

BILL ANALYSIS

Senate Research Center
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S.B. 165
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Finance
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas taxpayers spend several billion dollars every year to fund state programs. Many programs are inefficient and wasteful spending, and the people of Texas deserve a legislature that will ensure better use of their tax dollars.

The 65th Texas Legislature enacted the Sunset review process to tackle the issue of government waste and inefficiency. While the Sunset process recommends whether an agency should or should not continue, the Sunset Advisory Commission (Sunset) does not make any recommendations regarding individual program waste or inefficiency within each agency's state funded programs.

S.B. 165 creates a process for the budget of each agency that is up for Sunset review, that requires the Legislative Budget Board (LBB) to analyze the individual programs of each agency and make recommendations to Sunset, the governor, and the legislature regarding whether the programs should continue to be funded at their current level, if at all. Each agency undergoing Sunset review will have a zero-based budget in that legislative session so legislators can make informed decisions regarding future funding of each program at every agency.

As proposed, S.B. 165 amends current law relating to zero-based budgeting for state agencies as a part of the sunset review process.

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 Section 322.008, Government Code, by adding Subsection (c-1), as follows:

(c-1) Requires that the budget of estimated appropriations prepared and delivered by the director of the Legislative Budget Board (LBB) under this section provide for an allocation of zero dollars for each proposed item of appropriation for each agency that is subject to review and abolition under Chapter 325 (Texas Sunset Act) during that calendar year. Requires that the budget include for each of those agencies a zero-based budget and performance review report prepared for the agency as provided by Section 325.0075.

SECTION 2. Amends Chapter 325, Government Code, by adding Section 325.0075, as follows:

Sec. 325.0075. ZERO-BASED BUDGET AND PERFORMANCE REVIEW REPORT TO COMMISSION. Requires LBB, before September 1 of the odd-numbered year before the year in which a state agency subject to this chapter is scheduled for abolition, to prepare and present to the Sunset Advisory Commission (Sunset) and to the governor a zero-based budget and performance review report containing:

(1) a description of the discrete activities the agency is charged with conducting or performing together with a justification for each activity by reference to a statute or other legal authority and an evaluation of the effectiveness and efficiency of the 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 discounted, 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 required by the statute or other legal authority, together with a concise statement of the quantity and quality of service 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 minimum 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 agency at current service 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.

SECTION 3. Amends Section 325.012(a), Government Code, to require Sunset, in its report on a state agency, to make certain recommendations, including that Sunset include the report of LBB presented under Section 325.0075 together with Sunset's evaluation of LBB's recommendations on funding the agency's activities. Makes nonsubstantive changes.

SECTION 4. Amends Section 325.0019, Government Code, as follows:

Sec. 325.019. ASSISTANCE OF AND ACCESS TO STATE AGENCIES. (a) Authorizes Sunset or LBB to request the assistance of state agencies and officers in carrying out its functions under this chapter. Requires a state agency or officer to assist Sunset or LBB, when assistance is requested.

(b) Authorizes Sunset, LBB, or a designated staff member of Sunset or LBB to inspect the records, documents, and files of any state agency. Makes a non-substantive change.

SECTION 5. Amends Section 401.043, Government Code, by adding Subsection (a-1), to require the governor or the governor's representative, at a public hearing held under Subsection (a) regarding appropriations for an agency that is then currently the subject of Sunset review under Chapter 325, to consider the zero-based budget presented under Section 325.0075 in addition to any information the agency presents for consideration in the budgeting process.

SECTION 6. Effective date: upon passage or September 1, 2011.