

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 16, 2015

TO: Honorable Joan Huffman, Chair, Senate Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB10 by Huffman (Relating to the investigation and prosecution of offenses against public administration, including ethics offenses, and offenses involving insurance fraud or the imposition of the motor fuels tax.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB10, Committee Report 1st House, Substituted: a negative impact of (\$3,510,374) through the biennium ending August 31, 2017.

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
2016	(\$1,957,126)
2017	(\$1,553,248)
2018	(\$1,553,248)
2019	(\$1,553,248)
2020	(\$1,553,248)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund	Change in Number of State Employees from FY 2015
	1	
2016	(\$1,957,126)	14.0
2017	(\$1,553,248)	14.0
2018	(\$1,553,248)	14.0
2019	(\$1,553,248)	14.0
2020	(\$1,553,248)	14.0

Fiscal Analysis

The bill would amend the Government Code to create a Public Integrity Unit at the Office of the Attorney General (OAG) to investigate and provide prosecution assistance statewide with offenses

related to public administration, insurance fraud, and the motor fuels tax.

Under the bill provisions, the OAG indicated the fiscal impact would be \$1,957,126 in fiscal year 2016 and \$1,553,248 each fiscal year from 2017-2020. Costs include salaries for 14.0 FTEs, general operating, travel, capital equipment, and benefits.

The Office of Court Administration indicated the costs associated with implementation of the bill could be absorbed with existing resources. The Department of Public Safety indicated there would be a fiscal impact associated with implementation of the bill related to 1.0 FTE to assist in findings by the Public Integrity Unit. However, LBB analysis determined that the cost anticipated by the Department of Public Safety could be absorbed with existing resources.

Methodology

Currently, the OAG has approximately 50 cases categorized as public corruption cases and 229 active cases as of January 31, 2015. In fiscal year 2013, the Public Integrity Unit of Travis County received 193 complaints. It is assumed that a Public Integrity Unit at the Office of the Attorney General would receive complaints at levels comparable to the Public Integrity Unit of Travis County, however, a precise projection cannot be made with the available data. In the event that complaints are received in larger quantities than those assumed above, the OAG would likely need additional resources.

The OAG estimates the bill provisions would require two Assistant Attorneys General IV (2.0 FTEs), two Assistant Attorneys General V (2.0 FTEs), one Investigator VII (1.0 FTE), six Investigator V (6.0 FTEs), two Legal Assistant III (2.0 FTEs), and one Research Specialist II (1.0 FTEs) with a combined fiscal year cost of \$1,273,246 for salaries (\$951,035) and related benefits (\$322,211).

The additional investigators would be commissioned law enforcement officers and require specialized equipment such as weapons, radios, safety equipment, and vehicles. The OAG estimates the travel costs associated with the provisions of the bill would be three times the average due to the potential statewide investigations, prosecution assistance, and assumed complaint levels. Additionally, the OAG estimates they would not be able to house the additional personnel in existing office space and would be required to lease space.

Technology

There would be a technology impact related to computer hardware, software, telecommunications equipment, and network storage estimated to be \$74,110 in fiscal year 2016 and \$32,760 in subsequent fiscal years.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 405 Department of Public Safety, 454 Department of Insurance

LBB Staff: UP, AG, EP, TBo