

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 25, 2017

TO: Honorable John Frullo, Chair, House Committee on Culture, Recreation & Tourism

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3810 by Cyrier (Relating to the transfer of jurisdiction over and management of the property known as the French Legation to the Texas Historical Commission and to certain historic sites under the commission's jurisdiction.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3810, As Introduced: a negative impact of (\$816,653) 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	(\$371,759)
2019	(\$444,894)
2020	(\$444,894)
2021	(\$444,894)
2022	(\$444,894)

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	(\$371,759)	5.0
2019	(\$444,894)	5.0
2020	(\$444,894)	5.0
2021	(\$444,894)	5.0
2022	(\$444,894)	5.0

Fiscal Analysis

The bill would amend the Government Code to transfer all powers and duties, state-owned assets, files and other records, and funds appropriated relating to the French Legation historic site from the Texas Facilities Commission (TFC) and from the Daughters of the Republic of Texas to the Texas Historical Commission (THC) effective September 1, 2017. Section 442.076 as amended by the bill would make THC responsible for the preservation, maintenance, and restoration of the site and its contents and for the preservation of historic and architectural integrity of the interior, exterior, and grounds. The bill would also transfer any money held in trust by the Daughters of the Republic of Texas related to the French Legation site to THC effective September 1, 2017. Additionally, the bill would allow the Daughters of the Republic of Texas to transfer any property or fixtures at the French Legation site to THC.

The bill would take effect on September 1, 2017.

Methodology

Based on information provided by THC, this analysis assumes the agency would require \$816,635 and 5.0 FTEs in the 2018-19 biennium to implement the provisions of the bill. Currently, TFC does not expend any funds to manage the French Legation site, so costs associated with duties transferred to THC under the bill would represent new costs to the State.

This analysis assumes that the French Legation site would be closed at the beginning of fiscal year 2018 for critical preservation renovations. During this time THC would require an additional 2.0 FTEs, including one Program Supervisor III (\$65,000 annual salary) and one Administrative Assistant IV (\$42,000 annual salary). Beginning January 1, 2018, this analysis assumes THC would hire 3.0 additional FTEs to open the site and develop educational programming. These would include one Program Specialist II, one Customer Service Representative II, and one Maintenance Specialist IV, with prorated fiscal year 2018 salaries of \$34,667, \$22,667, and \$25,333, respectively. Beginning in fiscal year 2019, annual salary costs for those 3.0 FTEs would increase to \$52,000, \$34,000, and \$38,000, respectively. Staff benefit costs for fiscal year 2018 would total \$69,456 and would increase to \$84,592 each subsequent year.

THC assumes other costs to operate the site would include travel, consumable supplies, advertising, contracted services, utilities, non-capital minor maintenance funds, temporary staffing for special events, gift shop merchandise costs, equipment and furniture rental for special events, IT costs for website and DCS Office 365, training, and other operating expenses. THC assumes these costs would total \$29,300 for professional services, \$1,965 for travel, \$28,500 for utilities, and \$17,500 for non-capital minor maintenance expenses annually beginning in fiscal year 2018. Additionally, this analysis assumes that in fiscal year 2018 other operating expenses would total \$35,371 and would increase in subsequent fiscal years to \$52,037 per year following the site's re-opening.

Technology

This analysis assumes annual technology costs would include \$1,200 for website hosting and maintenance and \$837 for DCS Office 365 licensing.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Facilities Commission, 808 Historical Commission

LBB Staff: UP, SZ, NV, ASa, JSm, CL