SUBJECT: Revising prerequisites for a state agency to lease space

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 10 ayes — Cook, Menendez, Craddick, Frullo, Gallego, Geren, Hilderbran, Huberty, Solomons, Turner

0 nays

3 absent — Harless, Oliveira, Smithee

WITNESSES: For — None

Against — None

On — (*Registered; but did not testify*: Terry Keel, Texas Facilities Commission)

BACKGROUND: Government Code, sec. 2167.002 allows the Texas Facilities Commission to lease space for a state agency if state-owned space is not otherwise available to the agency and the agency has verified that it has money available to pay for the lease.

DIGEST: HB 265 would require the Texas Facilities Commission to consider all state-owned space when making a determination that state-owned space was not available to a state agency, regardless of whether using the state-owned space instead of leasing space would require the agency to move all or part of its operations to a different location within Texas.

The bill would take effect September 1, 2011.

SUPPORTERS SAY: Housing state employees in state-owned space is consistently less expensive for the state over the long term than leasing space. The state government spent approximately $147 million in 2009 on leased space, compared with $83 million on state-owned facilities.

It is estimated that 34 percent of the state's office space statewide is leased property, and another 3 percent of its inventory is nonoffice leased space.

The state could save money by moving departments occupying leased space to state-owned facilities located across the state.

Moving departments to cities besides Austin, if necessary to house employees in state-owned space rather than leased space, would boost economically struggling cities by injecting jobs. Even if an agency's employees were divided geographically, the employees could communicate smoothly via the Internet.

OPPONENTS SAY:

HB 265 could undermine the ability of a state agency to operate efficiently. It is important for state employees to work at a location where staff is truly needed. HB 265 could take away the flexibility of an agency to do this.

Communication could suffer within an agency if its employees were divided geographically under HB 265. Although online communication can be effective, it is often critical for employees to interface in person. HB 265 could compromise this.

HB 265 could impose a professional and personal burden on state workers who may not want to relocate. Although HB 265 could add jobs in some cities of Texas, it would have to take jobs away from other cities to do so.