

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 31, 2019

TO: Honorable Dade Phelan, Chair, House Committee on State Affairs

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB1096 by Capriglione (Relating to the modernization of state agency information technology systems.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time. The fiscal impact would largely depend on the level of appropriation the Legislature provides for deposit to the State Technology Modernization Account. Additionally, the provisions of the bill may delay the lapsing of appropriations to the General Revenue Fund for future appropriation, of which the impact is indeterminate.

The bill would create the State Technology Modernization Account as a dedicated account in the General Revenue Fund (GR). The account would consist of money appropriated, credited or transferred by the Legislature; any federal money appropriated, credited, or transferred to the account; and interest and other earnings on deposits and investments of money in the account. Money in the account could be appropriated to a state agency for certain technology-related purposes.

The bill would provide that on the written request of a state agency the Comptroller of Public Accounts would deposit to the account the unexpended balance of any money appropriated to the agency for that state fiscal year that is budgeted for IT services or cybersecurity purposes. Money deposited, and any interest and other earnings on that money, may be appropriated only to that state agency. Any money deposited in that manner which is not appropriated to the agency within two years from the date of the deposit loses its dedication and the Comptroller would be required to make the money available in GR.

The fiscal impact of the bill is indeterminate and would largely depend on the amount the Legislature appropriates for the account, as well as the amount of unexpended balances from a state agency's IT budget requested by the agency to be deposited to the account. The bill could potentially delay the time at which amounts would ordinarily lapse into unappropriated GR for future appropriation.

Additionally, the Comptroller's office has indicated that Constitutionally-created funds, including the State Highway Fund, Permanent School Fund, and Economic Stabilization Fund, cannot be diverted to GR under the Texas Constitution, and unused federal funds cannot be diverted to GR under federal law and must be returned to the federal government.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the

Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources

LBB Staff: WP, CMa, NV, LCO, RC