

BILL ANALYSIS

H.B. 5
By: Otto
Appropriations
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Recently, interested parties note, the Legislative Budget Board began a strategic fiscal review process to evaluate the effectiveness and efficiencies of certain state agencies and their programs. These reviews provide an opportunity for the legislature to evaluate an agency's policies, management, fiscal affairs, and operations, along with other criteria. H.B. 5 seeks to codify and improve the legislative evaluation of state agencies and their programs.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.B. 5 amends the Government Code to require the director of the Legislative Budget Board (LBB), not later than September 1 of each odd-numbered year, to recommend to the LBB state agencies to undergo strategic fiscal review before the next regular legislative session. The bill requires the LBB to select the state agencies to undergo strategic fiscal review and conduct the reviews with the assistance of the director. The bill requires the LBB, not later than the seventh day after the date a regular legislative session convenes, to submit to the legislature written reports of the findings of each strategic fiscal review conducted by the LBB since the previous legislative session.

H.B. 5 requires the LBB to include in the written report of the findings of a strategic fiscal review the following information:

- a description of the discrete activities the state agency is charged with conducting or performing, together with a justification for each activity by reference to a statute or other legal authority and an evaluation of the effectiveness and efficiency of the state agency's policies, management, fiscal affairs, and operations in relation to each activity;
- for each identified activity, a quantitative estimate of any adverse effects that reasonably may be expected to result if the activity were discontinued, together with a description of the methods by which the adverse effects were estimated; an itemized account of expenditures required to maintain the activity at the minimum level of service or performance required by the statute or other legal authority, together with a concise statement of the quantity and quality of service or performance required at that minimum level; and an itemized account of expenditures required to maintain the activity at the current level of service or performance, together with a concise statement of the quantity

and quality of service or performance provided at that current level;

- a ranking of the identified activities that illustrates the relative importance of each activity to the overall goals and purposes of the state agency at current service or performance levels; and
- recommendations to the legislature regarding whether the legislature should continue funding each identified activity and, if so, at what level.

H.B. 5 authorizes the legislature to consider reports of the findings of strategic fiscal reviews in connection with the legislative appropriation process and a state agency's compliance with the strategic fiscal review process in making appropriations to that agency. The bill excepts all information, documentary or otherwise, prepared or maintained in conducting a strategic fiscal review or preparing a strategic fiscal review report, including intra-agency and interagency communications and drafts of the strategic fiscal review report or portions of those drafts, from required public disclosure as audit working papers under state public information law until the LBB has completed the strategic fiscal review. The bill establishes that this exception does not affect whether the information is confidential or excepted from required public disclosure under other law.

H.B. 5 requires each institution, department, agency, officer, employee, or agent of the state to submit any information requested by the LBB in connection with a strategic fiscal review.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.