

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 8, 2015

TO: Honorable John Otto, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB915 by Howard (Relating to quarterly financial condition reports on collected and anticipated state revenue.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB915, As Introduced: a negative impact of (\$912,604) through the biennium ending August 31, 2017.

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
2016	(\$456,302)
2017	(\$456,302)
2018	(\$456,302)
2019	(\$456,302)
2020	(\$456,302)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2015
	1	
2016	(\$456,302)	4.0
2017	(\$456,302)	4.0
2018	(\$456,302)	4.0
2019	(\$456,302)	4.0
2020	(\$456,302)	4.0

Fiscal Analysis

The bill would direct the Comptroller of Public Accounts to produce and submit to the Governor, Legislature, and the Legislative Budget Board a report on the financial condition of the state for each state fiscal quarter. The bill would require that the report include for each revenue source included in the most recent Biennial Revenue Estimate (BRE) the actual net revenue collections

and a comparison of the net revenue collections with the estimate included in the BRE for the state fiscal year through the last quarter. For each new state revenue source resulting from a law taking effect after submission of the most recent BRE, the bill would require the net revenue collections for the state fiscal year through the last quarter. In addition, the report would include a summary and analysis of indicators of state economic trends and revised projections for each revenue source for the current and subsequent state fiscal biennia. The first report would be due not later than December 31, 2015.

The bill would require the Legislative Budget Board to hold quarterly public hearing to receive testimony on each report.

Methodology

Based on the analysis of the Comptroller, the bill would require a publication similar in scope to the BRE and the Certification Revenue Estimate (CRE) to be produced on a quarterly basis, which would significantly increase the workload of the agency's Revenue Estimating Division. In addition to using existing staff within the division, the agency would require an additional 4.0 full-time equivalent positions for two revenue estimators and two economists at a total cost of \$456,302 in each fiscal year.

It is assumed that the cost to the Legislative Budget Board to hold quarterly hearings on the new report and to post the report on the board's website could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KK, EP, LCO, MW