

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 1, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3302 by Gonzales, Larry (Relating to the sunset review process and certain governmental entities subject to that process.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3302, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2019.

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
2018	\$0
2019	\$0
2020	\$0
2021	\$0
2022	\$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 2017
2018	\$85,479	(\$85,479)	0.3
2019	\$10,371	(\$10,371)	0.3
2020	(\$127,488)	\$127,488	0.1
2021	(\$14,068)	\$14,068	0.1
2022	\$213,113	(\$213,113)	(1.9)

Fiscal Analysis

The bill would define a "state agency" as an entity made subject to Government Code, Chapter 325, Sunset Law, and would define the Sunset Advisory Commission to be a legislative agency. The bill would also amend various Codes and Acts relating to governmental entities subject to the

sunset review.

The bill would change sunset dates for the following to September 1, 2019:

- 1) Bandera County River Authority and Groundwater District
- 2) Lavaca-Navidad River Authority
- 3) Upper Guadalupe River Authority

The bill would change sunset dates for the following to September 1, 2021:

- 1) Texas Commission of Licensing and Regulation (TCL) and Texas Department of Licensing and Regulation (TDLR)
- 2) Texas State Board of Plumbing Examiners (TBPE)
- 3) Nueces River Authority
- 4) San Antonio River Authority
- 5) Trinity River Authority of Texas

The bill would change sunset dates for the following to September 1, 2023:

- 1) Lower Neches Valley Authority
- 2) Red River Authority
- 3) Sabine River Authority

The bill would change sunset dates for the following to September 1, 2025:

- 1) Office of State-Federal Relations (OSFR)
- 2) Teacher Retirement System of Texas (TRS)
- 3) Texas Facilities Commission (TFC)
- 4) Texas Real Estate Commission (TREC)
- 5) Texas Appraiser Licensing and Certification Board (ALCB)

The bill would remove the individual sunset dates for the Maternal Mortality and Morbidity Task Force, the Palliative Care Interdisciplinary Advisory Council; the Perinatal Advisory Council; and the Texas Windstorm Insurance Association (TWIA). The bill would also repeal the requirement that state agencies and the Texas Workforce Commission make a reasonable effort to relocate employees displaced by the recommendations of the Sunset Advisory Committee (SAC).

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise the bill would take effect September 1, 2017.

Methodology

River authorities are statutorily required to pay for costs incurred by the Sunset Advisory Commission (SAC) in performing reviews of the authorities. The bill would rearrange certain river authority sunset dates, but would not add any new river authorities to the schedule. This would result in a reallocation of costs and offsetting revenue gains as Appropriated Receipts between biennia for changes made to the review schedule.

The costs and savings reflect SAC anticipated costs of \$10,562 per analyst for each month required to conduct a review. This amount includes the costs for salaries, benefits, travel, and other operating costs necessary for staff to conduct these reviews. This analysis assumes the following for review changes made by the bill.

- 1) Costs would be realized from three analyst positions conducting an eight month combined review of the Bandera County and Groundwater District, the Lavaca-Navidad, Upper Guadalupe, and Guadalupe-Blanco River Authorities. Total costs for this project would be \$153,714 in fiscal

year 2018 and \$15,843 in fiscal year 2019. These costs would be reallocated from other fiscal years and would be offset by a corresponding revenue gain. Costs for the Guadalupe-Blanco River Authority portion of the review are excluded because its sunset date was not changed by the bill. Costs include the following:

a) Bandera County River Authority and Groundwater District costs and revenue offsets include \$61,271 in fiscal year 2018 and \$6,337 in fiscal year 2019. These costs were reallocated from the 2022-23 biennium.

b) Lavaca-Navidad River Authority costs and revenue offsets include \$61,039 in fiscal year 2018 and \$6,337 in fiscal year 2019. These costs were reallocated from the 2022-23 biennium.

c) Upper Guadalupe River Authority costs and revenue offsets include \$31,404 in fiscal year 2018 and \$3,169 in fiscal year 2019. These costs were reallocated from the 2020-21 biennium.

2) Costs would be realized from three analyst positions conducting a seven month combined review of the San Antonio, San Jacinto, and Nueces River Authorities. Total costs for this project would be \$123,949 in fiscal year 2020 and \$13,011 in fiscal year 2021. These costs would be reallocated from other fiscal years and would be offset by a corresponding revenue gain. Costs for the San Jacinto River Authority portion of the review are excluded because its sunset date was not changed by the bill. Costs include the following:

a) San Antonio River Authority costs and revenue offsets include \$92,018 in fiscal year 2020 and \$9,506 in fiscal year 2021. These costs were reallocated from the 2018-19 biennium.

b) Nueces River Authority costs and revenue offsets include \$31,931 in fiscal year 2020 and \$3,505 in fiscal year 2021. These costs were reallocated from the 2018-19 biennium.

3) Costs would be realized from three analyst positions conducting a sixth month review of the Trinity River Authority. Total costs and revenue offsets include \$176,033 in fiscal year 2020 and \$19,012 in fiscal year 2021. These costs were reallocated from the 2022-23 biennium.

4) Costs would be realized from three analyst positions conducting a seven month combined review of the Angelina and Neches, Lower Neches Valley, Sabine, and Red River Authorities. Total costs for this project would be \$177,248 in fiscal year 2022. These costs would be reallocated from other fiscal years and would be offset by a corresponding revenue gain. Costs for the Angelina and Neches River Authority portion of the review are excluded because its sunset date was not changed by the bill. Costs include the following:

a) Lower Neches Valley River Authority costs and revenue offsets include \$70,545 in fiscal year 2022. These costs were reallocated from the 2020-21 biennium.

b) Sabine River Authority costs and revenue offsets include \$70,545 in fiscal year 2022. These costs were reallocated from the 2020-21 biennium.

c) Red River Authority costs and revenue offsets include \$36,158 in fiscal year 2022. These costs were reallocated from the 2018-19 biennium.

5) A savings would be realized from three analyst positions not conducting a six month review of the TWIA due to the bill repealing the sunset review. This savings would include \$171,104 in fiscal year 2018 and \$19,012 in 2019 would be offset by a corresponding revenue loss.

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 dates for the TCL, TDLR, TBPE, OSFR, TRS, TFC, TREC, and the ALCB. This analysis also assumes there would be no fiscal impact from the removal of the sunset date for the entities listed above.

Local Government Impact

River authorities with revised sunset dates would realize costs for sunset reviews in newly scheduled years and savings from reviews not completed in fiscal years under current law. For example, the Upper Guadalupe River Authority, Lavaca-Navidad River Authority, and Bandera County River Authority and Groundwater District would pay for their reviews in the FY18-19 biennium but would realize a corresponding savings in later fiscal years. Similarly, the Nueces River Authority and Red River Authority would realize a savings in FY 2018-19 and a corresponding cost in later biennia.

Source Agencies: 116 Sunset Advisory Commission

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