

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 20, 2021

TO: Honorable Charles Schwertner, Chair, House Committee on Administration

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1600 by Canales (Relating to the review date for certain governmental entities subject to the sunset review process.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1600, As Engrossed : an impact of \$0 through the biennium ending August 31, 2023.

However, the bill could result in additional costs to the Sunset Advisory Commission and the state because the commission would conduct these 18 reviews in addition to the reviews for the 27 entities already scheduled to undergo Sunset review in the 2022-2023 biennium.

General Revenue-Related Funds, Five- Year Impact:

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

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Revenue Gain from Appropriated Receipts 666</i>	<i>Probable Savings/(Cost) from Appropriated Receipts 666</i>
2022	\$195,261	(\$195,261)
2023	\$21,447	(\$21,447)
2024	\$0	\$0
2025	\$0	\$0
2026	\$0	\$0

Fiscal Analysis

The bill would adjust the Sunset dates for most agencies currently under Sunset review from 2021 to 2023, which would ensure the continuation of these agencies should their individual Sunset legislation fail to pass. Any Sunset legislation for specific agencies passed during this session would control and supersede the change in review date contained in this bill.

As introduced, the bill would move the Sunset date for the following agencies from 2021 to 2023:

- Texas Department of Agriculture

- Texas Boll Weevil Eradication Foundation
- Texas Animal Health Commission
- Prepaid Higher Education Tuition Board
- Credit Union Department and Commission
- Texas Commission on Fire Protection
- Texas Holocaust and Genocide Commission
- Texas Economic Development and Tourism Office
- Texas Commission on Jail Standards
- Office of State-Federal Relations
- Teacher Retirement System of Texas
- Anatomical Board of the State of Texas
- Texas Commission of Licensing and Regulation and the Texas Department of Licensing and Regulation
- State Board of Veterinary Medical Examiners
- Texas Commission on Law Enforcement
- Texas Racing Commission
- Texas Parks and Wildlife Department
- Brazos River Authority

The bill does not place a limitation of the scope of these reviews, which would result in the Sunset Commission performing full reviews of these agencies in the 2022-2023 biennium.

Methodology

Some agencies that would be subject to review again in 2022-2023 must pay the cost of their own reviews. Brazos River Authority would be required to pay the cost of its reviews in accordance with Section 325.025(d), Government Code. Additionally, the Credit Union Department pays the cost of its own review as a self-directed, semi-independent agency, pursuant to Section 325.0127(b), Government Code.

Costs reflect Sunset Advisory Commission cost of \$10,070 per analyst for each month required to conduct a review. This amount includes the costs for salaries, benefits, and other operating costs necessary for staff to conduct these reviews. The reviews are split across fiscal years and assume 90 percent of the time required to conduct the review would occur in the first fiscal year of a biennium and 10 percent in the second fiscal year.

Costs would be realized from two analysts conducting a five month review of the Credit Union Department. The Credit Union Department pays the cost of its review as a self-directed, semi-independent agency. The Sunset Commission would incur costs for fiscal years 2022-2023, which would be offset by the Credit Union Department paying for review. The cost to conduct this review would be \$90,630 in fiscal year 2022 and \$10,070 in fiscal year 2023.

The Credit Union Department is a self-directed, semi-independent agency that is not subject to appropriations and does not receive general revenue funds. The agency's funding is primarily from fees on Texas-chartered credit unions.

Costs would be realized from two analysts conducting a five and half month review of the Brazos River Authority. The Sunset Commission would incur costs for fiscal years 2022-2023, which would be offset by the river authority paying for review. The cost to conduct this review would be \$104,631 in fiscal year 2022 and \$11,337 in fiscal year 2023.

The Brazos River Authority generates its own revenue through the sale of raw water and the cost-reimbursable operation of water and wastewater treatment facilities, and/or other means. The authority does not receive appropriations from the General Revenue Fund.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission

LBB Staff: JMc, LBO, CMA, MMF, SMAT