

SENATE AMENDMENTS

2nd Printing

By: Otto, Burkett, et al.

H.B. No. 5

A BILL TO BE ENTITLED

AN ACT

relating to strategic fiscal reviews of state agencies.

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

SECTION 1. The heading to Section 322.007, Government Code, is amended to read as follows:

Sec. 322.007. ESTIMATES, ~~[AND]~~ REPORTS, AND INFORMATION.

SECTION 2. Sections 322.007(a) and (b), Government Code, are amended to read as follows:

(a) Each institution, department, agency, officer, employee, or agent of the state shall submit:

(1) any estimate or report relating to appropriations requested by the board or under the board's direction; and

(2) any information requested by the board in connection with a strategic fiscal review.

(b) Each estimate, ~~[or]~~ report, or item of information shall be submitted at a time set by the board and in the manner and form prescribed by board rules.

SECTION 3. Chapter 322, Government Code, is amended by adding Section 322.0175 to read as follows:

Sec. 322.0175. STRATEGIC FISCAL REVIEWS OF STATE AGENCIES.

(a) Not later than September 1 of each odd-numbered year, the director shall recommend to the board state agencies to undergo strategic fiscal review before the next regular legislative session.

1 (b) The board shall select the state agencies to undergo
2 strategic fiscal review and conduct the reviews with the assistance
3 of the director.

4 (c) Not later than the seventh day after the date a regular
5 legislative session convenes, the board shall submit to the
6 legislature written reports of the findings of each strategic
7 fiscal review conducted by the board since the previous legislative
8 session.

9 (d) The board shall include in the written report of the
10 findings of a strategic fiscal review:

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

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

15 (B) an evaluation of the effectiveness and
16 efficiency of the state agency's policies, management, fiscal
17 affairs, and operations in relation to each activity;

18 (2) for each activity identified under Subdivision
19 (1):

20 (A) a quantitative estimate of any adverse
21 effects that reasonably may be expected to result if the activity
22 were discontinued, together with a description of the methods by
23 which the adverse effects were estimated;

24 (B) an itemized account of expenditures required
25 to maintain the activity at the minimum level of service or
26 performance required by the statute or other legal authority,
27 together with a concise statement of the quantity and quality of

1 service or performance required at that minimum level; and

2 (C) an itemized account of expenditures required
3 to maintain the activity at the current level of service or
4 performance, together with a concise statement of the quantity and
5 quality of service or performance provided at that current level;

6 (3) a ranking of activities identified under
7 Subdivision (1) that illustrates the relative importance of each
8 activity to the overall goals and purposes of the state agency at
9 current service or performance levels; and

10 (4) recommendations to the legislature regarding
11 whether the legislature should continue funding each activity
12 identified under Subdivision (1) and, if so, at what level.

13 (e) The legislature may consider reports of the findings of
14 strategic fiscal reviews in connection with the legislative
15 appropriation process.

16 (f) The legislature may consider a state agency's
17 compliance with the strategic fiscal review process in making
18 appropriations to that agency.

19 (g) Until the board has completed a strategic fiscal review
20 under this section, all information, documentary or otherwise,
21 prepared or maintained in conducting the strategic fiscal review or
22 preparing the strategic fiscal review report, including
23 intra-agency and interagency communications and drafts of the
24 strategic fiscal review report or portions of those drafts, is
25 excepted from required public disclosure as audit working papers
26 under Section 552.116. This subsection does not affect whether
27 information described by this subsection is confidential or

1 excepted from required public disclosure under a law other than
2 Section 552.116.

3 SECTION 4. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2015.

ADOPTED

MAY 20 2015

Atty Gen
Secretary of the Senate

By: Nelson

H.B. No. 5

Substitute the following for H.B. No. 5:

By: Jane Nelson

C.S. H.B. No. 5

A BILL TO BE ENTITLED

AN ACT

1

2 relating to strategic fiscal reviews of state agencies and
3 programs.

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

5 SECTION 1. Chapter 322, Government Code, is amended by
6 adding Section 322.0175 to read as follows:

7 Sec. 322.0175. STRATEGIC FISCAL REVIEW OF STATE AGENCIES
8 AND PROGRAMS. (a) The board shall perform a strategic fiscal
9 review for each state agency currently the subject of Sunset
10 Advisory Commission review under Chapter 325, Government Code.

11 (b) The board shall prepare and submit a report of the
12 findings of the strategic fiscal review by September 1 of the
13 even-numbered year of the biennium during which the review is
14 conducted to the governor, lieutenant governor, and speaker of the
15 house of representatives and to the members of the senate finance
16 and house appropriations committees.

17 (c) The strategic fiscal review report must contain:

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

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

22 (B) an evaluation of the effectiveness and
23 efficiency of the state agency's policies, management, fiscal
24 affairs, and operations in relation to each activity;

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

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

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

17 (5) a ranking of activities identified under
18 Subdivision (1) that illustrates the relative importance of each
19 activity to the overall goals and purposes of the state agency at
20 current service or performance levels; and

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

24 (d) The legislature may consider the strategic fiscal
25 review reports in connection with the legislative appropriations
26 process.

27 (e) Until the board has completed a strategic fiscal review

1 under this section, all information, documentary or otherwise,
2 prepared or maintained in conducting the strategic fiscal review or
3 preparing the strategic fiscal review report, including
4 intra-agency and interagency communications and drafts of the
5 strategic fiscal review report, or portions of those drafts, is
6 excepted from required public disclosure as audit working papers
7 under Section 552.116. This subsection does not affect whether
8 information described by this subsection is confidential or
9 excepted from required public disclosure under a law other than
10 Section 552.116.

11 SECTION 2. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2015.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 20, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB5 by Otto (Relating to strategic fiscal reviews of state agencies and programs.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to require the Legislative Budget Board (LBB) to perform a strategic fiscal review for each state agency currently the subject of a Sunset Advisory Commission review under chapter 325, Government Code. The bill would require the LBB to submit a report of the findings of the strategic fiscal review performed under the requirements of the bill by September 1st of the even numbered year of the biennium during which the review is conducted to the Governor, Lieutenant Governor, Speaker of the House of Representatives, Senate Finance Committee, and House Appropriations Committee. The bill would allow the Legislature to consider the strategic fiscal review reports in connection with the legislative appropriation process.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, SD, KK, MW, JI

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 14, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB5 by Otto (relating to strategic fiscal reviews of state agencies and programs.),
Committee Report 2nd House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to require the Legislative Budget Board (LBB) to perform a strategic fiscal review for each state agency currently the subject of a Sunset Advisory Commission review under chapter 325, Government Code. The bill would require the LBB to submit a report of the findings of the strategic fiscal review performed under the requirements of the bill by September 1st of the even numbered year of the biennium during which the review is conducted to the Governor, Lieutenant Governor, Speaker of the House of Representatives, Senate Finance Committee, and House Appropriations Committee. The bill would allow the Legislature to consider the strategic fiscal review reports in connection with the legislative appropriation process.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, KK, MW, JI

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 22, 2015

TO: Honorable Jane Nelson, Chair, Senate Committee on Finance

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB5 by Otto (Relating to strategic fiscal reviews of state agencies.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill codifies the Strategic Fiscal Review process conducted by the Legislative Budget Board. The bill requires continuation of a specified review of selected state agencies and directs delivery of a report of findings by the seventh day after the date a regular legislative session convenes.

Local Government Impact

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

Source Agencies:

LBB Staff: UP, KK

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 17, 2015

TO: Honorable John Otto, Chair, House Committee on Appropriations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB5 by Otto (Relating to strategic fiscal reviews of state agencies.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill codifies the Strategic Fiscal Review process conducted by the Legislative Budget Board. The bill requires continuation of a specified review of selected state agencies and directs delivery of a report of findings by the seventh day after the date a regular legislative session convenes.

Local Government Impact

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

Source Agencies:

LBB Staff: UP, KK