

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

February 27, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB348 by Canales (Relating to ethics training for legislators and certain other state officers and employees.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB348, As Introduced: a negative impact of (\$272,022) through the biennium ending August 31, 2015.

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
2014	(\$142,956)
2015	(\$129,066)
2016	(\$130,438)
2017	(\$129,580)
2018	(\$130,986)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2013
2014	(\$142,956)	2.0
2015	(\$129,066)	2.0
2016	(\$130,438)	2.0
2017	(\$129,580)	2.0
2018	(\$130,986)	2.0

Fiscal Analysis

The bill would amend the Government Code to require the Ethics Commission to provide three hours of ethics training, every two years, to all members and members-elect of the legislature, chief executives of state agencies, and full-time employees of the legislature, governor, or Lieutenant Governor. The bill would require the Commission to certify with the Comptroller the

name of persons who did not complete the initial training by the 90th day after appointment or election, and would result in suspended pay for individuals in noncompliance. All agencies would be required to submit a list of individuals subject to the ethics training requirement. Additionally, the Commission would be required to send a written notice to all individuals required to complete ethics training no later than the 60th day prior to the date the training must be completed, notifying them of upcoming training seminars and potential consequences of failing to comply with the requirement.

The bill would take effect on January 1, 2014.

Methodology

The Texas Ethics Commission estimates approximately 2,150 people would be eligible for training every two years (181 legislators, 234 agency directors, 911 House of Representative full-time employees, 524 Senate full-time employees, and 300 Governor's employees). The Commission indicated a need to hire 2.0 additional full-time equivalents (FTEs), an Attorney II and an Administrative Assistant II, to meet the year-round training needs and program costs, at an estimated cost of \$141,556 for the first year and approximately \$128,786 for every subsequent year. This cost includes salary (\$92,793) and benefit costs (\$27,597) in each fiscal year, as well as The Commission also indicated a need to contract out for the development of a training curriculum and DVD, however it is anticipated that with the additional 2.0 FTEs the development of the training curriculum could be completed in house.

The Commission also estimates the mailing costs associated with sending a written notice to all persons requiring training of approximately \$1,400 in even fiscal years (\$1,025 for postage; \$150 for paper, envelopes, and labels; \$225 for staff time to copy, stuff, and mail notifications) and based on a 20 percent annual turnover rate in odd fiscal years, approximately \$280 per year (20 percent of \$1,400).

Technology

The Texas Ethics Commission did not indicate any additional technology related costs, beyond the one-time costs associated with purchasing a computer and monitor for the additional 2.0 FTEs totaling \$2,000 in fiscal year 2014.

The Comptroller indicated a one-time technology cost for programming and system support, however it is anticipated that these costs could be absorbed within existing resources by the agency.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 356 Texas Ethics Commission

LBB Staff: UP, AG, EP, EMO, LCO