

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Keffer

H.B. No. 2362

A BILL TO BE ENTITLED

AN ACT

relating to the efficiency review of river authorities.

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

SECTION 1. Subchapter G, Chapter 49, Water Code, is amended by adding Section 49.1991 to read as follows:

Sec. 49.1991. EFFICIENCY REVIEW OF RIVER AUTHORITIES. A district that is a river authority is subject to an efficiency review by the Legislative Budget Board.

SECTION 2. Chapter 322, Government Code, is amended by adding Section 322.0171 to read as follows:

Sec. 322.0171. EFFICIENCY REVIEW OF RIVER AUTHORITIES. (a) The board periodically may review and analyze the effectiveness and efficiency of the policies, management, fiscal affairs, and operations of a river authority.

(b) The board shall report the findings of a review and analysis to the governor and the legislature.

(c) Until the board has completed a review and analysis under this section, all information, documentary or otherwise, prepared or maintained in conducting the review and analysis or preparing the review report, including intra-agency and interagency communications and drafts of the review report or portions of those drafts, is excepted from required public disclosure as audit working papers under Section 552.116. This subsection does not affect whether information described by this

H.B. No. 2362

1 subsection is confidential or excepted from required public  
2 disclosure under a law other than Section 552.116.

3       SECTION 3. This Act takes effect September 1, 2013.

ADOPTED

MAY 21 2013

*Atty Gen*  
Secretary of the Senate

By:                     Keffer/Birdwell                    

H.B. No. 2362

Substitute the following for \_\_\_\_B. No. \_\_\_\_:

By:                     Craig Eder                    

C.S. \_\_\_\_B. No. \_\_\_\_

A BILL TO BE ENTITLED

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

SECTION 1. Subchapter G, Chapter 49, Water Code, is amended by adding Section 49.1991 to read as follows:

Sec. 49.1991. EFFICIENCY REVIEW OF RIVER AUTHORITIES. A district that is a river authority is subject to an efficiency review by the Legislative Budget Board.

SECTION 2. Chapter 322, Government Code, is amended by adding Section 322.0171 to read as follows:

Sec. 322.0171. EFFICIENCY REVIEW OF RIVER AUTHORITIES. (a) The board periodically may review and analyze the effectiveness and efficiency of the policies, management, fiscal affairs, and operations of a river authority.

(b) The board shall report the findings of a review and analysis to the governor and the legislature.

(c) Until the board has completed a review and analysis under this section, all information, documentary or otherwise, prepared or maintained in conducting the review and analysis or preparing the review report, including intra-agency and interagency communications and drafts of the review report or portions of those drafts, is excepted from required public disclosure as audit working papers under Section 552.116. This subsection does not affect whether information described by this

1 subsection is confidential or excepted from required public  
2 disclosure under a law other than Section 552.116.

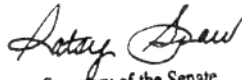
3       SECTION 3. The Legislative Budget Board shall conduct an  
4 efficiency review authorized by Section 322.0171, Government Code,  
5 as added by this Act, of both the Lower Colorado River Authority and  
6 the Brazos River Authority and report the findings of the review and  
7 analysis to the governor and the legislature not later than  
8 December 31, 2015.

9       SECTION 4. This Act takes effect September 1, 2013.

# ADOPTED

MAY 21 2013

FLOOR AMENDMENT NO. 1

  
Secretary of the Senate

BY: 

Amend C.S.H.B. 2362 (senate committee printing), in SECTION 3 of the bill, on page 1, lines 51-53, by striking "and report the findings of the review and analysis to the governor and the legislature not later than December 31, 2015" and substituting "before conducting a review of other river authorities as authorized by this Act".

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 22, 2013**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2362** by Keffer (Relating to the efficiency review of river authorities.), **As Passed 2nd House**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Water Code and the Government Code to establish that a district that is a river authority would be subject to an efficiency review by the Legislative Budget Board (LBB). The bill would authorize the LBB to periodically review and analyze the effectiveness and efficiency of the policies, management, fiscal affairs, and operations of a river authority. The bill would require the LBB to report the findings of a review and analysis to the Governor and the Legislature. The bill would require the LBB to conduct an efficiency review of both the Lower Colorado River Authority and the Brazos River Authority before conducting a review of other river authorities. The bill also provides confidentiality protections from disclosure until the LBB completes its review and analysis under the provisions of the bill.

This analysis assumes there are 16 river authorities based on information available on the Texas Water Development Board website. This analysis also assumes that all duties and responsibilities required of the LBB to implement the provisions of the bill could be accomplished within existing resources. In years in which effectiveness and efficiency reviews of river authorities are scheduled, fewer resources would be available to conduct effectiveness and efficiency reviews of other agencies and programs.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** UP, SZ, MW

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 16, 2013

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2362** by Keffer (Relating to the efficiency review of river authorities.), **Committee Report 2nd House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2362, Committee Report 2nd House, Substituted: a negative impact of (\$773,376) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$380,688)
2015	(\$392,688)
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2013
2014	(\$380,688)	2.0
2015	(\$392,688)	2.0
2016	\$0	0.0
2017	\$0	0.0
2018	\$0	0.0

Fiscal Analysis

The bill would amend the Water Code and the Government Code to establish that a district that is a river authority would be subject to an efficiency review by the Legislative Budget Board (LBB). The bill would authorize the LBB to periodically review and analyze the effectiveness and

efficiency of the policies, management, fiscal affairs, and operations of a river authority. The bill would require the LBB to report the findings of a review and analysis to the Governor and the Legislature. The bill would require the LBB to conduct an efficiency review of both the Lower Colorado River Authority (LCRA) and the Brazos River Authority (BRA) and report the findings of the review and analysis to the Governor and the Legislature no later than December 31, 2015. The bill also provides confidentiality protections from disclosure until the LBB completes its review and analysis under the provisions of the bill.

The bill would take effect September 1, 2013.

### **Methodology**

Based on information available on the Texas Water Development Board website, this analysis assumes there are 16 river authorities. This analysis assumes that the review of LCRA would be conducted in fiscal year 2014, and the review of the BRA would be conducted in fiscal year 2015. Given that the bill would require the LBB to complete the reviews of LCRA and the BRA before December 31, 2015, the LBB would require additional resources to complete these reviews in the time frames specified in the bill and still complete performance reviews of other agencies and programs. Costs reflected above include salaries, benefits, and other operating expenses for each fiscal year from the General Revenue Fund. Costs for travel are also assumed in fiscal year 2015.

Because the bill does not require a set review schedule for other river authorities, it is assumed that beginning in fiscal year 2016 all duties and responsibilities required of the LBB to implement the provisions of the bill could be accomplished within existing resources. In years in which effectiveness and efficiency reviews of river authorities are scheduled, fewer resources would be available to conduct effectiveness and efficiency reviews of other agencies and programs.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 308 State Auditor's Office

**LBB Staff:** UP, SZ, MW



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 13, 2013**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2362** by Keffer (Relating to the efficiency review of river authorities.), **As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Water Code and the Government Code to establish that a district that is a river authority would be subject to an efficiency review by the Legislative Budget Board (LBB). The bill would authorize the LBB to periodically review and analyze the effectiveness and efficiency of the policies, management, fiscal affairs, and operations of a river authority. The bill would require the LBB to report the findings of a review and analysis to the Governor and the Legislature. The bill also provides confidentiality protections from disclosure until the LBB completes its review and analysis under the provisions of the bill.

This analysis assumes there are 16 river authorities based on information available on the Texas Water Development Board website. This analysis also assumes that all duties and responsibilities required of the LBB to implement the provisions of the bill could be accomplished within existing resources. In years in which effectiveness and efficiency reviews of river authorities are scheduled, fewer resources would be available to conduct effectiveness and efficiency reviews of other agencies and programs.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 308 State Auditor's Office

**LBB Staff:** UP, SZ, MW

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 24, 2013**

**TO:** Honorable Allan Ritter, Chair, House Committee on Natural Resources

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2362** by Keffer (Relating to the efficiency review of river authorities.), **Committee Report 1st House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Water Code and the Government Code to establish that a district that is a river authority would be subject to an efficiency review by the Legislative Budget Board (LBB). The bill would authorize the LBB to periodically review and analyze the effectiveness and efficiency of the policies, management, fiscal affairs, and operations of a river authority. The bill would require the LBB to report the findings of a review and analysis to the Governor and the Legislature. The bill also provides confidentiality protections from disclosure until the LBB completes its review and analysis under the provisions of the bill.

This analysis assumes there are 16 river authorities based on information available on the Texas Water Development Board website. This analysis also assumes that all duties and responsibilities required of the LBB to implement the provisions of the bill could be accomplished within existing resources. In years in which effectiveness and efficiency reviews of river authorities are scheduled, fewer resources would be available to conduct effectiveness and efficiency reviews of other agencies and programs.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 308 State Auditor's Office

**LBB Staff:** UP, SZ, MW

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 1, 2013**

**TO:** Honorable Allan Ritter, Chair, House Committee on Natural Resources

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2362** by Keffer (Relating to the audit and review of river authorities.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2362, As Introduced: a negative impact of (\$1,080,912) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2014	(\$528,000)
2015	(\$552,912)
2016	(\$552,912)
2017	(\$552,912)
2018	(\$552,912)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Savings/(Cost) from <i>General Revenue Fund</i> 1</b>	<b>Change in Number of State Employees from FY 2013</b>
2014	(\$528,000)	3.8
2015	(\$552,912)	3.8
2016	(\$552,912)	3.8
2017	(\$552,912)	3.8
2018	(\$552,912)	3.8

**Fiscal Analysis**

The bill would amend the Water Code and the Government Code to establish that a district that is a river authority would be subject to an economy and efficiency audit by the State Auditor's Office (SAO), subject to approval by the Legislative Audit Committee, and an efficiency review by the Legislative Budget Board (LBB). The bill would require the SAO to seek recommendations from the LBB in preparing materials to be provided to a river authority at some time before the SAO

conducts an economy and efficiency audit of the authority. This would include written information about the scope and procedures of the audit as well as how representatives of the authority can participate in the audit planning process and how the authority may request information or assistance in preparing for an SAO audit.

The bill would authorize the LBB to periodically review and analyze the effectiveness and efficiency of the policies, management, fiscal affairs, and operations of a river authority. The bill would require the LBB to report the findings of a review and analysis to the Governor and the Legislature. The bill also provides confidentiality protections from disclosure until the LBB completes its review and analysis under the provisions of the bill.

The bill would take effect September 1, 2013.

### **Methodology**

This analysis assumes there are 16 river authorities based on information available on the Texas Water Development Board website. Based on information provided by the SAO, it is assumed that an economy and efficiency audit, subject to approval by the Legislative Audit Committee, would be conducted for one river authority each fiscal year. It is also assumed that 6,000 hours would be required to perform each audit; that all audits except for the first one in fiscal year 2014 would require travel costs; and that an additional 3.8 FTEs for Auditor positions would be necessary each fiscal year to implement the provisions of the bill. Costs reflected above include salaries, travel, benefits, and other operating expenses for the SAO each fiscal year from the General Revenue Fund.

This analysis assumes that all duties and responsibilities required of the LBB to implement the provisions of the bill could be accomplished within existing resources. In years in which effectiveness and efficiency reviews of river authorities are scheduled, fewer resources would be available to conduct effectiveness and efficiency reviews of other agencies and programs.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 308 State Auditor's Office

**LBB Staff:** UP, SZ, MW