

- SUBJECT:** Requiring strategic fiscal reviews of state agencies and programs
- COMMITTEE:** Appropriations — favorable, without amendment
- VOTE:** 15 ayes — Zerwas, C. Bell, Buckley, Capriglione, Cortez, Hefner, Miller, Rose, Schaefer, Sherman, Smith, Stucky, Toth, VanDeaver, Wilson
- 0 nays
- 12 absent — Longoria, G. Bonnen, S. Davis, M. González, Howard, Jarvis Johnson, Minjarez, Muñoz, Sheffield, J. Turner, Walle, Wu
- SENATE VOTE:** On final passage, April 11 — 31-0, on Local and Uncontested Calendar
- WITNESSES:** For — Vance Ginn, Texas Public Policy Foundation; (*Registered, but did not testify*: TJ Patterson, City of Fort Worth)
- Against — None
- BACKGROUND:** Government Code sec. 322.017 authorizes the Legislative Budget Board (LBB) to periodically review and analyze the effectiveness and efficiency of the policies, management, fiscal affairs, and operation of state agencies.
- It has been suggested that information from a strategic fiscal review of certain state agencies by LBB would benefit the Legislature in its budget deliberations and promote transparency and that it could help identify waste and inefficiencies in state agencies.
- DIGEST:** SB 68 would require the Legislative Budget Board (LBB) to perform a strategic fiscal review for each state agency under review by the Sunset Advisory Commission. The Legislature could consider strategic fiscal review reports in connection with the legislative appropriations process.
- The strategic fiscal review report would have to include a description of the discrete activities the state agency is charged with conducting or

performing together with a justification for each activity by reference to 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.

Each activity identified in the report would include:

- a quantitative estimate of any possible adverse effects if the activity were discontinued and a description of the estimation methods;
- an itemized account of expenditures required to maintain the activity at the minimum level required by statute or other legal authority and a concise statement of the quantity and quality of service or performance required at that minimum level;
- an itemized account of expenditures required to maintain the activity at the current level and a concise statement of the quantity and quality of service or performance provided at the current level;
- a ranking of activities that illustrated the relative importance of each activity to the overall goals and purposes of the agency; and
- recommendations on whether the legislature should continue funding each activity and, if so, at what level.

LBB would prepare and submit a report of the findings by September 1 of every even-numbered year of the biennium in which the review was conducted to the governor, lieutenant governor, House speaker, and relevant legislative committees.

Until the board completed the strategic fiscal review, all information prepared or maintained in conducting or preparing the review report, including intra-agency and interagency communications and report drafts or portions of drafts, would be excepted from public disclosure.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.