

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 8, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1875 by Hinojosa (Relating to the self-directed and semi-independent status of certain agencies and the requirements applicable to, and the oversight of, those agencies.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code, Finance Code, and Occupations Code relating to the self-directed and semi-independent (SDSI) status of certain agencies and the requirements applicable to, and the oversight of, those agencies. The bill would establish requirements for the application of a state agency to obtain SDSI status and provide for the oversight of the agencies.

The bill provides authority for the Legislative Budget Board (LBB) to recover costs from SDSI agencies; the LBB does not currently engage in cost recovery. It is anticipated that there would be a workload increase for the LBB associated with the provisions of the bill, which would affect the agency's capacity to engage in other oversight activities.

This analysis assumes the State Auditor's Office (SAO) would enter into an interagency contract with agencies that request audits prior to the application for SDSI status to reimburse the SAO for costs incurred in performing such audits.

Based on information provided by the Sunset Advisory Commission, it is assumed that the duties and responsibilities associated with implementing the provisions of the bill for these agencies could be accomplished by utilizing existing resources.

As a self-funding agency, all SDSI agencies are required to collect revenues sufficient to cover their costs, so that any additional costs incurred in implementing the provisions of this bill would be offset by an amount of revenue.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 329 Real Estate Commission, 450 Department of Savings and Mortgage Lending, 451 Department of Banking, 454 Department of Insurance, 457 Board of Public Accountancy, 460 Board of Professional Engineers, 466 Office of Consumer Credit Commissioner,

469 Credit Union Department

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