

- SUBJECT:** Establishing study on impact of federal regulation on state agencies
- COMMITTEE:** State and Federal Power and Responsibility, Select — committee substitute recommended
- VOTE:** 6 ayes — P. King, Workman, C. Anderson, Clardy, Miles, Parker
- 0 nays
- 1 absent — Walle
- WITNESSES:** For — (*Registered, but did not testify:* Annie Spilman, National Federation of Independent Business/Texas; Barbara Harless, North Texas Citizens Lobby; Thomas Lindsay, Texas Public Policy Foundation)
- Against — None
- BACKGROUND:** Under the House-passed version of the general appropriations act for fiscal 2016-17, state agencies in Texas would receive more than \$69 billion in federal funds in the next biennium, or nearly one-third of the proposed budget. The funding supports programs in health and human services, public education, transportation, and other areas. It is accompanied by regulations that include federal mandates and the spending of state money as a condition of receiving federal dollars.
- DIGEST:** CSHB 799 would require the Legislative Budget Board (LBB) to study the effect on state agencies of federal regulations and mandates. The LBB would set a schedule for conducting a study of each state agency that included the following information:
- a cost-benefit analysis on the impact of agency compliance with federal regulations, including a comparison of the direct and indirect costs of regulatory compliance with the amount of federal funds received;
  - a list of all mandates required under federal law and regulations for which the federal government has not provided reimbursement

- sufficient to cover the agency's cost of compliance; and
- recommendations for reducing the federal regulatory burden on the agency and citizens of Texas, including proposals for state or federal legislation or litigation against specific federal agencies.

After studying a state agency, the LBB would deliver a report of its findings and recommendations to the Legislature.

This 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, 2015.

**NOTES:**

According to the Legislative Budget Board's fiscal note, the studies required under the bill would cost about \$500,000 in general revenue during fiscal 2016-17.