

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 11, 2023

TO: Honorable Todd Hunter, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB7 by Guillen (Relating to public services and programs in the southern border region of this state to address the effects of ongoing criminal activity and public health threats, including methods of financing those services.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB7, As Introduced: a negative impact of (\$36,264,797) through the biennium ending August 31, 2025 for the program that would be administered by the Office of Court Administration. Additional costs are anticipated but cannot be determined due to uncertainty about the level of funding grants and programs established under 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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$18,447,992)
2025	(\$17,816,805)
2026	(\$17,850,094)
2027	(\$17,877,232)
2028	(\$17,881,423)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$18,447,992)	4.0
2025	(\$17,816,805)	4.0
2026	(\$17,850,094)	4.0
2027	(\$17,877,232)	4.0
2028	(\$17,881,423)	4.0

Fiscal Analysis

The bill would establish a legislative oversight committee, specialty courts, and grant funds relating to public services and programs in the southern border region of Texas to address the effects of ongoing criminal activity and public health threats.

Border Protection Court Program

The bill would establish the border protection court program. Under this program, these border courts would handle all issues arising under Chapter 51 of the Penal Code and related border issues. The Office of Court Administration (OCA) would establish and administer a grant program to support the operation of a border protection court program established under the bill.

Border Property Damage Compensation Fund

The bill would establish the Border Property Damage Compensation Fund. The fund would be used to compensate a person in the border region for damages to their real or personal property caused by a person who entered or attempted to enter the state by crossing its border with Mexico at any time or place other than at a port of entry. The fund would be administered by the Comptroller of Public Accounts (CPA) as a special fund in the state treasury outside of the General Revenue Fund.

Border Institution Grant Program

The bill would establish the Border Institution Grant Program. The program would be administered by the Texas Higher Education Coordinating Board (THECB) and award financial assistance to institutions of higher education in the border region with programs related to border safety research and workforce development.

Construction of Border Facilities and Physical Barriers

The bill would establish a grant program to be administered by the Office of the Governor (OOG). The program would provide financial assistance to local governments and community institutions in the border region for the construction and maintenance of facilities related to border safety, including facilities used to mitigate ongoing criminal activity and public health threats to the border region. A border protection unit would oversee the construction and maintenance of walls, fences, and other physical barriers along the border with Mexico to enhance the safety and security of the people of this state.

Legislative Committee

The bill would establish a standing legislative committee related to border safety consisting of the following members: the Lieutenant Governor, the Speaker of the House of Representatives, four members of the Senate appointed by the Lieutenant Governor, and four members of the House appointed by the Speaker.

Methodology

Border Protection Court Program

OCA estimates the annual cost of the Border Protection Court Program would be \$18,447,992 in fiscal year 2024 and \$17,816,80 in fiscal year 2025. This estimate includes salaries and related benefits, one-time costs associated with setting up a new program, operating expenses, and grant funding which was determined using actual expenses incurred by the counties running the Operation Lonestar Program and projected for the creation of eleven additional grants to counties not currently receiving court funds but experiencing expanded law enforcement operations.

Border Property Damage Compensation Fund

Based on analysis from CPA, the number of individuals who would be compensated for damages, and the amounts of legislative appropriations and other amounts that the fund would consist of are unknown; therefore, the related fiscal impact on the state cannot be determined.

Border Institution Grant Program

THECB is unable to estimate the cost of the grants, as provisions regarding eligible institutions and grant amounts are subject to further rulemaking.

Construction of Border Facilities and Physical Barriers

OOG is not able to estimate the cost of the grants, but anticipates funding between 100 and 150 grant recipients each fiscal year based on other border related grants administered by the Criminal Justice Division. The Texas Facilities Commission (TFC) is currently charged with implementing the Texas Border Infrastructure program to build permanent bollard barriers along the border with Mexico, which necessitates direct coordination with DPS and acquiring land agreements with willing landowners for construction of permanent bollard barriers. The bill would assign oversight of construction and maintenance of physical barriers to the BPU. Based on information from TFC, it is estimated that the ongoing maintenance costs could be as high as 2.0-2.5 percent of the construction cost.

Legislative Committee

This analysis assumes that costs associated with the committee could be absorbed within existing resources.

Local Government Impact

According to OCA, local courts could see a positive fiscal impact as a result of the bill. By participating in border court grants the bill could provide eligible jurisdictions with expanded capacity to handle increased Operation Lone Star filings.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts, 781 Higher Education Coordinating Board, 802 Parks and Wildlife Department

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