

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017**

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HOUSE BILL 743

Short Title: Study Efficiency and Cost-Savings/State Govt. (Public)

Sponsors: Representatives Blackwell, Blust, Riddell, and Collins (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Rules, Calendar, and Operations of the House

April 13, 2017

A BILL TO BE ENTITLED
AN ACT TO ESTABLISH THE JOINT LEGISLATIVE STUDY COMMISSION ON
EFFICIENCY AND COST-SAVINGS IN STATE GOVERNMENT.

The General Assembly of North Carolina enacts:

SECTION 1. There is established the Joint Legislative Study Commission on Efficiency and Cost-Savings in State Government (Commission).

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 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.

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. The Commission shall start the review process with the Department of Administration. The Commission may require any agency under review to submit written information in a form specified by the Commission by a specified time. The Commission may



1 accept or reject any or part of any information submitted and require revision or resubmission.

2 The Commission may require information as follows:

- 3 (1) Identification of decision units. – The agency shall identify decision units
4 representing any group of services with a common set of objectives or
5 comprising an agency program or administrative support unit.
- 6 (2) Impact of discontinuing each decision unit. – The agency shall provide a
7 quantitative estimate of any adverse impacts that could reasonably be
8 expected should the State discontinue a decision unit, together with a full
9 description of the methods by which the adverse impact is estimated.
- 10 (3) Division of decision units into decision packages. – The agency shall divide
11 each decision unit into the following four discrete decision packages:
- 12 a. Minimum. – A quantitative estimate of any adverse impacts that
13 could reasonably be expected and an itemized account of
14 expenditures that would be required to maintain the activity at the
15 minimum level of service required by any statutory authorization and
16 below which would effectively eliminate all services, together with a
17 concise statement of the resulting quantity and quality of services.
18 This service level shall be below the level described by
19 sub-subdivision b. of this subdivision.
- 20 b. Reduced. – A quantitative estimate of any adverse impacts that could
21 reasonably be expected and an itemized account of expenditures that
22 would be required if funding were reduced by the percentage or
23 amount specified by the Commission below the current level as
24 defined by sub-subdivision c. of this subdivision and a concise
25 statement of the resulting quantity and quality of services.
- 26 c. Current. – A quantitative description of benefits from and an
27 itemized account of expenditures that would be required to maintain
28 the activity at the current level of service, together with a full
29 description of the methods by which the current level is determined
30 and a concise statement of the resulting quantity and quality of
31 services.
- 32 d. Enhanced. – A quantitative estimate of benefits that could reasonably
33 be expected and an itemized account of expenditures that would be
34 required to increase the current level of service, together with a full
35 description of the methods by which the enhanced level is estimated
36 and a concise statement of the resulting quantity and quality of
37 services.
- 38 (4) Service delivery alternatives. – For each decision package, a description of
39 alternative methods for delivering services which may include, but not be
40 limited to, shedding one or more services and relying upon the free market
41 for delivery, delegation to another level of government, using Requests for
42 Information or competitive selection to outsource to private for-profit or
43 nonprofit organizations, in whole or in part, including franchising, assisting
44 or providing incubator arrangements for current State employees to form
45 non-State organizations to compete for outsourcing opportunities, or through
46 methods used by other states or nations.
- 47 (5) Ranking. – As instructed by the Commission, a ranking of all decision
48 packages compared with each other without ties.

49 **SECTION 4.** The Commission shall make an interim report to the 2018 Regular
50 Session of the 2017 General Assembly and shall make a final report to the 2019 General
51 Assembly. The report shall include any proposed legislation. The Commission shall terminate

1 upon filing its final report or upon the convening of the 2019 General Assembly, whichever is
2 earlier.

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