

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 7, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

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

Estimated Two-year Net Impact to General Revenue Related Funds for HB3123, As Introduced: 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	\$84,240	(\$84,240)	(2.0)
2017	\$8,600	(\$8,860)	(2.0)
2018	\$0	\$0	
2019	(\$100,675)	\$100,675	2.0
2020	(\$11,075)	\$11,075	2.0

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 the Texas Facilities Commission from September 2015 to September 1, 2021. The bill would also change the sunset date for the Credit Union Department (CUD) and the Credit Union Commission (CUC) from September 1, 2021 to September 1, 2019.

The bill would repeal the sunset date for the Sulphur River Basin Authority (SRBA).

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 positions would not be needed in fiscal years 2016-17 due to the repeal of the SRBA sunset requirement. Conversely, it is assumed that the review for the CUD and CUC would be in addition to other projects scheduled for fiscal years 2018-19 and as such would require additional Full-Time-Equivalent positions in each of those years.

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) A savings would be realized from two analyst positions not conducting a 4 month review of the SRBA due to the bill repealing the sunset review offset by a corresponding revenue loss. Including travel costs of \$4,500, total costs for this project were estimated to be \$84,240 in fiscal year 2016 and \$8,860 in fiscal year 2017.
- 2) Two analysts would be necessary for the CUD and CUC review which would last 5 months with travel costs of \$1,000. Total costs for this project would include \$100,675 in fiscal year 2018 and \$11,075 in fiscal year 2019.

This analysis assumes there would be no fiscal impact to the state for changing the previously established sunset date for the TFC.

Local Government Impact

This analysis assumes the SRBA would realize a savings of \$84,240 in fiscal year 2016 and \$8,860 in fiscal year 2017 due to the repealing of the River Authority's sunset review.

Source Agencies: 303 Facilities Commission, 469 Credit Union Department, 116 Sunset Advisory Commission

LBB Staff: UP, PM, AG, MW