

BILL ANALYSIS

Senate Research Center
80R19901 TAD-D

C.S.H.B. 3106
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Government Organization
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

All state agencies, as stewards of public funds, are required to manage finances and human resources in a way that supports sound business principles. State law requires agencies to report their expenditures using the Uniform Statewide Accounting System (USAS), a computerized accounting system for reporting and controlling all expenditures for Texas state government.

Many agencies use USAS as their primary accounting system, while some have implemented agency-specific solutions that require unique development and production environments. Over time, these customized solutions have proven to be costly because each agency must maintain its own modifications. These customizations make statewide analysis and coordination increasingly difficult.

While the comptroller of public accounts (comptroller) has existing authority to establish reporting requirements and direct replacement of certain systems, clearer standard-setting authority will move the state forward during this time of rapid Enterprise Resource Planning (ERP) software vendor consolidation.

C.S.H.B. 3106 creates ERP, a system that integrates financial resources (which includes requisitioning and purchasing of goods and services, and generally addresses full financial life cycles from budget through financial statement reporting) and human resources (employee benefits, applicant tracking, position control, leave accounting, and payroll). This bill also ensures that the comptroller has clear standard-setting authority for ERP implementation.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 3 (Section 2101.036, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2101.001, Government Code, as follows:

Sec. 2101.001. New heading: DEFINITIONS. Defines "enterprise resource planning" and makes nonsubstantive and conforming changes.

SECTION 2. Amends Section 2101.031, Government Code, by adding Subsection (c), to require the comptroller of public accounts (comptroller) to ensure that the uniform statewide accounting project includes enterprise resource planning.

SECTION 3. Amends Section 2101.036, Government Code, as follows:

Sec. 2101.036. STATE AGENCY INTERNAL ACCOUNTING SYSTEMS. (a) Authorizes the comptroller by rule to require state agencies to modify, delay, or stop the implementation of individual accounting and payroll systems, including individual enterprise resource planning systems, so that those systems are compatible with the uniform statewide accounting system; and to adopt standards for implementation and modification of state agency enterprise resource planning systems.

(b) Authorizes the comptroller to require a state agency to replace its internal enterprise resource planning system or accounting and payroll system with project

components to provide uniformity in internal accounting and other enterprise resource planning system functions; and to modify the state agency's internal enterprise resource planning system or accounting and payroll system to provide uniformity in internal accounting and other enterprise resource planning system functions.

(c) Requires certain expenditures of state funds, including for the maintenance of an individual enterprise resource planning system, to be in accordance with any rules regarding the development, implementation, or use of the uniform statewide accounting system.

(d) Provides that, notwithstanding any other provision of this chapter (Accounting Procedures) or other law, this section and any rules implementing this section apply only in relation to a state agency as defined by Section 2054.003 (Definitions).

SECTION 4. Amends Section 2101.037(a), Government Code, to require a state agency to make available to the project director all records of the agency for purposes of developing and implementing the project, including complying with the rules and requirements prescribed by the comptroller under Section 2101.036.

SECTION 5. Amends Subchapter C, Chapter 2101, Government Code, by adding Section 2101.040, as follows:

Sec. 2101.040. ENTERPRISE RESOURCE PLANNING ADVISORY COUNCIL. (a) Requires the comptroller to establish and coordinate the enterprise resource planning advisory council (council). Sets forth the composition of the council.

(b) Requires the council to develop a plan that contains key requirements, constraints, and alternative approaches for the comptroller's implementation of enterprise resource planning standards, including related core functionality and business process reengineering requirements.

(c) Requires the comptroller, before each legislative session, to report to the legislature concerning the status of the implementation of the council's plan under Subsection (b) regarding enterprise resource planning in this state, including any planned modifications to and upgrade requirements of statewide and agency systems and the financial impact of the modifications and upgrade requirements.

(d) Provides that a member of the council receives no additional compensation for serving on the council and prohibits a member from being reimbursed for travel or other expenses incurred while conducting the business of the council.

(e) Provides that, except as provided by Subsection (b), Chapter 2110 (State Agency Advisory Committees) applies to the council.

SECTION 6. Repealer: Section 2055.104 (Enterprise Resource Planning: Use of Office Required), Government Code.

SECTION 7. Provides that the comptroller is not required to comply with Section 2101.031(c), Government Code, before January 1, 2008.

SECTION 8. Effective date: September 1, 2007.