

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 21, 2011

TO: Honorable Jim Pitts, Chair, House Committee on Appropriations

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

IN RE: HB2804 by Cain (Relating to the format of the general appropriations bill.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2804, As Introduced: a negative impact of (\$638,717) through the biennium ending August 31, 2013.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	(\$568,157)
2013	(\$70,560)
2014	\$0
2015	(\$70,560)
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from General Revenue Fund 1
2012	(\$568,157)
2013	(\$70,560)
2014	\$0
2015	(\$70,560)
2016	\$0

Fiscal Analysis

The bill would require the following changes to the format of the General Appropriations Act (GAA): an appropriation for each program or activity administered by an agency, a statement on the source of funding for each program or activity, a description of each program or activity, and a citation of the legal authority for each program or activity.

Methodology

It is estimated that implementation of the bill would require the following:

1. 15,782 additional hours of work by Legislative Budget Board (LBB) staff during fiscal year 2012 to develop and implement new budget structures--which reflect discrete line items for each program and activity--for each state agency and institution of higher education. This includes 15,000 hours for budget structure development and 782 hours for information technology programming changes.

2. 1,050 additional hours of work by LBB staff and \$32,760 in purchased services in each odd year (fiscal years 2013 and 2015) to prepare, produce and duplicate substantially larger GAAs. It is estimated that the GAA would increase in size by 2.5 times due to the greater number of appropriation items, identification of funding sources for each item, a description of each item, and a citation of the legal authority for each item. This analysis assumes that performance measure data would be eliminated from the GAA. If performance measure data was retained, the number of work hours and the amount of purchased services would increase.

3. Each additional work hour is estimated to cost \$36. Conceivably, the additional work could be performed by temporary or contracted workers. Not reflected in tables above: If state workers were hired, the cost would increase to \$46.80 per hour due to the inclusion of employee benefits. This would equate to 7.6 Full-time equivalents (FTEs) in fiscal year 2012 and 0.5 FTEs in fiscal years 2013 and 2015. The 2012-13 biennial cost would increase by \$181,787.

This analysis does not address potential costs to state agencies and institutions of higher education.

Technology

The bill would necessitate adaptations to existing LBB information technology systems. This analysis does not assess potential technology impacts to state agencies and institutions of higher education.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 301 Office of the Governor

LBB Staff: JOB, KK, PP