

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 8, 2013

TO: Honorable Linda Harper-Brown, Chair, House Committee on Government Efficiency & Reform

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3394 by Harper-Brown (Relating to the Sunset Advisory Commission.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3394, As Introduced: a negative impact of (\$845,574) 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	(\$422,787)
2015	(\$422,787)
2016	(\$422,787)
2017	(\$422,787)
2018	(\$422,787)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2013
	1	
2014	(\$422,787)	3.0
2015	(\$422,787)	3.0
2016	(\$422,787)	3.0
2017	(\$422,787)	3.0
2018	(\$422,787)	3.0

Fiscal Analysis

The bill would amend the Government Code to change the Sunset Advisory Commission (SAC) to the Sunset Advisory and Modernization Commission (SAMC). The bill would define the purpose of the commission and would require that any reference in state law to the SAC would mean the SAMC. The bill would retain the 12 member size of the commission but it would change the

composition by replacing six legislative appointees with six public members appointed by the Governor. The bill would establish qualifications for the Governor appointed public members and would require the vice chairman to be selected from among the public members. The bill would require the commission to consider the extent to which an agency's facilities overlap or duplicate those of other agencies and whether facilities can be consolidated with those of other agencies. The bill would also require the commission to make an assessment of agencies' use of their facilities, including operational costs, number, location, and purpose. The bill would require the commission to make recommendations on the consolidation, transfer, or reorganization of agency facilities and to use performance audits and cost benefit analyses for agency reviews. The bill would require the commission to disseminate innovative solutions to state employees and officers; consult innovation experts to provide assistance to state agencies; and accept innovation recommendations from state employees and share them with other agencies. The bill would also require the commission to consider several factors to increase efficiency of agencies under review, including enhanced technology, privatization of agency functions, reduction or elimination of agency services, consolidation of facilities, and others.

The bill would take effect September 1, 2013.

Methodology

Based on information provided by the SAC, it is assumed that additional funding of \$422,787 in General Revenue Funds and 3 Full-Time-Equivalents (FTEs) would be needed each fiscal year to implement the provisions of the bill. These costs would include expenses for additional public member travel reimbursement (\$12,000) in addition to new employee salaries (\$148,980), benefits (\$44,307), training (\$17,500), and professional services (\$200,000) each fiscal year.

It is assumed one additional staff member would be necessary to perform the required facilities-related evaluation for each of the two large agency reviews (2 FTEs) typically occurring during a review cycle. Currently, the SAC reviews do not include specific in-depth analysis on agencies' use of each of their facilities and impacts on consolidation of facilities. It is also assumed that one additional staff position would be needed to perform the cost-benefit analyses in state agency reviews. SAC assumes it would need to hire an experienced analyst with credentials in research and data analysis for this purpose since this expertise is not currently available with existing staff.

It is assumed that additional training and possibly certification in performance auditing would be necessary for existing staff to meet the requirement for using performance auditing in state agency reviews. These costs are estimated to be \$17,500 for 25 analysts to take two three day courses (\$350) each fiscal year at the State Auditor's Office. In addition, it is assumed that an additional \$200,000 would be needed each fiscal year to pay for consulting contracts to provide agencies under review with consultations with innovation experts.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission

LBB Staff: UP, KJo, MW