

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 10, 2021

TO: Honorable Chris Paddie, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB587 by Cole (Relating to a study on the suitability of unused and underused public facilities for joint use by state and local governmental entities.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB587, As Introduced : a negative impact of (\$918,449) through the biennium ending August 31, 2023.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2022	(\$624,587)
2023	(\$293,862)
2024	\$0
2025	\$0
2026	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2021</i>
2022	(\$624,587)	2.0
2023	(\$293,862)	0.5
2024	\$0	0.0
2025	\$0	0.0
2026	\$0	0.0

Fiscal Analysis

The bill would require the Texas Facilities Commission (TFC) to conduct a study to assess the availability and suitability of existing unused and underused public facilities for joint use by two governmental entities, including the economic advantages of that use. A report of the results of the study would be submitted to certain state leadership and to the Legislature not later than December 1, 2022.

Methodology

The TFC states that developing a list of public facilities as defined in the bill would require significant

coordination with state agencies and local governments. Following the development of this inventory, a detailed economic impact of co-locating governmental entities in the public facilities would need to be conducted.

TFC indicates that they would need to utilize contract services to implement the provisions of this bill. According to TFC, the agency would use existing financial services, advisory, and real estate services, and advisory contracts currently available through TFC's Center for Alternative Finance and Procurement (CAP) to conduct the research and draft the final report. The agency estimates that the contract to conduct this feasibility study would cost \$700,000.

In addition, based on the analysis of TFC, managing this contract would require one Planner III (1.0 FTE) and one Program Specialist IV (1.0 FTE) with a combined annual salary of \$123,084 and related employee benefits of \$41,873. This analysis assumes the required FTEs would be employed from the beginning of fiscal year 2022 through the first quarter of fiscal year 2023, when the report is scheduled for delivery. Additional costs include equipment and other operating expenses for the biennium for \$12,253.

Technology

Technology costs are anticipated to not be significant.

Local Government Impact

According to the Texas Association of Counties, no significant fiscal impact is anticipated.

Source Agencies: 303 Facilities Commission

LBB Staff: JMc, SMat, LCO, GP