

By: Bettencourt

S.B. No. 1013

A BILL TO BE ENTITLED

AN ACT

relating to periodic zero-based budgeting for certain political subdivisions.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 44, Education Code, is amended by adding Section 44.0025 to read as follows:

Sec. 44.0025. PERIODIC ZERO-BASED BUDGET REQUIRED; CONTENTS. (a) This section applies only to a school district with a student enrollment of 50,000 or more.

(b) In addition to the annual itemized budget required under Section 44.002, the superintendent shall prepare a zero-based budget every 12th year that contains:

(1) a description of the discrete activities the school district conducts or performs with:

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

(B) an evaluation of the effectiveness and efficiency of the district'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;

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

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

11 (5) a ranking of activities identified under
12 Subdivision (1) that illustrates the relative importance of each
13 activity to the overall goals and purposes of the school district at
14 current service levels; and

15 (6) recommendations to the board of trustees of the
16 school district regarding whether the district should continue
17 funding each activity identified under Subdivision (1) and, if so,
18 at what level.

19 (c) In preparing the zero-based budget, the superintendent
20 may require any school district officer or employee to provide
21 information necessary for the superintendent to properly prepare
22 the budget.

23 (d) The superintendent shall file a copy of the zero-based
24 budget with the agency on or before the date the proposed budget is
25 filed, and the copy of the zero-based budget shall be available for
26 public inspection in the school district's central administrative
27 office. If the district maintains an Internet website, the

district shall take action to ensure that the zero-based budget is posted on the website.

(e) At a public meeting held to adopt a budget under this subchapter, the board of trustees of the school district shall consider information presented in the zero-based budget in addition to the proposed budget.

SECTION 2. Chapter 102, Local Government Code, is amended by adding Section 102.0055 to read as follows:

Sec. 102.0055. PERIODIC ZERO-BASED BUDGET REQUIRED; CONTENTS. (a) This section applies only to a municipality with a population of 225,000 or more.

(b) In addition to the annual itemized budget required under Section 102.003, the budget officer shall prepare a zero-based budget every 12th year that contains:

(1) a description of the discrete activities the municipality conducts or performs with:

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

(B) an evaluation of the effectiveness and efficiency of the municipality'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;

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

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

12 (5) a ranking of activities identified under
13 Subdivision (1) that illustrates the relative importance of each
14 activity to the overall goals and purposes of the municipality at
15 current service levels; and

16 (6) recommendations to the governing body of the
17 municipality regarding whether the municipality should continue
18 funding each activity identified under Subdivision (1) and, if so,
19 at what level.

20 (c) In preparing the zero-based budget, the budget officer
21 may require any municipal officer or board to provide information
22 necessary for the budget officer to properly prepare the budget.

23 (d) The budget officer shall file a copy of the zero-based
24 budget with the municipal clerk on or before the date the proposed
25 budget is filed, and the copy of the zero-based budget shall be
26 available for public inspection. If the municipality maintains an
27 Internet website, the municipal clerk shall take action to ensure

1 that the zero-based budget is posted on the website.

2 (e) At a public hearing held to adopt a budget under this
3 subchapter, the governing body of the municipality shall consider
4 information presented in the zero-based budget in addition to the
5 proposed budget.

6 SECTION 3. Subchapter B, Chapter 111, Local Government
7 Code, is amended by adding Section 111.0375 to read as follows:

8 Sec. 111.0375. PERIODIC ZERO-BASED BUDGET REQUIRED;
9 CONTENTS. (a) In addition to the annual itemized budget required
10 under Section 111.034, the county auditor shall prepare a
11 zero-based budget every 12th year that contains:

12 (1) a description of the discrete activities the
13 county conducts or performs with:

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

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

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

24 (3) for each activity identified under Subdivision
25 (1), an itemized account of expenditures required to maintain the
26 activity at any minimum level of service required by statute,
27 order, or other legal authority, together with a concise statement

1 of the quantity and quality of service required at that minimum
2 level;

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

8 (5) a ranking of activities identified under
9 Subdivision (1) that illustrates the relative importance of each
10 activity to the overall goals and purposes of the county at current
11 service levels; and

12 (6) recommendations to the commissioners court of the
13 county regarding whether the county should continue funding each
14 activity identified under Subdivision (1) and, if so, at what
15 level.

16 (b) In preparing the zero-based budget, the county auditor
17 may require any district, county, or precinct officer of the county
18 to provide information necessary for the auditor to properly
19 prepare the budget.

20 (c) The county auditor shall file a copy of the zero-based
21 budget with the county clerk on or before the date the proposed
22 budget is filed, and the copy of the zero-based budget shall be
23 available for public inspection. If the county maintains an
24 Internet website, the county clerk shall take action to ensure that
25 the zero-based budget is posted on the website.

26 (d) At a public hearing held to adopt a budget under this
27 subchapter, the commissioners court shall consider information

1 presented in the zero-based budget in addition to the proposed
2 budget.

3 SECTION 4. Subchapter C, Chapter 111, Local Government
4 Code, is amended by adding Section 111.0665 to read as follows:

5 Sec. 111.0665. PERIODIC ZERO-BASED BUDGET REQUIRED;
6 CONTENTS. (a) This section applies only to a county with a
7 population of 225,000 or more.

8 (b) In addition to the annual itemized budget required under
9 Section 111.063, the budget officer shall prepare a zero-based
10 budget every 12th year that contains:

11 (1) a description of the discrete activities the
12 county conducts or performs with:

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

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

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

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

1 level;

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

7 (5) a ranking of activities identified under
8 Subdivision (1) that illustrates the relative importance of each
9 activity to the overall goals and purposes of the county at current
10 service levels; and

11 (6) recommendations to the commissioners court of the
12 county regarding whether the county should continue funding each
13 activity identified under Subdivision (1) and, if so, at what
14 level.

15 (c) In preparing the zero-based budget, the budget officer
16 may require the county auditor or any other district, county, or
17 precinct officer of the county to provide information necessary for
18 the budget officer to properly prepare the budget.

19 (d) The budget officer shall file a copy of the zero-based
20 budget with the county clerk and county auditor on or before the
21 date the proposed budget is filed, and the copy of the zero-based
22 budget shall be available for public inspection.

23 (e) At a public hearing held to adopt a budget under this
24 subchapter, the commissioners court shall consider information
25 presented in the zero-based budget in addition to the proposed
26 budget.

27 SECTION 5. The board of trustees of a school district, a

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1 commissioners court, or a governing body of a municipality shall
2 adopt an initial zero-based budget as described by Section 44.0025,
3 Education Code, or Section 102.0055, 111.0375, or 111.0665, Local
4 Government Code, as added by this Act, as applicable, for the fiscal
5 year beginning on or after September 1, 2017.

6 SECTION 6. This Act takes effect September 1, 2015.