

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 17, 2013

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

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 Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB211, As Engrossed: a negative impact of (\$95,000) 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	(\$57,500)
2015	(\$37,500)
2016	(\$45,000)
2017	(\$45,000)
2018	(\$45,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
	1
2014	(\$57,500)
2015	(\$37,500)
2016	(\$45,000)
2017	(\$45,000)
2018	(\$45,000)

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; require TFC to submit the Capitol Complex master plan to the State Preservation Board and the General Land Office for review and approval and then submit the plan to the Partnership Advisory Commission (PAC) for review and comment.

The bill would: exempt the Capitol Complex from the provisions provided by S.B. 1048, 82nd Legislature, Regular Session, 2011 (the Public and Private Facilities and Infrastructure Act); require 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 review guidelines, procedures, and policies related to public-private partnership (P3) qualifying projects; 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 TFC 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 review, submission, evaluation, and approval of P3 qualifying projects; 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; require certain P3 qualifying projects to be performed or located in a municipality to comply with the zoning regulations of the municipality; and create and establish duties of a special board of review to review P3 qualifying projects that have been denied a rezoning request by a municipality.

The bill would: change the composition of the PAC and require the State Preservation Board to

provide administrative staff 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 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

The estimated total cost for the State Preservation Board (SPB) to comply with the provisions of the bill would be \$57,500 in General Revenue in fiscal year 2014; \$37,500 in General Revenue in fiscal year 2015; and \$45,000 in subsequent fiscal years.

Under the provisions of the bill, SPB would be required to provide administrative staff to the PAC, which is the body that oversees P3 projects for the state and to review project proposals within the Capitol Complex for compliance with design standards of the complex master plan. To meet these requirements, SPB anticipates that it would hire a consultant to review proposed projects at a cost of \$15,000 for each project. The agency assumes five projects would be reviewed during the 2014-15 biennium and three projects per year in subsequent years. In addition, the agency anticipates the selected consultant would cost an additional \$20,000 in the first year to study the program requirements.

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

Some local entities would be required to serve on the board of review established by the bill. The bill also mandates other 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