

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 19, 2011

TO: Honorable John Whitmire, Chair, Senate Committee on Criminal Justice

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

IN RE: SB1059 by Nichols (Relating to the program for improvement of collection of court costs, fees, and fines imposed in criminal cases.), As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for SB1059, As Introduced: a negative impact of (\$2,345,864) 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	(\$1,334,876)
2013	(\$1,010,988)
2014	(\$698,034)
2015	(\$698,634)
2016	(\$706,068)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from General Revenue Fund 1	Probable Revenue Gain from General Revenue Dedicated, Multiple Accounts	Probable Revenue Gain from Other, Multiple Funds	Probable Savings/ (Cost) from General Revenue Fund 1
2012	\$0	\$0	\$0	(\$1,334,876)
2013	\$312,954	\$677,860	\$246,157	(\$1,323,942)
2014	\$625,908	\$1,355,721	\$492,315	(\$1,323,942)
2015	\$625,908	\$1,355,721	\$492,315	(\$1,324,542)
2016	\$625,908	\$1,355,721	\$492,315	(\$1,331,976)

Fiscal Year	Change in Number of State Employees from FY 2011
2012	16.0
2013	16.0
2014	16.0
2015	16.0
2016	16.0

Revenue from 19 unique state court costs is remitted to the Comptroller of Public Accounts (CPA) and deposited to 18 funds, including General Revenue, General Revenue-Dedicated (GR-D), and Other Funds. The table above consolidates all GR-D accounts affected into one column and all Other Funds

affected into one column.

Fiscal Analysis

The bill would amend Article 103.00033(b) of the Code of Criminal Procedure to remove the population criteria of 50,000 or more and require all counties to develop and implement a program for the improvement of collection court costs, fees, and fines imposed in criminal cases. A county program would be required to include district, county and justice courts.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house. If the bill does not receive the votes required to pass, the bill would take effect September 1, 2011.

Methodology

The bill would require all counties to participate in the court Collection Improvement Program (CIP) administered by the Office of Court Administration (OCA). The agency estimates that it would need three full-time equivalent (FTE) positions to meet the expanded duties, at a salary cost of \$53,400 per FTE per fiscal year, with a total salary cost of \$160,200 to General Revenue per year. It is anticipated that two of the three FTEs would be located outside of Austin. Additional expenses include rent, at a cost of \$5,400 per year; travel, at a cost of \$25,000 per year; other operating expenses, at a cost of \$4,710-7,010 per year; and equipment costs for computers at a cost \$8,634 in fiscal year 2012 with a four-year replacement schedule. In addition, benefits would cost \$44,632 per fiscal year. The estimated cost of performing the auditing function is approximately \$250,876 in fiscal year 2012 and \$239,942 in subsequent fiscal years.

By requiring all counties to participate in the CIP, the OCA estimates that there would be a revenue gain to the state. Under current law, counties with populations of 50,000 or greater are required to participate which includes 54 counties with programs in operation plus another 8 counties that would implement a CIP over the next year due to official 2010 census numbers. To estimate the revenue gain from the bill, the OCA used a report from the Comptroller of Public Accounts (CPA) on the 76 counties with populations between 15,000 and 50,000 and the amount of court cost revenue those counties remitted to the state in fiscal year 2010. For the purposes of the revenue estimate, the OCA assumed that all counties with populations less than 15,000 would seek a waiver to program participation.

In fiscal year 2010, the 76 counties remitted \$24.7 million in court cost revenue to the state. For those counties implementing a CIP, the OCA estimates that they would increase both local and state collection of court costs, fees and fines by 10 percent annually. The OCA does not anticipate a revenue gain in fiscal year 2012 with counties initially implementing the collection program due to program start-up time. The agency would expect a gain to the state of \$1.2 million in fiscal year 2013 with half of the county collection programs implemented and \$2.5 million for fiscal year 2014 and subsequent years with all of the collection programs implemented.

The CPA, under current law, has responsibility for auditing local compliance with requirements of the CIP for the existing 78 cities and counties that participate. By increasing the number of counties which must participate, the CPA reports that it will need an additional 13 full-time equivalent positions at a cost of \$1,084,000 per year in General Revenue to provide coverage for the additional counties participating. The agency's cost estimate includes salary and benefits for 11 Auditor III positions at an annual salary of \$53,000 each and two Manager III positions at an annual salary of \$74,000 each. The cost estimate also includes approximately \$150,000 for travel and \$90,000 for other operating costs each year. The CPA did not provide an estimate of additional revenue to the state or counties as a result of changes made by the bill.

Technology

The Office of Court Administration (OCA) reports that each additional staff member added to the program will require a laptop computer and MS Office software. In addition, printers and scanners would be needed for any staff member not located at OCA headquarters.

Local Government Impact

According to the Office of Court Administration (OCA) county governments may need to add staff or change staff duties in order to meet the requirements of the bill. The existing statute allows a county to request a waiver when it is not cost effective to implement a collection improvement program. Therefore, any county that is required to participate should realize a positive fiscal impact or a waiver would be granted. Statewide, counties and cities that are already required to participate in the Collection Improvement Program (CIP) under current law collected an additional \$53.0 million in fiscal year 2010 as a result of participating.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts

LBB Staff: JOB, ESi, ZS, TP, TB, LCO, JJO