

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 4, 2015**

**TO:** Honorable Larry Taylor, Chair, Senate Committee on Education

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB1216 by Bettencourt (relating to providing for the review of certain county departments of education by the Sunset Advisory Commission.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1216, Committee Report 1st House, Substituted: 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:**

| <b>Fiscal Year</b> | <b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b> |
|--------------------|---|
| 2016               | \$0   |
| 2017               | \$0   |
| 2018               | \$0   |
| 2019               | \$0   |
| 2020               | \$0   |

**All Funds, Five-Year Impact:**

| <b>Fiscal Year</b> | <b>Probable Revenue Gain from Appropriated Receipts 666</b> | <b>Probable (Cost) from Appropriated Receipts 666</b> | <b>Change in Number of State Employees from FY 2015</b> |
|--------------------|---|---|---|
| 2016               | \$217,318   | (\$217,318)   | 1.8   |
| 2017               | \$23,257  | (\$23,257)  | 0.0   |
| 2018               | \$0   | \$0   | 0.0   |
| 2019               | \$0   | \$0   | 0.0   |
| 2020               | \$0   | \$0   | 0.0   |

**Fiscal Analysis**

The bill would require the Sunset Advisory Commission (SAC) to perform a sunset review of the Harris County Department of Education (HCDE) as if the HCDE were scheduled to be abolished

on September 1, 2017. The bill would require the SAC to determine the cost of performing the review and the HCDE to pay the cost incurred by the SAC upon receipt of a statement detailing the cost.

The bill would take effect September 1, 2015. The bill would expire September 1, 2019.

### **Methodology**

This analysis assumes the SAC would conduct the study required by the bill in conjunction with other projects already scheduled for the 2016-17 biennium. This analysis also assumes the SAC would be reimbursed by the HCDE for performing the review. The costs and revenue gains from payments to the SAC as a reimbursement for the review are reflected as Appropriated Receipts in the table above.

Based on information provided by the 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. The methodology used by the SAC was created based on actual costs incurred for the 2012-13 special purpose review of the Port of Houston Authority and has been updated to reflect current salary and benefits costs. The amount includes the costs for salaries, benefits, and other operating costs necessary for staff to conduct these reviews except for travel costs.

Based on information provided by the SAC, it is assumed that 1.8 Full-Time-Equivalent positions would be needed in fiscal year 2016 for three Analysts to work full time for seven months to complete the review at a total cost of \$217,318 in fiscal year 2016 and \$23,257 in fiscal year 2017. These amounts include \$8,000 in travel costs in 2016.

### **Local Government Impact**

This analysis assumes the HCDE would realize costs of \$217,318 in fiscal year 2016 and \$23,257 in fiscal year 2017 in addition to other administrative costs necessary to make information and resources available to the SAC for the review.

**Source Agencies:** 116 Sunset Advisory Commission, 701 Central Education Agency

**LBB Staff:** UP, JBi, MW