

By: Shapiro

S.B. No. 165

A BILL TO BE ENTITLED

AN ACT

relating to zero-based budgeting for state agencies as a part of the sunset review process.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 322.008, Government Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) The budget of estimated appropriations prepared and delivered by the director under this section must provide for an allocation of zero dollars for each proposed item of appropriation for each agency that is subject to review and abolition under Chapter 325 (Texas Sunset Act) during that calendar year. The budget must include for each of those agencies a zero-based budget and performance review report prepared for the agency as provided by Section 325.0075.

SECTION 2. Chapter 325, Government Code, is amended by adding Section 325.0075 to read as follows:

Sec. 325.0075. ZERO-BASED BUDGET AND PERFORMANCE REVIEW REPORT TO COMMISSION. Before September 1 of the odd-numbered year before the year in which a state agency subject to this chapter is scheduled for abolition, the Legislative Budget Board shall prepare and present to the commission and to the governor a zero-based budget and performance review report that contains:

(1) a description of the discrete activities the agency is charged with conducting or performing together with:

1           (A) a justification for each activity by  
2 reference to a statute or other legal authority; and

3           (B) an evaluation of the effectiveness and  
4 efficiency of the agency's policies, management, fiscal affairs,  
5 and operations in relation to each activity;

6           (2) for each activity identified under Subdivision  
7 (1), a quantitative estimate of any adverse effects that reasonably  
8 may be expected to result if the activity were discontinued,  
9 together with a description of the methods by which the adverse  
10 effects were estimated;

11           (3) for each activity identified under Subdivision  
12 (1), an itemized account of expenditures required to maintain the  
13 activity at the minimum level of service required by the statute or  
14 other legal authority, together with a concise statement of the  
15 quantity and quality of service required at that minimum level;

16           (4) for each activity identified under Subdivision  
17 (1), an itemized account of expenditures required to maintain the  
18 activity at the current level of service or performance, together  
19 with a concise statement of the quantity and quality of service or  
20 performance provided at that minimum level;

21           (5) a ranking of activities identified under  
22 Subdivision (1) that illustrates the relative importance of each  
23 activity to the overall goals and purposes of the agency at current  
24 service levels; and

25           (6) recommendations to the legislature regarding  
26 whether the legislature should continue funding each activity  
27 identified under Subdivision (1) and, if so, at what level.

1 SECTION 3. Section 325.012(a), Government Code, is amended  
2 to read as follows:

3 (a) In its report on a state agency, the commission shall:

4 (1) make recommendations on the abolition,  
5 continuation, or reorganization of each affected state agency and  
6 its advisory committees and on the need for the performance of the  
7 functions of the agency and its advisory committees;

8 (2) make recommendations on the consolidation,  
9 transfer, or reorganization of programs within state agencies not  
10 under review when the programs duplicate functions performed in  
11 agencies under review; ~~and~~

12 (3) make recommendations to improve the operations of  
13 the agency, its policy body, and its advisory committees, including  
14 management recommendations that do not require a change in the  
15 agency's enabling statute; and

16 (4) include the report of the Legislative Budget Board  
17 presented under Section 325.0075 together with the commission's  
18 evaluation of the board's recommendations on funding the agency's  
19 activities.

20 SECTION 4. Section 325.019, Government Code, is amended to  
21 read as follows:

22 Sec. 325.019. ASSISTANCE OF AND ACCESS TO STATE AGENCIES.

23 (a) The commission or the Legislative Budget Board may request the  
24 assistance of state agencies and officers in carrying out its  
25 functions under this chapter. When assistance is requested, a  
26 state agency or officer shall assist the commission or board.

27 (b) In carrying out its functions under this chapter, the

1 commission, the Legislative Budget Board, or a [~~its~~] designated  
2 staff member of the commission or board may inspect the records,  
3 documents, and files of any state agency.

4 SECTION 5. Section 401.043, Government Code, is amended by  
5 adding Subsection (a-1) to read as follows:

6 (a-1) At a public hearing held under Subsection (a),  
7 regarding appropriations for an agency that is then currently the  
8 subject of Sunset Advisory Commission review under Chapter 325, the  
9 governor or the governor's representative shall consider the  
10 zero-based budget presented under Section 325.0075 in addition to  
11 any information the agency presents for consideration in the  
12 budgeting process.

13 SECTION 6. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2011.