

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 16, 2013

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2362 by Keffer (Relating to the efficiency review of river authorities.), Committee Report 2nd House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB2362, Committee Report 2nd House, Substituted: a negative impact of (\$773,376) 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	(\$380,688)
2015	(\$392,688)
2016	\$0
2017	\$0
2018	\$0

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	(\$380,688)	2.0
2015	(\$392,688)	2.0
2016	\$0	0.0
2017	\$0	0.0
2018	\$0	0.0

Fiscal Analysis

The bill would amend the Water Code and the Government Code to establish that a district that is a river authority would be subject to an efficiency review by the Legislative Budget Board (LBB). The bill would authorize the LBB to periodically review and analyze the effectiveness and

efficiency of the policies, management, fiscal affairs, and operations of a river authority. The bill would require the LBB to report the findings of a review and analysis to the Governor and the Legislature. The bill would require the LBB to conduct an efficiency review of both the Lower Colorado River Authority (LCRA) and the Brazos River Authority (BRA) and report the findings of the review and analysis to the Governor and the Legislature no later than December 31, 2015. The bill also provides confidentiality protections from disclosure until the LBB completes its review and analysis under the provisions of the bill.

The bill would take effect September 1, 2013.

Methodology

Based on information available on the Texas Water Development Board website, this analysis assumes there are 16 river authorities. This analysis assumes that the review of LCRA would be conducted in fiscal year 2014, and the review of the BRA would be conducted in fiscal year 2015. Given that the bill would require the LBB to complete the reviews of LCRA and the BRA before December 31, 2015, the LBB would require additional resources to complete these reviews in the time frames specified in the bill and still complete performance reviews of other agencies and programs. Costs reflected above include salaries, benefits, and other operating expenses for each fiscal year from the General Revenue Fund. Costs for travel are also assumed in fiscal year 2015.

Because the bill does not require a set review schedule for other river authorities, it is assumed that beginning in fiscal year 2016 all duties and responsibilities required of the LBB to implement the provisions of the bill could be accomplished within existing resources. In years in which effectiveness and efficiency reviews of river authorities are scheduled, fewer resources would be available to conduct effectiveness and efficiency reviews of other agencies and programs.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 308 State Auditor's Office

LBB Staff: UP, SZ, MW