

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 16, 2013

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB211 by Nichols (Relating to the continuation and functions of the Texas Facilities Commission; authorizing fees.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for SB211, As Passed 2nd House: a negative impact of (\$70,000) 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	(\$35,000)
2015	(\$35,000)
2016	(\$35,000)
2017	(\$35,000)
2018	(\$35,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>Appropriated Receipts</i> 666
2014	(\$35,000)	\$35,000
2015	(\$35,000)	\$35,000
2016	(\$35,000)	\$35,000
2017	(\$35,000)	\$35,000
2018	(\$35,000)	\$35,000

Fiscal Analysis

The bill would amend statute relating to the continuation and operation of the Texas Facilities Commission (TFC). TFC is subject to the Sunset Act and will be abolished on September 1, 2013, unless continued by the Legislature. The bill would continue TFC for eight years.

The bill would amend the Education Code to transfer maintenance services for the physical facilities of the Texas School for the Blind and Visually Impaired (TSBVI) and the Texas School for the Deaf (TSD) to the Texas Facilities Commission (TFC), and exclude from TFC the responsibility of facilities management services for TSBVI, TSD, and the Texas Department of Juvenile Justice.

The bill would transfer to the Texas Facilities Commission, no later than January 1, 2014, any obligations and contracts and all property and records in the custody of TSBVI and TSD, respectively, related to the duties and responsibilities of maintenance services of TSBVI's and TSD's physical facilities, including facilities construction, cabling, and facility reconfiguration. The bill would require TFC to enter into a memorandum of understanding with TSBVI and TSD related to their respective transfers. Under the provisions of the bill, the boards of trustees of TSBVI and TSD would have jurisdiction over the physical assets of their respective schools and maintain all funds appropriated by the legislature to carry out the purposes of the schools except as provided by Sec. 30.022 (h-1), Education Code, relating to facilities maintenance services.

The bill would amend the Government Code to: require TFC to prepare a Capitol Complex master plan; require the State Preservation Board to conform any modifications to its long-range master plan for the Capitol and Capitol grounds to the Capitol Complex master plan prepared by TFC; prevent TFC from leasing, selling, or disposing of real property or an interest in real property located in the Capitol Complex, unless it is granted authority by the legislature or, if the legislature is not in session, the governor and the Legislative Budget Board; require TFC to submit the Capitol Complex master plan to the Partnership Advisory Commission (PAC) for review and comment and then to the State Preservation Board and the General Land Office for review and comment.

The bill would: exempt the Capitol Complex from the provisions provided by SB 1048, 82nd Legislature, Regular Session, 2011 (the Public and Private Facilities and Infrastructure Act); require public-private partnership (P3) qualifying projects for property located in the Capitol Complex to be consistent with the Capitol Complex master plan; require TFC to develop and implement a policy related to negotiated rulemaking and alternative dispute resolution; clarify submission dates and the recipients of various reports; establish notification and review guidelines, procedures, and policies related to P3 qualifying projects; require an analysis of a qualifying project that has a proposed cost estimate greater than \$5.0 million to be conducted by an architect, professional engineer, and a certified public accountant; authorize TFC to charge a fee to cover the costs of reviewing a qualified P3 project; require public hearings on P3 qualified projects; establish procedures for the submission of P3 qualifying projects to the Contract Advisory Team; prohibit certain TFC or other responsible government entity employees involved in a P3 process from being employed outside of the agency by an entity related to their agency responsibilities; prohibit certain financial and business relationships between employees and former employees of a responsible government entity and a contracting person that has entered into a comprehensive agreement with the responsible government entity; provide guidelines for responsible government entities related to the submission, evaluation, and approval of certain projects; provide guidelines relating to the consideration of information submitted by a private entity as public information during the review of a qualifying project; and require TFC to develop a comprehensive planning and development process and a capital improvement and deferred maintenance plan for state property in the agency's inventory.

The bill would: require TFC to establish a P3 division and to provide administrative staff and support for the PAC; require the PAC to submit to the lieutenant governor, the speaker of the house of representatives, and the appropriate legislative standing committee, no later than

December 1, 2016, recommendations on proposed amendments to Government Code, Chapters 2267 and 2268.

The bill would allow for money collected related to the lease of state parking lots and garages to be appropriated to TFC to cover any related maintenance costs. The bill would require certain actions to be taken by political subdivisions and assistance organizations relating to the acquisition of certain state surplus property items.

The bill would also amend the Natural Resources Code to exempt the Capitol Complex from state-owned properties in which the General Land Office is required to evaluate and make recommendations regarding the possible highest and best use or possible sale.

The Sunset Advisory Commission, the Texas Facilities Commission, the General Land Office, the Office of the Governor, TSBVI, and TSD indicate the provisions of the bill could be implemented within existing resources.

Methodology

Currently, TFC deposits all revenues collected from the lease of state parking lots and garages to the General Revenue Fund. Allowing for these fees to be used to cover the costs of related maintenance would result in a decrease in revenues deposited to the General Revenue Fund and an increase by the same amount in Appropriated Receipts to TFC. TFC estimates that related maintenance costs could require \$35,000 per fiscal year.

Based on the analysis of TSBVI, TSD, and TFC, the Legislative Budget Board (LBB) assumes that any duties and responsibilities associated with implementing the provisions of the bill related to the transfer of school facility maintenance responsibilities could be accomplished by utilizing existing resources. TSBVI, TSD, TFC, and the LBB assume that resources would be transferred for facilities maintenance from each of TSBVI and TSD to TFC. It is estimated that TSBVI would transfer \$217,743 out of General Revenue and 4.8 full-time equivalent employees (FTEs) in fiscal year 2014 and \$326,614 out of General Revenue and 7.2 FTEs in fiscal year 2015, and that TSD would transfer \$1,419,710 out of General Revenue and 12.0 FTEs in fiscal year 2014 and \$712,028 out of General Revenue and 12.0 FTEs in fiscal year 2015.

Local Government Impact

The bill mandates actions required by local governments regarding qualifying projects; however, any increased workload for local governments is not anticipated to have a significant fiscal impact.

Source Agencies: 116 Sunset Advisory Commission, 301 Office of the Governor, 303 Facilities Commission, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 771 School for the Blind and Visually Impaired, 772 School for the Deaf

LBB Staff: UP, AG, EP, CK