

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 3, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3770 by Cook (Relating to the creation of the Texas First Center to study and provide advice to the legislature on the effective use of state resources.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3770, As Introduced: a negative impact of (\$6,592,000) 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	(\$3,396,000)
2019	(\$3,196,000)
2020	(\$3,196,000)
2021	(\$3,196,000)
2022	(\$3,196,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2017
	1	
2018	(\$3,396,000)	25.0
2019	(\$3,196,000)	25.0
2020	(\$3,196,000)	25.0
2021	(\$3,196,000)	25.0
2022	(\$3,196,000)	25.0

Fiscal Analysis

The bill would amend Subtitle B of Title 10 of the Government Code, regarding general government, information and planning, to add new Chapter 2061 to create the Texas First Center for the purpose of advising the Legislature on the effective use of state resources.

The Center would be a policy center to represent the interests of the state's residents by studying the effects of resource allocation on the performance of state agencies, and develop a schedule to evaluate the performance of selected state agencies annually. The Center would provide a progress report on the selected state agencies to the Governor, Lieutenant Governor, Speaker of the House of Representatives, and responsible parties at each agency or institution evaluated. The Center would be funded by donations, grants and legislative appropriations.

The bill would create the Texas First Center Board, composed of three members appointed by the Governor, to act as the Center's primary policy-making body. The board would study effective and efficient operations and make recommendations to state agencies based on its findings. The board would provide a report on its findings and recommendations to the Legislative Budget Board annually and the Governor, Lieutenant Governor, and Speaker of the House of Representatives no later than December 1 of each even numbered year.

The bill would take effect September 1, 2017.

Methodology

This analysis assumes the Texas First Center would consist of 25 FTE's and \$3,196,000 in ongoing annual General Revenue appropriations to cover administrative expenses including benefits, office space and furniture. Included are annual costs for contracting with independent experts and other professionals. First year also includes various start up costs. To the extent donations and grants could be utilized, there would be less impact to General Revenue.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, AG, SD