

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 17, 2013

TO: Honorable Robert Nichols, Chair, Senate Committee on Transportation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1675 by Bonnen, Dennis (Relating to the sunset review process and certain governmental entities subject to that process.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1675, Committee Report 2nd House, Substituted: 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, Six-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|---|
| 2014 | \$0 |
| 2015 | \$0 |
| 2016 | \$0 |
| 2017 | \$0 |
| 2018 | \$0 |
| 2019 | \$0 |

All Funds, Six-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from <i>Appropriated Receipts</i> 666 | Probable Revenue Gain/(Loss) from <i>Appropriated Receipts</i> 666 | Change in Number of State Employees from FY 2013 |
|-------------|--|---|---|
| 2014 | \$0 | \$0 | 0.0 |
| 2015 | \$0 | \$0 | 0.0 |
| 2016 | (\$56,743) | \$56,743 | 2.0 |
| 2017 | (\$5,749) | \$5,749 | 2.0 |
| 2018 | (\$392,071) | \$392,071 | 7.0 |
| 2019 | (\$43,119) | \$43,119 | 7.0 |

Fiscal Analysis

The bill would amend various Codes and Acts relating to governmental entities subject to the sunset review. The bill would address the Sunset Advisory Commission's (SAC) access to confidential state agency records. The bill would also require a sunset review and establish a sunset date for the Sulphur River Basin Authority (SRBA) of September 1, 2017. The bill would require the river authority to pay the SAC for the cost of performing the required review. The bill would also require self-directed and semi-independent agencies to pay the SAC for the cost of performing the required review.

The bill would change previously established sunset dates for certain entities. The bill would change the sunset date for the Department of Transportation to September 1, 2017. The bill would change the sunset date to September 1, 2019 for the Regional Education Service Centers, the Finance Commission, the Office of Banking Commissioner (OBC), the Office of the Commissioner and the Department of Savings and Mortgage Lending (DSML), the Office of Consumer Credit Commissioner (OCCC), the Texas Windstorm Insurance Association (TWIA), the State Securities Board, and the Texas State Board of Public Accountancy. The bill would change the sunset date to September 1, 2021 for the Texas Invasive Species Coordinating Committee, the Division of Workers' Compensation of the Texas Department of Insurance, and the Office of Injured Employee Counsel. The bill would require the Early Childhood Health and Nutrition Interagency Council sunset review to be conducted with the review for the Department of Agriculture.

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise, the bill would take effect September 1, 2013.

Methodology

This analysis is based on costs realized by the Sunset Advisory Commission for the 2012-13 special purpose review of the Port of Houston Authority. Based on that information, it is assumed that costs of \$9,582 would be realized per analyst assigned to a review team for each month required to conduct a review. This amount includes the costs for salaries, benefits, and other operating costs necessary for staff to conduct these reviews. Travel costs are reflected separately below based on the project location. This analysis also assumes that approximately 90 percent of the review time for each project would be required in the first fiscal year of the respective biennium and the remaining 10 percent would be required in the following fiscal year.

Based on information provided by the Sunset Advisory Commission, it is assumed that the review for the SRBA would be in addition to other projects scheduled for fiscal years 2016-17 and as such would require an additional two Full-Time-Equivalent positions in each of those years. Similarly, it is also assumed that the reviews for the TWIA, the Finance Commission, OBC, DSML, and the OCCC would be in addition to other projects scheduled for fiscal years 2018-19 and as such would require an additional seven Full-Time-Equivalent positions in each of those years.

Also based on information provided by the SAC, the following is assumed for projects for which the SAC would be reimbursed for performing reviews. These costs and revenues from payments to the SAC as a reimbursement for the special reviews are reflected as Appropriated Receipts in the table above.

- 1) Two analysts would be necessary for the SRBA review which would last 3 months with travel costs of \$5,000. Total costs for this project would include \$56,743 in fiscal year 2016 and \$5,749 in fiscal year 2017.

- 2) Three analysts would be necessary for the TWIA review which would last 5 months with travel costs of \$1,000. Total costs for this project would include \$130,357 in fiscal year 2018 and \$14,373 in fiscal year 2019.
- 3) Two analysts would be necessary for the OBC review which would last 5 months with travel costs of \$1,000. Total costs for this project would include \$87,238 in fiscal year 2018 and \$9,582 in fiscal year 2019.
- 4) Two analysts would be necessary for the DSML review which would last 5 months with travel costs of \$1,000. Total costs for this project would include \$87,238 in fiscal year 2018 and \$9,582 in fiscal year 2019.
- 5) Two analysts would be necessary for the OCCC review which would last 5 months with travel costs of \$1,000. Total costs for this project would include \$87,238 in fiscal year 2018 and \$9,582 in fiscal year 2019.

This analysis assumes there would be no fiscal impact to the state for changing previously established sunset dates for other entities included in the bill.

Local Government Impact

This analysis assumes the Sulphur River Basin Authority would realize reimbursement costs of \$56,743 in fiscal year 2016 and \$5,749 in fiscal year 2017 for the same purpose.

Source Agencies: 116 Sunset Advisory Commission, 508 Board of Chiropractic Examiners,
720 The University of Texas System Administration

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