

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 14, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3221 by Shaheen (Relating to mandating a study by the state comptroller on procurement consolidation of all state agencies in state government.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3221, As Introduced: a negative impact of (\$450,000) 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	(\$450,000)
2017	\$0
2018	\$0
2019	\$0
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
2016	(\$450,000)
2017	\$0
2018	\$0
2019	\$0
2020	\$0

Fiscal Analysis

The bill would amend Chapter 403 of the Government Code to require the Comptroller, in cooperation with the Governor's Office of Budget, Planning and Policy, to conduct a study examining the feasibility and practicality of streamlining and consolidating state purchasing and procurement into fewer offices, departments, or agencies or a single office, department or agency.

The study must examine the cost savings to the state which could be achieved through the removal of purchasing and procurement offices and departments at each state agency and the consolidation or reduction of the number of state vendors by which the state can leverage its purchasing power.

A report of the findings of the study would be due to certain state leadership not later than December 31, 2017 and must include: (1) a detailed projection of expected savings or costs to the state resulting in consolidation of state purchasing and procurement; (2) the process to implement the consolidation; (3) a listing of offices, departments, or agencies currently responsible for purchasing or procurement at each state agency; and (4) the total cost to the state of each office, department, or agency that is currently responsible for purchasing or procurement in each agency in the state.

Methodology

According to the office of the Comptroller, the agency would require \$450,000 in General Revenue to hire contract staff to produce a comprehensive study on the feasibility of streamlining and consolidating procurement of all state agencies, including detailed projections of savings or costs to the state as required by the bill. The estimate is based on costs to conduct previous studies of similar scope and magnitude.

According to the office of the Governor, the agency's cost for the study could be absorbed within existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor, 304 Comptroller of Public Accounts

LBB Staff: UP, AG, EP, LCO, LBe, KMc