

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 29, 2015

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
 Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3123 by Price (Relating to governmental entities subject to the sunset review process.), **Conference Committee Report**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3123, Conference Committee Report: an impact of \$0 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	\$0
2017	\$0
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Appropriated Receipts</i> 666	Probable Revenue Gain/(Loss) from <i>Appropriated Receipts</i> 666	Change in Number of State Employees from FY 2015
2016	\$280,090	(\$280,090)	(2.4)
2017	\$30,010	(\$30,010)	(2.4)
2018	\$0	\$0	0.0
2019	\$0	\$0	0.0
2020	(\$79,740)	\$79,740	0.7

Fiscal Analysis

The bill would amend various Codes and Acts relating to governmental entities subject to the sunset review.

The bill would change previously established sunset dates for certain entities. The bill would change the sunset date for:

- 1) the Texas Facilities Commission from September 1, 2015 to September 1, 2021;
- 2) the Juvenile Justice Board and Department (TJJD) from September 1, 2017 to September 1, 2021;
- 3) the Lone Star Rail District (LSRD) from September 1, 2017 to September 1, 2021;
- 4) the Expanded Learning Opportunities Council (ELOC) from September 1, 2017 to September 1, 2023;
- 5) the State Commission on Judicial Conduct (SCJC) from September 1, 2019 to September 1, 2023;
- 6) the Judicial Branch Certification Commission (JBCC) from September 1, 2019 to September 1, 2023;
- 7) the Racing Commission from September 1, 2017 to September 1, 2023;
- 8) the Texas Education Agency (TEA) from September 1, 2015 to September 1, 2025;
- 9) the State Employee Charitable Campaign (ECC) from September 1, 2017 to September 1, 2025;
- 10) the Employees Retirement System (ERS) from September 1, 2017 to September 1, 2019;
- 11) the Texas Military Department from September 1, 2019 to September 1, 2023;
- 12) the Cancer Prevention and Research institute of Texas (CPRIT) from September 1, 2021 to September 1, 2023; and
- 13) the Railroad Commission of Texas from September 1, 2017 to September 1, 2023.

The bill would limit the scope of the Sunset review of the Texas Department of Transportation in 2017 to the department's project planning, selection, programming, and funding processes and its interactions with local transportation entities.

The bill would subject the North Texas Tollway Authority (NTTA) to sunset review in 2017.

The bill would repeal the sunset dates for the Capital Metropolitan Transportation Authority (CMTA) and the Port of Houston Authority (PHA).

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise the bill would take effect September 1, 2015.

Methodology

Based on information provided by the Sunset Advisory Commission (SAC), it is assumed that costs of \$11,075 would be realized per analyst assigned to a review team for each month required to conduct a review. This amount includes the costs for salaries, benefits, and other operating

costs necessary for staff to conduct these reviews. Travel costs are reflected separately below based on the project location.

Based on information provided by the SAC, it is assumed that Full-Time-Equivalent (FTE) positions would not be needed in fiscal years 2016-17 due to the repeal of the CMTA and PHA sunset requirements as well as the rescheduling of the LSRD. This analysis assumes additional FTEs would be required for the newly required sunset review of NTTA. The anticipated FTE adjustments are reflected in the table above.

Based on information provided by the SAC, the following is assumed for projects for which the SAC would be reimbursed for performing reviews and realize a savings from not performing reviews. The costs and savings as well as the revenue gains and losses from payments to the SAC as a reimbursement for the special reviews are reflected as Appropriated Receipts in the table above.

1) Costs would be realized from four analyst positions conducting a seven month review of the NTTA due to the bill requiring the sunset review of the authority. This cost would be offset by a corresponding revenue gain. Total costs for this project would be \$288,090 in fiscal year 2016 and \$32,010 in fiscal year 2017.

2) A savings would be realized from four analyst positions not conducting a six month review of the CMTA due to the bill repealing the sunset review. This savings would be offset by a corresponding revenue loss. Total costs for this project were estimated to be \$239,220 in fiscal year 2016 and \$26,580 in fiscal year 2017.

3) A savings would be realized from two analyst positions not conducting a four month review of the LSRD due to the bill rescheduling the sunset review. This savings would be offset by a corresponding revenue loss. Total costs for this project were estimated to be \$79,740 in fiscal year 2016 and \$8,860 in fiscal year 2017.

4) Costs would be realized from two analyst positions conducting a four month review of the LSRD due to the bill rescheduling the sunset review. This cost would be offset by a corresponding revenue gain. Total costs for this project would be \$79,740 in fiscal year 2020 and \$8,860 in fiscal year 2021. Costs in the table above only consider costs in fiscal year 2020.

5) A savings would be realized from four analyst positions not conducting a six month review of the PHA due to the bill repealing the sunset review. This savings would be offset by a corresponding revenue loss. Including travel costs of \$10,000, total costs for this project were estimated to be \$249,220 in fiscal year 2016 and \$26,580 in fiscal year 2017.

Based on information provided by the SAC, this analysis assumes there would be no fiscal impact to the state for changing the previously established sunset date for the TFC, TJJD, ELOC, SCJC, JBCC, Racing Commission, TEA, ECC, ERS, the Texas Military Department, CPRIT, and the Railroad Commission of Texas.

Local Government Impact

This analysis assumes the NTTA would realize costs of \$288,090 in fiscal year 2016 and \$32,010 in fiscal year 2017 due requiring the Authority to be subject to sunset review. Similarly, it is assumed that CMTA would realize a savings of \$239,220 in fiscal year 2016 and \$26,580 in fiscal year 2017 due to the repealing of the Transportation Authority's sunset review. The PHA would

realize a savings of \$249,220 in fiscal year 2016 and \$26,580 in fiscal year 2017 due to the repealing of the Port Authority's sunset review. Based on the rescheduling of the LSRD sunset review, it is assumed that the LSRD would realize a savings in fiscal years 2016-17 which would be offset by like costs in fiscal years 2020-21.

Source Agencies: 116 Sunset Advisory Commission, 242 State Commission on Judicial Conduct, 476 Racing Commission, 701 Central Education Agency, 303 Facilities Commission, 644 Juvenile Justice Department, 469 Credit Union Department

LBB Staff: UP, AG, SD, MW, PM