

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 22, 2013

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB589 by Howard (Relating to the Lower Colorado River Authority.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB589, As Introduced: an impact of \$0 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	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from Appropriated Receipts 666	Probable Savings/(Cost) from Appropriated Receipts 666
2014	\$220,595	(\$220,595)
2015	\$23,955	(\$23,955)
2016	\$0	\$0
2017	\$0	\$0
2018	\$0	\$0

Fiscal Analysis

The bill would amend Chapter 8503 of the Special District Local Laws Code to require the Lower Colorado River Authority (LCRA) to undergo a Sunset review by the Sunset Advisory Commission (SAC), but would not abolish the authority. The SAC would determine the costs for the Sunset review and the LCRA would be required to promptly reimburse SAC for the costs of the review. The review must be conducted during the period in which state agencies scheduled to be

reviewed or abolished in 2015 and every 12th year after that year. The bill would make adjustments to the naming of LCRA's board of directors and would direct LCRA to ensure adequate water pressure in certain areas.

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, 2013.

Methodology

The SAC developed a methodology to calculate estimated costs for conducting special purpose Sunset reviews based on actual costs incurred for a 2012-13 special purpose review. Costs were \$9,582 per analyst assigned to a team, per month to conduct a review. The calculation includes salaries and benefits of staff working on the review, and overhead expenses, such as executive management and administrative staff time, but does not include travel costs because travel requirements vary depending on the review.

The Sunset review of LCRA would be conducted during the 2014-15 biennium. The SAC estimated costs for each review assume that 90 percent of the time would be to conduct a review in 2014, and 10 percent in 2015. It would also assume that all travel would occur during 2014. The review, in conjunction with other projects already scheduled for the 2014-15 biennium, would likely require two additional full-time staff to perform the work, based on the 25 analyst-months that would be required to conduct the review (25 months/12 months=approximately 2 years of time, or two full-time staff). The actual number of staff would depend on the final list of agencies for review in 2014-5, including agencies that must reimburse the SAC for review costs. SAC estimated the total costs would be \$220,595 (includes \$5,000 for travel) to dedicate five full-time employees to conduct a 5-month review in fiscal year 2014; and \$23,955 in fiscal year 2015.

Based on information provided by the Texas Commission on Environmental Quality, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished within existing resources.

Local Government Impact

There would be costs to LCRA for the review by the SAC. The SAC reported the review would require 2 years to complete and estimated the total costs would be \$220,595 (includes \$5,000 for travel) to dedicate five full-time employees to conduct a 5-month review in fiscal year 2014; and \$23,955 in fiscal year 2015. LCRA would continue to incur similar costs every twelve years if the bill remains in effect.

Source Agencies: 116 Sunset Advisory Commission, 582 Commission on Environmental Quality

LBB Staff: UP, TL, MW, KKR, SZ, SD, TP