that, of the combined agency appropriations, an estimated \$1.1million in annual General Revenue savings could be realized in amounts appropriated to the agencies, with an

additional \$295,470 per year in employee benefits. Savings to Interagency Contracts are estimated at \$491,963, plus a \$54,637 in related employee benefits. The savings result from a reduction of 21.0 FTEs plus related costs.

The savings and FTE reductions shown in the table above for fiscal year 2012 is based on 11 months of the savings to be realized in a given fiscal year because the bill would not take effect until October 1, 2011.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 303 Facilities Commission, 305 General Land Office and Veterans' Land Board

LBB Staff: JOB, KJG, ZS, TL, SZ