

BILL ANALYSIS

S.B. 132
By: Creighton
Appropriations
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties suggest that the incentive structure under the savings incentive program for state agencies is inadequate. S.B. 132 seeks to address this inadequacy by revising the structure with the intent of providing more encouragement to state agencies to identify and implement efficiencies.

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 rulemaking authority is expressly granted to an applicable state agency in SECTION 1 of this bill.

ANALYSIS

S.B. 132 amends the Government Code to increase from one-fourth of the amount of savings verified by the comptroller of public accounts to one-half of that amount the amount that an affected agency retains under the savings incentive program for state agencies and to remove the cap on that amount of one percent of the amount of undedicated general revenue derived from nonfederal sources appropriated to the agency for the fiscal year in which the savings are realized.

S.B. 132 requires one-half of the savings retained by the agency to be used to make additional principal payments for general obligation bonds issued by the agency or on behalf of the agency by the Texas Public Finance Authority. If there are no outstanding general obligation bonds issued by the agency or on behalf of the agency by the authority, that amount of savings may be used to provide bonuses, distributed equally, to each agency employee who is a current full-time equivalent employee of the agency; worked for the agency as a full-time equivalent employee for the entire fiscal year in which the savings were realized; and is directly responsible for or worked in a department, office, or other division within the agency that is responsible for the savings realized. The bill prohibits a state agency from providing such a bonus to an agency employee who serves in an upper management position, including the chief executive or chief administrator of the agency, and requires a state agency to adopt rules to implement provisions relating to the retention of funds under the savings incentive program, as amended by the bill.

S.B. 132 caps the bonus as follows:

- if the amount of verified agency savings, expressed as a percentage of the total amount of undedicated general revenue derived from nonfederal sources appropriated to the agency for the fiscal year in which the savings were realized, is less than three percent, the bonus is capped at \$250;

- if the amount of verified agency savings is at least three percent but less than five percent, the bonus is capped at \$500;
- if the amount of verified agency savings is at least five percent but less than 10 percent, the bonus is capped at \$750; and
- if the amount of verified agency savings is 10 percent or more, the bonus is capped at \$1,000.

EFFECTIVE DATE

September 1, 2017.