

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 5, 2017

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB132 by Creighton (Relating to the savings incentive program for state agencies.), As Introduced

The fiscal implications of the bill would vary by state agency depending on the amount of savings retained. Potential savings to the State, and to the General Revenue Fund, would be dependent on the extent to which participating agencies had outstanding general obligation debt.

The bill would amend Chapter 2108 of the Government Code, regarding the savings incentive program for state agencies.

Under current law, a state agency may retain up to one-fourth of the savings, as verified by the Comptroller, of unspent appropriated undedicated general revenue derived from nonfederal funds, but not more than one percent of the agency's appropriation from those revenue sources. In spending the savings an agency cannot create new or expanded services or require ongoing funding.

The bill's provisions would allow a state agency to retain up to one-half of any savings realized without regard to the one percent limitation. The state agency would be required to use one half of the savings to make additional principal payments on any outstanding general obligation bonds issued by, or on behalf of, the agency. If no such bonds are outstanding, the agency could use up to one-half of the savings to provide bonuses to agency employees following guidelines provided in the bill.

The bill would take effect September 1, 2017.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 347 Public Finance Authority

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