

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013**

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**HOUSE BILL 182
PROPOSED COMMITTEE SUBSTITUTE H182-PCS80363-MM-3**

Short Title: Establish Efficiency & Cost-Savings Commn.

(Public)

Sponsors:

Referred to:

March 4, 2013

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE JOINT LEGISLATIVE EFFICIENCY AND COST SAVINGS IN STATE GOVERNMENT STUDY COMMISSION, AS RECOMMENDED BY THE LRC COMMITTEE ON EFFICIENCIES IN STATE GOVERNMENT.

The General Assembly of North Carolina enacts:

SECTION 1. There is established the Joint Legislative Efficiency and Cost-Savings in State Government Study Commission (Commission). The Legislative Services Commission shall use funds available to fund the Commission's work.

SECTION 2. The Commission shall be composed of 10 members appointed as follows:

- (1) Five senators appointed by the President Pro Tempore of the Senate.
- (2) Five representatives appointed by the Speaker of the House of Representatives.

Vacancies on the Commission shall be filled by the appointing authority. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair. A quorum of the Commission shall be a majority of its members.

The Commission may meet at any time upon call of the chairs. The Commission may meet in the Legislative Building or the Legislative Office Building. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

The Commission, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of the State to provide any information, data, or documents within their possession, ascertainable from their records, or otherwise available to them, and the power to subpoena witnesses and documents.

The Director of the Fiscal Research Division shall advise and provide staff support to assist the Commission in its work. The Director of the Program Evaluation Division shall advise the Commission. The Legislative Services Commission, through the Legislative Services Officer, shall assign other professional staff to assist the Commission in its work. The House of Representatives' and Senate's Directors of Legislative Assistants shall assign clerical staff to the Commission, and the expenses relating to the clerical employees shall be borne by the Commission. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate.

SECTION 3. The Commission shall use a zero-based budgeting review process to study whether there are obsolete programs, cost-reduction opportunities in State government, and any cases where existing funds can be redirected to meet new and changing demands for public services.



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1 At its first meeting, the Commission shall select two principal State departments to
2 review. One of the principal State departments shall be selected from the list enumerated in
3 G.S. 143B-6 and one shall be selected from those principal State departments that are under the
4 direction and control of a member of the Council of State.

5 The Commission may require a principal State department (Department) under
6 review to submit written information in a form specified by the Commission by a specified
7 time. The Commission may accept or reject any or part of any information submitted and
8 require revision or resubmission. The Commission may require information as follows:

- 9 (1) Identification of decision units. – The Department shall identify decision
10 units representing any group of services with a common set of objectives or
11 comprising a Department program or administrative support unit.
- 12 (2) Impact of discontinuing each decision unit. – The Department shall provide
13 a quantitative estimate of any adverse impacts that could reasonably be
14 expected should the State discontinue a decision unit, together with a full
15 description of the methods by which the adverse impact is estimated.
- 16 (3) Division of decision units into decision packages. – The Department shall
17 divide each decision unit into the following four discrete decision packages:
 - 18 a. Minimum. – A quantitative estimate of any adverse impacts that
19 could reasonably be expected and an itemized account of
20 expenditures that would be required to maintain the activity at the
21 minimum level of service required by any statutory authorization and
22 below which would effectively eliminate all services, together with a
23 concise statement of the resulting quantity and quality of services.
24 This service level shall be below the level described by
25 sub-subdivision b. of this subdivision.
 - 26 b. Reduced. – A quantitative estimate of any adverse impacts that could
27 reasonably be expected and an itemized account of expenditures that
28 would be required if funding were reduced by the percentage or
29 amount specified by the Commission below the current level as
30 defined by sub-subdivision c. of this subdivision and a concise
31 statement of the resulting quantity and quality of services.
 - 32 c. Current. – A quantitative description of benefits from and an
33 itemized account of expenditures that would be required to maintain
34 the activity at the current level of service, together with a full
35 description of the methods by which the current level is determined
36 and a concise statement of the resulting quantity and quality of
37 services.
 - 38 d. Enhanced. – A quantitative estimate of benefits that could reasonably
39 be expected and an itemized account of expenditures that would be
40 required to increase the current level of service, together with a full
41 description of the methods by which the enhanced level is estimated
42 and a concise statement of the resulting quantity and quality of
43 services.
- 44 (4) Service delivery alternatives. – For each decision package, a description of
45 alternative methods for delivering services which may include, but not be
46 limited to, shedding one or more services and relying upon the free market
47 for delivery, delegation to another level of government, using Requests for
48 Information or competitive selection to outsource to private for-profit or
49 nonprofit organizations, in whole or in part, including franchising, assisting
50 or providing incubator arrangements for current State employees to form

1 non-State organizations to compete for outsourcing opportunities, or through
2 methods used by other states or nations.

3 (5) Ranking. – As instructed by the Commission, a ranking of all decision
4 packages compared with each other without ties.

5 **SECTION 4.** The Commission shall make an interim report to the 2014 Regular
6 Session of the 2013 General Assembly when it reconvenes in 2014 and a final report to the
7 2015 Regular Session when it convenes. The reports may include any proposed legislation. The
8 Commission shall terminate upon filing its final report or upon the convening of the 2015
9 Regular Session of the General Assembly, whichever is earlier.

10 **SECTION 5.** This act is effective when it becomes law.