

BILL ANALYSIS

Senate Research Center

S.B. 53
By: Nelson et al.
Finance
4/2/2015
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This bill directs the Legislative Budget Board (LBB) to perform a strategic fiscal review of state agencies in an effort to promote transparency and identify waste and inefficiencies within the state budget.

Agencies will be subject to a strategic fiscal review on a rotating basis that will coincide with Sunset review.

The LBB will prepare and submit a report of the findings to the governor, lieutenant governor, speaker of the House, Senate Finance Committee, and House Appropriations Committee.

The report will be submitted by September 1 of even-numbered years.

The report will contain:

- a description of the activities of the agency;
- a justification for each activity;
- an evaluation of the effectiveness of the agency's operations in relation to the activity;
- an estimate of the adverse effects if the activity were discontinued;
- an itemized account of expenditures required to maintain the activity at a minimum level and at the current level;
- a ranking of the importance of all activities within the agency; and
- a recommendation whether the legislature should continue funding the activity and at what level.

The legislature may consider the strategic fiscal review report in connection with the appropriation process.

As proposed, S.B. 53 amends current law relating to strategic fiscal reviews for state agencies and programs.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle C, Chapter 322, Government Code, by adding Section 322.0175, as follows:

Sec. 322.0175. STRATEGIC FISCAL REVIEW OF STATE AGENCIES AND PROGRAMS.

- (a) Requires the Legislative Budget Board (LBB) to perform a strategic fiscal review for all state agencies currently the subject of Sunset Advisory Commission review under Chapter 325 (Sunset Law), Government Code.

(b) Requires the LBB to prepare and submit a report of the findings of the strategic fiscal review by September 1 of even numbered years to the governor, lieutenant governor, speaker of the house, senate finance committee, and house appropriations committee.

(c) Requires the strategic fiscal review report to contain:

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

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

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

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

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

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

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

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

(d) Authorizes the legislature to consider the strategic fiscal review reports in connection with the legislative appropriation process.

(e) Provides that, until the board has completed a strategic fiscal review under this section, all information, documentary or otherwise, prepared or maintained in conducting the strategic fiscal review or preparing the strategic fiscal review report, including intra-agency and interagency communications and drafts of the strategic fiscal review report, or portions of those drafts, is excepted from required public disclosure as audit working papers under Section 552.116 (Exception: Audit Working Papers). Provides that this subsection does not affect whether information described by this subsection is confidential or excepted from required public disclosure under a law other than Section 552.116.

SECTION 2. Effective date: upon passage or September 1, 2015.