

BILL ANALYSIS

Senate Research Center

H.B. 2439
By: Parker et al. (Paxton)
State Affairs
5/13/2013
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current Texas policy and procedures greatly utilize the private sector in delivering necessary public services. Interested parties report that in recent fiscal years Texas has awarded more than 4,500 individual contracts worth approximately \$1 million or more to private sector entities for delivering necessary public services. However, these parties have noted that Texas would be well served in measuring the success of a procurement project not only in the ability of project participants to follow all applicable laws, but also in participants' ability to effectively and efficiently deliver public services. Stakeholders have noted that such measurement could lead to greater emphasis on the productivity of a procurement project and, in turn, lead to the better delivery of necessary public services by contractors of the state.

H.B. 2439 amends current law relating to the review of certain contracts by the state auditor.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 321.013(c), Government Code, as follows:

(c) Requires that the audit plan for the state required to be recommended by the state auditor for each year to the legislative audit committee provide for auditing at least three major contracts as prescribed by Section 321.0139.

SECTION 2. Amends Chapter 321, Government Code, by adding Section 321.0139, as follows:

Sec. 321.0139. REVIEW OF MAJOR CONTRACTS. (a) Defines "major contract" in this section.

(b) Requires the state auditor, each year, to review at least three major contracts based on the risk assessment performed by the state auditor under Section 321.013(j) (relating to requiring the State Auditor, in devising the audit plan under Subsection (c), to perform risk assessments as required by law). Provides that a review under this section is limited to an analysis of the efficiency and effectiveness of the contract in providing services to residents of this state.

(c) Requires the state auditor, in selecting a major contract to review under this section, to consult with:

- (1) the House Select Committee on Transparency in State Agency Operations;
- (2) the House Committee on Government Efficiency and Reform;
- (3) the Senate Committee on Open Government; and

(4) the Senate Committee on State Affairs.

(d) Provides that a request made by the state auditor to a state agency for information relating to a major contract being reviewed under this section is a request under Chapter 552 (Public Information) for legislative purposes as provided by Section 552.008 (Information for Legislative Purposes).

SECTION 3. Provides that the change in law made by this Act applies only to an audit plan devised by the state auditor on or after the effective date of this Act.

SECTION 4. Effective date: September 1, 2013.