

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE BILL 879\*

Short Title: Establish Efficiency & Cost-Savings Commn. (Public)

Sponsors: Senators Hise, Soucek; and Brock.

Referred to: Program Evaluation.

May 24, 2012

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.

**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. At its first meeting, the Commission shall determine which agency or agencies to review. The Commission may require any agency under review to submit written



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1 information in a form specified by the Commission by a specified time. The Commission may  
2 accept or reject any or part of any information submitted and require revision or resubmission.  
3 The Commission may require information as follows:

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

50 **SECTION 4.** The Commission shall make an interim report to the 2013 Regular  
51 Session of the 2013 General Assembly and shall make a final report to the 2014 Regular

- 1 Session of the General Assembly. The reports may include any proposed legislation. The  
2 Commission shall terminate upon filing its final report or upon the convening of the 2014  
3 Regular Session of the General Assembly, whichever is earlier.  
4 **SECTION 5.** This act is effective when it becomes law.