

## BILL ANALYSIS

Senate Research Center  
77R2039 YDB-D

S.B. 1486  
By: Haywood  
Finance  
4/25/2001  
As Filed

### DIGEST AND PURPOSE

Currently, the total cost of a state agency's budget is not apparent in the state's budgeting process. Due to this lack of visibility, the state may not be fully recovering employee benefits and other allocated costs from federal and other funding sources, and the General Revenue Fund may be bearing more than its proportional share of these costs. The state's methodology for appropriating benefit costs makes it difficult to track compliance with state laws concerning the proportional payment of employee benefits by fund source. Moreover, the state has no formal methodology for tracking the recovery of allocated statewide costs. As proposed, S.B. 1486 bills state agencies for all statewide allocated costs, including the proportion funded by general revenue, in order to ensure that the total costs of agencies' programs are recorded on their books. This bill also requires that certain payments be made by agencies directly to the state in order to make them more visible in the state's budgeting and appropriation process.

### RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the comptroller in SECTION 2 (Section 2106.006, Government Code), of this bill.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2106.002(b), Government Code, to require the statewide cost allocation plan to allocate to each state agency an appropriate portion of the total costs of statewide support services, including costs identified under Subdivision (1), and develop and prescribe a billing procedure that ensures each state agency is billed for all costs allocated to the agency under Subdivision (2) for which the agency is not obligated to pay another state agency under other law.

SECTION 2. Amends Section 2106.006, Government Code, as follows:

- (a) Requires a state agency, subject to Subsection (c), to send to the comptroller certain stated monies for deposit to the credit of the general revenue fund. Deletes text limiting this section to state agencies that receive federal money for federally reimbursable direct costs. Deletes text regarding sending the lesser of several amounts. Makes a conforming change regarding the statewide cost allocation plan.
  
- (b) Requires the comptroller, subject to Subsection (c), to the extent the amount billed under Section 2106.002(b) is not totally paid under Subsections (a)(1) and (a)(2), to transfer to the general revenue fund the appropriate amount charged against items of appropriation in connection with which the remaining unpaid statewide allocated costs were incurred. Deletes text regarding this section not being applicable to certain monies.
  
- (c) Authorizes the legislature to provide in the General Appropriations Act that payment of the amount billed under Section 2106.002(b) is waived to the extent payment would be made from a state agency's general revenue appropriation.

(d) Requires a state agency to send to the comptroller information the comptroller requires to transfer amounts under Subsection (b).

(e) Requires the comptroller to adopt certain necessary rules.

SECTION 3. Effective date: September 1, 2001.