

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 18, 2017

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2305 by Guillen (Relating to the operations, reports, records, communications, information technology, and notice procedures of state agencies and to the electronic publication of certain state legal materials.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2305, As Engrossed: a negative impact of (\$152,000) through the biennium ending August 31, 2019.

In addition, the bill's provisions related to transmission and receipt of electronic documents would have a positive but indeterminate fiscal impact.

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
2018	(\$152,000)
2019	\$0
2020	\$0
2021	\$0
2022	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund
2018	(\$152,000)
2019	\$0
2020	\$0
2021	\$0
2022	\$0

Fiscal Analysis

The bill would require Texas State Library and Archives Commission (TSLAC) to compile a report every four years, beginning in fiscal year 2021, listing all statutorily required reports, and, with the assistance of state agencies, assessments as to the ongoing usefulness of those reports.

The bill would require state agencies to submit certain reports required by statute, rule or rider in the General Appropriations Act, to the Texas Digital Archive, administered by TSLAC, once the Archive is properly configured for such use. The bill would also require TSLAC to develop guidelines for report submission, and the agency would monitor agency usage in accordance with the bill.

The bill would amend the Government Code to establish the Legislative Council (TLC) as the official electronic publisher of the Texas Constitution, and the Texas Secretary of State (SOS) as the official electronic publisher of the general and special laws passed by the Legislature and also as the official electronic publisher of state agency rules beginning on or after January 1, 2019. The bill would also require the TLC and SOS to create a process which would verify the trustworthiness of all official electronic documents published by the TLC and SOS and make the material reasonably available for use by the public on a permanent basis. The bill would allow the TLC and SOS to publish legal material after the date upon which the legal material takes effect in a manner required by the bill.

The bill would establish that the SOS and the Records Management Interagency Coordinating Council (RMICC) are jointly responsible for developing an implementation plan under the requirements of the bill and require the RMICC to provide the implementation plan to the legislature no later than September 1, 2018. The bill would also require the TLC to develop an implementation plan in consultation with the Lieutenant Governor, the Speaker of the House, the Senate Committee on Administration, and the House Committee on Administration and provide the plan to the Lieutenant Governor and Speaker of the House no later than September 1, 2018.

The bill would amend the Government Code to allow a state agency to transmit and receive documents in a format prescribed by the agency, provided it does not compromise program delivery or violate federal law. The bill would include a one-time requirement that agencies report cost savings or other efficiencies achieved from this action in their next Legislative Appropriations Request.

The bill would require each state agency, as the agency considers necessary, to evaluate the effectiveness and efficiency of the agency's vehicle fleet management, including vehicle acquisition methods and interagency agreements to operate vehicle maintenance and repair facilities that are owned or operated by this state. The section also requires each state agency to establish and maintain a schedule for replacing the agency's vehicles. Based on findings for the evaluation, the agency shall implement any measures that will increase the agency's effectiveness and efficiency in managing the agency's vehicle fleet. The first such evaluation and implementation of any findings shall be conducted not later than August 31, 2019. This subsection expires December 31, 2019.

The bill would require the Comptroller of Public Accounts conduct a one-time study on mail operations of state agencies that receive an appropriation, and identify provisions of law relating to the mailing requirements for the agency that impede the efficient transmission and receipt of documents by the agency.

The bill would amend certain sections of the Government, Health and Safety, Labor, Natural

Resources, Occupations and Transportation Codes to allow for the electronic transmission or receipt of certain documents.

The bill would amend the Government Code to require DIR to submit a consolidated report of each state agency's information technology (IT) infrastructure not later than November 15 of each even-numbered year to certain leadership and staff of the Legislative Budget Board. The consolidated report would include an analysis and assessment of each state agency's security and operational risks. For a state agency found to be at higher security and operational risks, the report would also include a detailed analysis of, and costs estimates to implement, the requirements for the agency to address the risks and related vulnerabilities and the agency's efforts to address the risks through the modernization of IT systems, use of cloud services, and use of statewide technology centers established by DIR. State agencies would be required to provide the information requested by DIR for the creation of the report. Also, state agencies would be required to redact from certain contracts on their internet website information made confidential pursuant to Section 2261.253, Government Code.

The bill would require DIR to submit a report not later than November 15 of each even-numbered year to certain leadership on the use of cloud computing service options by state agencies, including use cases that provide cost savings and other benefits. State agencies would be required to cooperate with DIR in the creation of the report.

The bill would require DIR conduct a one-time study regarding opportunities and strategies to reduce the state's volume of paper transactions, and submit a report on the findings of the study to the governor, lieutenant governor, speaker of the house of representatives, and Legislative Budget Board.

Except as otherwise proved by the bill, it would take effect September 1, 2017.

Methodology

Amending statute to allow state agencies to transmit and receive documents in a format prescribed by the agency is expected to result in cost avoidance and increased available staff time for agencies. The Texas Department of Transportation (TxDOT) anticipates an indeterminate but positive fiscal impact from this provision. Amending specific sections of the Government, Health and Safety, Labor, Natural Resources, Occupations and Transportation Codes to allow for the electronic transmission or receipt of certain documents is not expected to result in a significant fiscal impact by Texas Board of Nursing, Texas Workforce Commission, General Land Office and the Department of State Health Services. TxDOT stated that allowing customers to opt-in to receiving toll invoices electronically would reduce the amount of associated paper, postage costs and provide a positive fiscal impact that cannot be determined at this time.

Currently, the Secretary of State (SOS) electronically publishes legislative bills as they are passed as well as agency rules of Texas. Based on information provided by the SOS, it is assumed that one contractor would be necessary for three months to accomplish the setup, installation, configuration and coding necessary to adapt the SOS' current computer system to the new requirements. The SOS assumed a contractor cost of \$100 per hour for the three month period (520 hours), which would cost \$52,000.00 in fiscal year 2018. In addition, SOS anticipates a software cost of \$100,000 in fiscal year 2018 as well. For the purposes of this analysis, it is assumed that any additional annual maintenance costs that would be realized each year for the new software could be absorbed utilizing existing resources.

Based on information provided by TLC, TSLAC, and CPA, it is assumed that duties and

responsibilities associated with implementing the provisions of the bill specific to those agencies could be accomplished by utilizing existing resources. DIR indicates there would be a cost associated with implementation of provisions related to submitting a consolidated report of each state agency's IT infrastructure; this analysis assumes the cost could be absorbed within the agency's existing resources. All other provisions of the bill could be accomplished by state agencies within existing resources.

Technology

SOS anticipates software costs of \$100,000 and programming costs of \$52,000 in fiscal year 2018.

Local Government Impact

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

Source Agencies: 103 Legislative Council, 212 Office of Court Administration, Texas Judicial Council, 306 Library & Archives Commission, 307 Secretary of State, 320 Texas Workforce Commission, 601 Department of Transportation, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 313 Department of Information Resources, 507 Texas Board of Nursing, 537 State Health Services, Department of

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