

GOVERNMENT CODE
CHAPTER 322. LEGISLATIVE BUDGET BOARD

Sec. 322.001. MEMBERSHIP. (a) The Legislative Budget Board consists of:

- (1) the lieutenant governor;
- (2) the speaker of the house of representatives;
- (3) the chairman of the senate finance committee;
- (4) the chairman of the house appropriations committee;
- (5) the chairman of the house ways and means committee;
- (6) three members of the senate appointed by the lieutenant governor; and
- (7) two other members of the house appointed by the speaker.

(b) The lieutenant governor and the speaker are joint chairs of the board.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 2003, 78th Leg., ch. 1328, Sec. 5, eff. June 21, 2003; Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 6.03, eff. Jan. 11, 2004.

Sec. 322.003. QUORUM; MEETINGS. (a) A majority of the members of the board from each house constitutes a quorum to transact business. If a quorum is present, the board may act on any matter that is within its jurisdiction by a majority vote.

(b) The board shall meet as often as necessary to perform its duties. Meetings may be held at any time at the request of either of the joint chairs of the board or on written petition of a majority of the members of the board from each house.

(c) The board shall meet in Austin, except that if a majority of the members of the board from each house agree, the board may meet in any location determined by the board.

(d) As an exception to Chapter 551 and other law, if a meeting is located in Austin and the joint chairs of the board are physically present at the meeting, then any number of the other members of the board may attend the meeting by use of telephone conference call, video conference call, or other similar telecommunication device. This subsection applies for purposes of constituting a quorum, for purposes of voting, and for any other purpose allowing a member of the board to otherwise fully participate in any meeting of the board. This subsection applies without exception with regard to the subject of the meeting or topics considered by the members.

(e) A meeting held by use of telephone conference call, video conference call, or other similar telecommunication device:

(1) is subject to the notice requirements applicable to other meetings;

(2) must specify in the notice of the meeting the location in Austin of the meeting at which the joint chairs will be physically present;

(3) must be open to the public and shall be audible to the public at the location in Austin specified in the notice of the meeting as the location of the meeting at which the joint chairs will be physically present; and

(4) must provide two-way audio communication between all members of the board attending the meeting during the entire meeting, and if the two-way audio communication link with any member attending the meeting is disrupted at any time, the meeting may not continue until the two-way audio communication link is reestablished.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 4.01, 6.04, eff. Jan. 11, 2004; Acts 2005, 79th Leg., ch. 741, Sec. 3, eff. June 17, 2005.

Sec. 322.004. DIRECTOR. (a) The board shall appoint a director to serve at the pleasure of the board. The director is accountable only to the board.

(b) The director may make recommendations and, when the board specifically requests, shall make recommendations on a matter before the board relating to a function or duty of any state institution, department, agency, officer, or employee.

(c) The director may not vote on a question or issue before the board.

(d) The board shall set the salary of the director.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Sec. 322.005. PERSONNEL. (a) The director may employ personnel as necessary to perform the functions of the board.

(b) The director shall set the salaries of the personnel employed by the director.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 2005, 79th Leg., ch. 741, Sec. 4, eff. June 17, 2005.

Sec. 322.007. ESTIMATES AND REPORTS. (a) Each institution, department, agency, officer, employee, or agent of the state shall submit any estimate or report relating to appropriations requested by the board or under the board's direction.

(b) Each estimate or report shall be submitted at a time set by the board and in the manner and form prescribed by board rules.

(c) An estimate or report required under this section is in addition to an estimate or report required by other law, including those estimates or reports relating to appropriations required by Chapter 401.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1995, 74th Leg., ch. 76, Sec. 5.95(10), eff. Sept. 1, 1995.

Sec. 322.008. APPROPRIATIONS BILL. (a) The director, under the direction of the board, shall prepare the general appropriations bill for introduction at each regular legislative session.

(b) The general appropriations bill may include for purposes of information the funding elements computed by the Legislative Budget Board under Section 42.007, Education Code, excluding the values for each school district calculated under Section 42.007(c)(2), Education Code. If the funding elements are included, the funding elements under Section 42.007(c)(3), Education Code, shall be reported in dollar amounts per pupil.

(c) Not later than the fifth day after a regular legislative session convenes, the director shall transmit a copy of the budget of estimated appropriations prepared by the director to the governor and each member of the legislature.

(d) Not later than the seventh day after a regular legislative session convenes, the director shall transmit a copy of the general appropriations bill to the governor and each member of the legislature.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1990, 71st Leg., 6th C.S., ch. 1, Sec. 1.19, eff. Sept. 1, 1990; Acts 1997, 75th Leg., ch. 165, Sec. 6.12, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1071, Sec. 26, eff. Sept. 1, 1997.

Sec. 322.009. INSPECTION COMMITTEES. Either of the joint chairs of the board, with the approval of the board, may appoint a committee to visit, inspect, and report on any state institution, department, agency, officer, or employee.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 6.06, eff. Jan. 11, 2004.

Sec. 322.010. INSPECTIONS AND HEARINGS. (a) The board or an employee under the direction of the board may inspect the property, equipment, and facilities of a state department or agency for which an appropriation is to be made and may inspect all accounts and general and local funds.

(b) An inspection performed under Subsection (a) may be made either before or after an estimate required under Section 322.007 has been submitted.

(c) The board may hold hearings to consider the estimates required under Section 322.007 and any information gathered under Subsection (a).

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985.

Sec. 322.011. PERFORMANCE AUDITS AND REPORTS. (a) The board shall establish a system of performance audits and evaluations designed to provide a comprehensive and continuing review of the programs and operations of each state institution, department, agency, or commission.

(b) The board may evaluate the programs and operations of any institution, department, agency, or commission that received an appropriation in the most recent General Appropriations Act or is a state agency. An institution, department, agency, or commission may not be evaluated until after the end of the first full fiscal year of its operation.

(c) On the third Tuesday of each January in which the legislature meets in regular session, the board shall make a performance report to the legislature.

(d) The report shall analyze the operational efficiency and program performance of each institution, department, agency, and commission evaluated. The report shall explicitly state the

statutory function each entity is to perform and how, in terms of unit-cost measurement, work load efficiency data, and program output standards established by the board, these statutory functions are being accomplished.

(e) The performance report shall be published in the form prescribed by the board.

(f) The director, with the approval of the board, shall appoint an assistant director for program evaluation. The assistant director shall report to and be responsible to the director.

(g) The director shall employ sufficient personnel to carry out the provisions of this section.

Acts 1985, 69th Leg., ch. 479, Sec. 1, eff. Sept. 1, 1985. Amended by Acts 1993, 73rd Leg., ch. 963, Sec. 1, eff. Aug. 30, 1993.

Sec. 322.012. GIFTS AND GRANTS. (a) The board may accept gifts, grants, and donations from any organization described in Section 501(c)(3) of the Internal Revenue Code for the purpose of funding any activity under this chapter.

(b) All gifts, grants, and donations must be accepted in an open meeting by a majority of the voting members of the board and reported in the public record of the board with the name of the donor and purpose of the gift, grant, or donation.

Added by Acts 1987, 70th Leg., ch. 617, Sec. 3, eff. Sept. 1, 1987.

Sec. 322.013. REVIEW OF EDUCATIONAL POLICY IMPLEMENTATION. (a) The standing committees of the senate and house of representatives with primary jurisdiction over the public school system shall oversee and review the implementation of legislative education policy by state agencies that have the statutory duty to implement that policy, including policy relating to:

- (1) fiscal matters;
- (2) academic expectations; and
- (3) evaluation of program cost-effectiveness.

(b) The committees shall periodically review the actions or proposed actions of the State Board of Education for the purpose of ensuring compliance with legislative intent. If a committee determines that any action or proposed action of the State Board of Education conflicts with legislative educational policy, the committee shall submit its comments on the conflict to the State Board of Education in writing. If a committee determines that a final action of the board conflicts with the intent of legislative educational policy, the committee may:

- (1) request additional information from the State Board of Education relating to the intent of the board's action;
- (2) request a joint meeting with the State Board of Education to discuss the conflict between the action and legislative educational policy;
- (3) request that the State Board of Education reconsider its action; or
- (4) notify the governor, lieutenant governor, speaker of the house, and the legislature of the conflict presented.

(c) The board shall assist the committees in administering this section.

(d) For purposes of carrying out its duties, the board may administer oaths and issue subpoenas, signed by either of the joint chairs of the board, to compel the attendance of witnesses and the production of books, records, and documents. A subpoena of the board shall be served by a peace officer in the manner in which district court subpoenas are served. On application of the board, a district court of Travis County shall compel compliance with a subpoena issued by the board in the same manner as for district court subpoenas.

Added by Acts 1993, 73rd Leg., ch. 520, Sec. 24, eff. Sept. 1, 1993. Amended by Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 6.07, eff. Jan. 11, 2004.

Sec. 322.014. REPORT ON MAJOR INVESTMENT FUNDS. (a) In this section, "state investment fund" means any investment fund administered by or under a contract with any state governmental entity, including a fund:

- (1) established by statute or by the Texas Constitution; or
- (2) administered by or under a contract with:
 - (A) a public retirement system as defined by Section 802.001 that provides service retirement, disability retirement, or death benefits for officers or employees of the

state;

(B) an institution of higher education as defined by Section 61.003, Education Code; or

(C) any other entity that is part of state government.

(b) The board shall evaluate and publish an annual report on the risk-adjusted performance of each state investment fund that in the opinion of the board contains a relatively large amount of assets belonging to or administered by the state. The board in its report shall:

(1) compare the risk-adjusted performance of the funds; and

(2) examine the risk-adjusted performance, within and among the funds, of similar asset classes and comparable portfolios within asset classes.

(c) Each state governmental entity that administers a state investment fund and each person that administers a state investment fund under contract shall provide the board with the information the board requests regarding the performance of the fund.

(d) The board shall publish the annual report in a format and using terminology that a person without technical investment expertise can understand.

Added by Acts 2001, 77th Leg., ch. 1410, Sec. 1, eff. June 16, 2001.

Sec. 322.015. REVIEW OF INTERSCHOLASTIC COMPETITION. The board may periodically review and analyze the effectiveness and efficiency of the policies, management, fiscal affairs, and operations of an organization that is a component or part of a state agency or institution and that sanctions or conducts interscholastic competition. The board shall report the findings to the governor and the legislature. The legislature may consider the board's reports in connection with the legislative appropriations process.

Added by Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 6.09, eff. Jan. 11, 2004.

Sec. 322.016. PERFORMANCE REVIEW OF SCHOOL DISTRICTS. (a) The board may periodically review the effectiveness and efficiency of the operations of school districts, including the district's expenditures for its officers' and employees' travel services. A review of a school district may be initiated by the board at its discretion or on the request of the school district. A review may be initiated by a school district only by resolution adopted by a majority of the members of the board of trustees of the district.

(b) If a review is initiated on the request of the school district, the district shall pay 25 percent of the cost incurred in conducting the review.

(c) The board shall:

(1) prepare a report showing the results of each review conducted under this section;

(2) file the report with the school district, the governor, the lieutenant governor, the speaker of the house of representatives, the chairs of the standing committees of the senate and the house of representatives with jurisdiction over public education, and the commissioner of education; and

(3) make the entire report and a summary of the report available to the public on the Internet.

(d) Until the board has completed a review under this section, all information, documentary or otherwise, prepared or maintained in conducting the review or preparing the review report, including intra-agency and interagency communications and drafts of the review report or portions of those drafts, is excepted from required public disclosure as audit working papers under Section 552.116. 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.

Added by Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 6.09, eff. Jan. 11, 2004. Amended by Acts 2005, 79th Leg., ch. 741, Sec. 5, eff. June 17, 2005.

Sec. 322.0165. PERFORMANCE REVIEW OF INSTITUTIONS OF HIGHER EDUCATION. (a) In this section, "public junior college" and "general academic teaching institution" have the meanings assigned by Section 61.003, Education Code.

(b) The board may periodically review the effectiveness and efficiency of the budgets and operations of:

(1) public junior colleges; and

(2) general academic teaching institutions.

(c) A review under this section may be initiated by the board or at the request of:

- (1) the governor; or
- (2) the public junior college or general academic teaching institution.

(d) A review may be initiated by a public junior college or general academic teaching institution only at the request of the president of the college or institution or by a resolution adopted by a majority of the governing body of the college or institution.

(e) If a review is initiated by a public junior college or general academic teaching institution, the college or institution shall pay 25 percent of the cost incurred in conducting the review.

(f) The board shall:

(1) prepare a report showing the results of each review conducted under this section;

(2) file the report with:

(A) the chief executive officer of the public junior college or general academic teaching institution that is the subject of the report; and

(B) the governor, the lieutenant governor, the speaker of the house of representatives, the chairs of the standing committees of the senate and of the house of representatives with primary jurisdiction over higher education, and the commissioner of higher education; and

(3) make the entire report and a summary of the report available to the public on the Internet.

(g) Until the board has completed a review under this section, all information, documentary or otherwise, prepared or maintained in conducting the review or preparing the review report, including intra-agency and interagency communications and drafts of the review report or portions of those drafts, is excepted from required public disclosure as audit working papers under Section 552.116. 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. Added by Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 6.09, eff. Jan. 11, 2004. Amended by Acts 2005, 79th Leg., ch. 741, Sec. 6, eff. June 17, 2005.

Sec. 322.017. EFFICIENCY REVIEW OF STATE AGENCIES. (a) In this section, "state agency" has the meaning assigned by Section 2056.001.

(b) The board periodically may review and analyze the effectiveness and efficiency of the policies, management, fiscal affairs, and operations of state agencies.

(c) The board shall report the findings of the review and analysis to the governor and the legislature.

(d) The legislature may consider the board's reports in connection with the legislative appropriations process.

(e) Until the board has completed a review and analysis under this section, all information, documentary or otherwise, prepared or maintained in conducting the review and analysis or preparing the review report, including intra-agency and interagency communications and drafts of the review report or portions of those drafts, is excepted from required public disclosure as audit working papers under Section 552.116. 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.

Added by Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 6.09, eff. Jan. 11, 2004. Amended by Acts 2005, 79th Leg., ch. 741, Sec. 7, eff. June 17, 2005.

Sec. 322.018. RECORDS MANAGEMENT REVIEW. (a) In this section, "state agency" has the meaning assigned by Section 2056.001.

(b) The board may periodically review and analyze the effectiveness and efficiency of the policies and management of a state governmental committee or state agency that is involved in:

(1) analyzing and recommending improvements to the state's system of records management; and

(2) preserving the essential records of this state, including records relating to financial management information.

Added by Acts 2003, 78th Leg., 3rd C.S., ch. 3, Sec. 6.09, eff. Jan. 11, 2004.

Sec. 322.019. CRIMINAL JUSTICE POLICY ANALYSIS. (a) The board may develop and perform functions to promote a more effective

and cohesive state criminal justice system.

(b) The board may serve as the statistical analysis center for the state and as the liaison for the state to the United States Department of Justice on criminal justice issues of interest to the state and federal government relating to data, information systems, and research if an executive branch agency or institution of higher education is not designated by the governor to perform those functions.

(c) The director may consult the lieutenant governor, the speaker of the house of representatives, and the presiding officer of each standing committee of the senate and house of representatives having primary jurisdiction over matters relating to criminal justice and state finance or appropriations from the state treasury.

(d) The Department of Public Safety, the Texas Department of Criminal Justice, the Texas Juvenile Probation Commission, and the Texas Youth Commission shall provide the board with data relating to a criminal justice policy analysis under this section in the manner requested.

Added by Acts 2005, 79th Leg., ch. 741, Sec. 8, eff. June 17, 2005.