

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 9, 2019

TO: Honorable Larry Taylor, Chair, Senate Committee on Education

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

IN RE: **SB933** by Bettencourt (relating to the creation of the office of inspector general at the Texas Education Agency to investigate the administration of public education.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for SB933, Committee Report 1st House, Substituted: a negative impact of (\$897,422) through the biennium ending August 31, 2021.

The Texas Education Agency (TEA) would be required to implement the legislation only if the Legislature specifically makes an appropriation for that purpose. Otherwise, the agency could, but would not be required, to implement the bill.

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
2020	(\$473,000)
2021	(\$424,422)
2022	(\$424,422)
2023	(\$424,422)
2024	(\$424,422)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2019
2020	(\$473,000)	3.0
2021	(\$424,422)	3.0
2022	(\$424,422)	3.0
2023	(\$424,422)	3.0
2024	(\$424,422)	3.0

Fiscal Analysis

The bill would establish the Office of the Inspector General at the Texas Education Agency (TEA). The office would be responsible for detecting fraud, criminal misconduct, wrongdoing, waste, and abuse in the administration of public education at the state and local level. The Commissioner or chair any legislative committee could order the office to conduct an audit of an entity over which the office has jurisdiction. The office would be authorized to attend any meeting or inspect any document of an entity over which the office has jurisdiction that is relevant to an investigation of the office. The bill specifies that TEA would be required to provide staff and administrative resources and support services in support of the office.

The bill would take immediate effect if it receives a two-thirds vote of each house of the Legislature. Otherwise, the bill would take effect September 1, 2019.

Methodology

According to TEA, the bill would necessitate the addition of 3.0 FTEs, including a director of the office, an investigator, and an attorney. This analysis assumes that salary, benefits, and other operating costs associated with these three positions would total \$897,422 in the 2020-2021 biennium.

This analysis assumes that any additional costs to the State Auditor's Office, Office of Court Administration, or Office of Attorney General could be absorbed with existing resources.

Technology

The agency estimates that the agency would need to purchase software for the purposes of case management, auditing, and document management. Total estimated software costs would be \$36,578 in fiscal year 2020.

Local Government Impact

According to TEA, entities subject to the forensic audit provision could be subject to costs related to the audit. The agency estimates that an average cost of such an audit would be \$300,000 per audit.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 308 State Auditor's Office, 701 Texas Education Agency

LBB Staff: WP, CPa, AM, THo