

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 22, 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.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated, although some agencies may experience an indeterminate but positive fiscal impact as a result of being able to transmit and receive documents in electronic format.

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. As the agency currently compiles this report as required by rider, no fiscal impact is anticipated.

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. According to TSLAC, these provisions of the bill could be absorbed within existing resources and no significant fiscal impact is anticipated.

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. This 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. 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. This provision can be implemented with state agencies' existing resources.

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. No fiscal impact is anticipated 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. No significant fiscal impact is anticipated by Texas Board of Nursing, Texas Workforce Commission, General Land Office and the Department of State Health Services. According to TxDOT, the current cost to process toll invoices is estimated at \$380,000 per month, or approximately \$9.1 million in the 2018-19 biennium. 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.

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. These provisions of the bill can be implemented with each agencies' existing resources.

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. This provision of the bill can be accomplished with the agency's existing resources.

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. This provision of the bill can be accomplished with the agency's existing resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 306 Library & Archives Commission, 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

LBB Staff: UP, CL, MMe, RN, PM, GGo, LBO, LCO, RD