

BILL ANALYSIS

C.S.H.B. 3149

By: Torres

Government Efficiency & Reform
Committee Report (Substituted)

BACKGROUND AND PURPOSE

One widely used methodology to improve the efficiency and quality of operations while reducing costs is Lean Six Sigma, a business management methodology now used by government entities and Fortune 500 companies alike. Lean Six Sigma attempts to improve the quality of process outputs by identifying and removing the causes of defects and minimizing variability across business processes. It uses a set of quality management tools review project management, create a continuous flow of operations, and continuously improve over time.

The bill seeks to create a pilot program within the Texas Workforce Commission to implement an organizational approach using specific quality management tools to improve the efficiency and quality of the agency's operations while reducing costs and to adopt a structured approach for identifying the wasteful use of state resources. The bill seeks to allow other state agencies to explore the implementation of the same systematic management efficiency practices.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

The bill amends the Labor Code to create a temporary provision, set to expire September 1, 2013, requiring the Texas Workforce Commission (TWC) to establish a pilot program to improve the efficiency and quality of TWC operations while reducing costs and adopt a structured approach for identifying the wasteful use of state resources and improving TWC processes. The bill requires TWC, in implementing the pilot program, to use a methodology that includes a define, measure, analyze, improve, and control structure for reviewing project management; a continuous improvement technique that identifies value and a value stream, creates a flow for activities, allows consumers to pull products or services through the process, and allows for the process to be perfected over time; and to use a measurement system analysis to evaluate data. The bill requires TWC to conduct an internal performance audit to assess the effectiveness of the pilot program and, not later than August 1, 2012, to submit a written report of the results of the performance audit to the governor, lieutenant governor, speaker of the house of representatives, Senate Committee on Government Organization, House Government Efficiency and Reform Committee, and house and senate committees with primary jurisdiction over state affairs. The bill requires TWC to implement the pilot program from available funds that may be used for that purpose.

The bill authorizes a state agency other than TWC to implement the pilot program with respect to the agency. The bill requires an agency that implements the pilot program to conduct the performance audit and submit the written report in the time and manner described by the bill's provisions and use available resources to fund the pilot program. The bill authorizes the electronic submission of a report required by the bill's provisions.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2011.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute bill omits a provision included in the original requiring each estimate or report relating to appropriations that an institution, department, agency, officer, employee, or agent of the state is required to submit, on request of the Legislative Budget Board or under the board's direction, to be generated demonstrating use of the Lean Six Sigma Method by the reporting entity.

The substitute bill contains provisions not included in the original requiring the Texas Workforce Commission to establish a pilot program to improve the efficiency and quality of TWC operations while reducing costs and setting out requirements for the creation, funding, and implementation of the program and submission of reports relating to the program and other state agencies to adopt the program under certain conditions.

The substitute differs from the original by providing for immediate effect, or, if the bill does not receive the necessary vote for immediate effect, making the bill effective September 1, 2011, whereas the original does not provide a specific effective date.