

LEGISLATIVE BUDGET BOARD
Austin, Texas

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Revision 1

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

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

IN RE: HB2509 by Gutierrez (Relating to creating a criminal offense for the failure to procure goods or services from a community rehabilitation program.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time, due to the uncertainty of the frequency of offenses and the resulting Comptroller staff demand.

The bill would amend the Human Resources Code to makes it an offense under certain conditions for a state employee to procure certain goods or services for a state agency from a vendor other than a community rehabilitation program. The employee would be barred from engaging in procurement activities for 1 year and the state agency would banned from procuring any further products or services, under purchasing authority delegated by the Comptroller of Public Accounts (CPA), for six months. The offense created by this bill would be a Class C misdemeanor.

Based on analysis by the CPA, the enforcement provisions of the bill would require additional staff resources in the event that an offending state agency's procurement authority is revoked. These additional staff resources would be needed to formulate, bid, and manage contracts on behalf of other state agencies and would entail additional costs to the state. While the frequency of procurement offenses established by the bill is not known, the CPA indicates should a new division be required to perform these procurement functions, 20 full time equivalent positions at an annual cost of \$1.8 million would be needed.

According to the Office of Court Administration (OCA), the bill could result in higher contracting costs, and an increase in criminal caseloads, but no significant impact to the state court system is anticipated. The Texas Workforce Commission, Health and Human Services Commission, and Department of Criminal Justice indicate there would be no significant fiscal impact. These agencies anticipate any additional work resulting from the passage of this bill could reasonably be absorbed with current resources.

Local Government Impact

A Class C misdemeanor is punishable by a fine of not more than \$500. In addition to the fine, punishment can include up to 180 days of deferred disposition. Costs associated with enforcement and prosecution could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal impact.

According to OCA, no significant fiscal impact to local courts is anticipated.

According to the Texas Municipal League, no significant impact to cities is anticipated.

According to the Texas Association of Counties, the bill would not have a fiscal impact on counties.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 529 Health and Human Services Commission, 696 Department of Criminal Justice

LBB Staff: WP, CMa, JPU, CW, SD, GP, AF, JMO