

By: Swinford

H.B. No. 2

A BILL TO BE ENTITLED

AN ACT

relating to the reorganization of, efficiency in, and other reform measures applying to state government.

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

ARTICLE 1. CONSOLIDATION OF STATE GOVERNMENTAL FUNCTIONS AND ENTITIES

SECTION 1.01. Subchapter A, Chapter 76, Agriculture Code, is amended by adding Section 76.0075 to read as follows:

Sec. 76.0075. TRANSFER OF DUTIES FROM TEXAS STRUCTURAL PEST CONTROL BOARD. (a) Notwithstanding any other law, all powers and duties of the Texas Structural Pest Control Board, under this law or any other law, relating to the regulation of the sale, use, or application of pesticides and of professions related to the sale, use, or application of pesticides are transferred to the department.

(b) The Texas Structural Pest Control Board is abolished, and all powers, duties, personnel, property, assets, and obligations of the board are transferred to the department. The validity of a prior action of the board is not affected by the abolishment.

(c) All rules of the Texas Structural Pest Control Board relating to a transferred power or duty remain in effect as rules of the department until amended or repealed by the department.

(d) A reference in law to the Texas Structural Pest Control

1 Board means the department.

2 SECTION 1.02. Subchapter C, Chapter 61, Education Code, is
3 amended by adding Section 61.0515 to read as follows:

4 Sec. 61.0515. REVIEW OF UNIVERSITY SYSTEM ADMINISTRATION.

5 (a) The board shall perform a review of the organization and
6 operations of each university system office to:

7 (1) identify appropriate organizational structures
8 for university systems and system offices;

9 (2) identify and quantify workforce and other
10 resources at each system office used to provide services and
11 functions common to each system office; and

12 (3) determine the extent to which system
13 administration employees are performing services and functions
14 that are also provided by employees of individual component
15 institutions of each university system.

16 (b) In the review, the board shall identify the number and
17 types of administrative and executive positions in the
18 administration of each university system, and shall examine each
19 major function, service, or activity performed by university system
20 offices, including:

21 (1) central administration;

22 (2) academic affairs coordination and support;

23 (3) general counsel and other legal services;

24 (4) budgeting, accounting, and data reporting;

25 (5) fiscal management;

26 (6) facilities planning and construction;

27 (7) governmental relations;

- 1 (8) audit services;
- 2 (9) real estate management;
- 3 (10) information technology services; and
- 4 (11) aircraft operation and usage.

5 (c) Not later than November 1, 2004, the board shall prepare
6 a report of the review and deliver the report to the lieutenant
7 governor, speaker of the house of representatives, Legislative
8 Budget Board, and chair of the standing committee of each house of
9 the legislature with primary jurisdiction over higher education.
10 In the report, the board shall state its findings and identify
11 opportunities for legislative and administrative action relating
12 to:

- 13 (1) the reorganization of university system offices
14 and functions;
- 15 (2) the consolidation or reorganization of university
16 systems; and
- 17 (3) the consolidation or centralization of functions,
18 services, or activities of university system offices.

19 (d) In the report, the board shall identify potential
20 reductions in personnel and other cost savings associated with each
21 legislative or administrative action the board identifies under
22 Subsection (c).

23 (e) This section expires September 1, 2005.

24 SECTION 1.03. Section 11.204(a), Finance Code, is amended
25 to read as follows:

26 (a) The finance commission shall use the staff, equipment,
27 and facilities of the finance agencies to the extent necessary to

1 carry out the finance commission's duties. To reduce
2 administrative costs, the finance agencies shall share staff,
3 equipment, and facilities to the extent that the sharing
4 contributes to cost efficiency without detracting from the staff
5 expertise needed for individual areas of agency responsibility.
6 The finance commission shall identify and implement other
7 appropriate means of achieving cost savings by combining
8 administrative functions performed by the finance agencies,
9 including, to the extent feasible, shared information systems,
10 accounting, and licensing procedures. Before December 31 of each
11 even-numbered year, the finance commission shall submit to the
12 lieutenant governor and the speaker of the house of representatives
13 a report:

14 (1) describing its activities to achieve cost savings
15 during the preceding state fiscal biennium; and

16 (2) recommending any statutory changes necessary to
17 achieve additional cost savings.

18 SECTION 1.04. Subchapter A, Chapter 435, Government Code,
19 is amended by adding Section 435.0015 to read as follows:

20 Sec. 435.0015. TRANSFER OF POWERS AND DUTIES FROM
21 COMMISSION. (a) The commission is abolished, and all powers,
22 duties, personnel, property, assets, and obligations of the
23 commission are transferred to the adjutant general's department.
24 The validity of a prior action of the commission is not affected by
25 the abolishment.

26 (b) All rules of the commission relating to a transferred
27 power or duty remain in effect as rules of the adjutant general's

1 department until amended or repealed by the adjutant general's
2 department.

3 (c) A reference in law to the commission means the adjutant
4 general's department.

5 SECTION 1.05. Chapter 511, Government Code, is amended by
6 adding Section 511.0035 to read as follows:

7 Sec. 511.0035. COMMISSION ABOLISHED AND FUNCTIONS
8 TRANSFERRED. (a) The commission is abolished, and all powers,
9 duties, personnel, property, assets, and obligations of the
10 commission are transferred to the Texas Department of Criminal
11 Justice. The validity of a prior action of the commission is not
12 affected by the abolishment.

13 (b) All rules of the commission relating to a transferred
14 power or duty remain in effect as rules of the Texas Department of
15 Criminal Justice until amended or repealed by the Texas Department
16 of Criminal Justice.

17 (c) A reference in law to the commission means the Texas
18 Department of Criminal Justice.

19 SECTION 1.06. Section 2003.021(b), Government Code, is
20 amended to read as follows:

21 (b) The office:

22 (1) shall, notwithstanding other law, conduct all
23 administrative hearings in contested cases under Chapter 2001 that
24 are before a state agency [~~that does not employ an individual whose~~
25 ~~only duty is to preside as a hearings officer over matters related~~
26 ~~to contested cases before the agency];~~

27 (2) shall conduct administrative hearings in matters

1 for which the office is required to conduct the hearing under other
2 law;

3 (3) shall conduct alternative dispute resolution
4 procedures that the office is required to conduct under law; and

5 (4) may conduct, for a fee and under a contract,
6 administrative hearings or alternative dispute resolution
7 procedures in matters voluntarily referred to the office by a
8 governmental entity.

9 SECTION 1.07. Subchapter A, Chapter 2054, Government Code,
10 is amended by adding Section 2054.012 to read as follows:

11 Sec. 2054.012. TRANSFER OF POWERS AND DUTIES TO STATE
12 ADMINISTRATIVE SERVICES AGENCY. (a) The powers and duties of the
13 Department of Information Resources under this chapter or other law
14 are transferred to the State Administrative Services Agency.

15 (b) A reference in law to the Department of Information
16 Resources is a reference to the State Administrative Services
17 Agency.

18 SECTION 1.08. Section 2151.003, Government Code, is amended
19 to read as follows:

20 Sec. 2151.003. REFERENCE. A statutory reference to the
21 Texas Building and Procurement Commission, the General Services
22 Commission, the State Board of Control, or the State Purchasing and
23 General Services Commission means the State Administrative
24 Services Agency [~~Texas Building and Procurement Commission~~].

25 SECTION 1.09. Section 2151.004, Government Code, is amended
26 to read as follows:

27 Sec. 2151.004. TRANSFER OF POWERS AND DUTIES TO STATE

1 ADMINISTRATIVE SERVICES AGENCY [~~DEPARTMENT OF INFORMATION~~
2 ~~RESOURCES~~]. (a) The powers and duties of the Texas Building and
3 Procurement [~~General Services~~] Commission [~~under Chapter 2170 or~~
4 ~~other law relating to providing telecommunications services for~~
5 ~~state government~~] are transferred to the State Administrative
6 Services Agency [~~Department of Information Resources~~].

7 (b) A reference in law to the Texas Building and Procurement
8 [~~General Services~~] Commission [~~that relates to the powers and~~
9 ~~duties of the General Services Commission under Chapter 2170 or~~
10 ~~other law relating to providing telecommunications services for~~
11 ~~state government~~] is a reference to the State Administrative
12 Services Agency [~~Department of Information Resources~~].

13 SECTION 1.10. The heading of Chapter 2152, Government Code,
14 is amended to read as follows:

15 CHAPTER 2152. STATE ADMINISTRATIVE SERVICES AGENCY [~~TEXAS BUILDING~~
16 ~~AND PROCUREMENT COMMISSION~~]

17 SECTION 1.11. Section 2152.001, Government Code, is amended
18 to read as follows:

19 Sec. 2152.001. AGENCY [~~COMMISSION~~]. The State
20 Administrative Services Agency [~~Texas Building and Procurement~~
21 ~~Commission~~] is an agency of the state.

22 SECTION 1.12. Section 2152.002, Government Code, is amended
23 to read as follows:

24 Sec. 2152.002. SUNSET PROVISION. The State Administrative
25 Services Agency [~~Texas Building and Procurement Commission~~] is
26 subject to Chapter 325 (Texas Sunset Act). Unless continued in
27 existence as provided by that chapter, the commission is abolished

1 and this subtitle~~[, except for Chapter 2170 and Section 2157.121,]~~
2 expires September 1, 2013.

3 SECTION 1.13. Section 2152.051, Government Code, is amended
4 to read as follows:

5 Sec. 2152.051. COMPOSITION OF BOARD ~~[COMMISSION]~~.

6 ~~[(a)]~~ The governing board of the State Administrative Services
7 Agency ~~[commission]~~ consists of five members ~~[+~~

8 ~~[(1) three members]~~ appointed by the governor ~~[+~~

9 ~~[(2) two additional members appointed by the governor~~
10 ~~from a list of nominees submitted by the speaker of the house of~~
11 ~~representatives; and~~

12 ~~[(3) two members appointed by the lieutenant~~
13 ~~governor].~~

14 ~~[(b) In making an appointment under Subsection (a)(2), the~~
15 ~~governor may reject one or more of the nominees on a list submitted~~
16 ~~by the speaker of the house of representatives and request a new~~
17 ~~list of different nominees.]~~

18 SECTION 1.14. Section 2152.052(b), Government Code, is
19 amended to read as follows:

20 (b) In making appointments under this section, the governor
21 ~~[and lieutenant governor]~~ shall attempt to appoint women and
22 members of different minority groups, including African Americans,
23 Hispanic Americans, Native Americans, and Asian Americans.

24 SECTION 1.15. Section 2152.057, Government Code, is amended
25 to read as follows:

26 Sec. 2152.057. TERMS. Commission members serve staggered
27 six-year terms with one or two ~~[or three]~~ members' terms expiring

1 January 31 of each odd-numbered year.

2 SECTION 1.16. Chapter 387, Health and Safety Code, is
3 amended by adding Section 387.0015 to read as follows:

4 Sec. 387.0015. COUNCIL ABOLISHED. The Texas Council on
5 Environmental Technology is abolished and:

6 (1) all unobligated funds of the council are
7 transferred to the undedicated portion of the general revenue fund;

8 (2) positions of employees of the council are
9 terminated;

10 (3) any contract or other obligation of the council is
11 transferred to the Texas Commission on Environmental Quality;

12 (4) the property and records of the council are
13 transferred to the Texas Commission on Environmental Quality; and

14 (5) any administrative duties of the council relating
15 to grants previously made by the council are transferred to the
16 Texas Commission on Environmental Quality.

17 SECTION 1.17. Subchapter A, Chapter 771, Health and Safety
18 Code, is amended by adding Section 771.002 to read as follows:

19 Sec. 771.002. TRANSFER OF POWERS AND DUTIES FROM COMMISSION
20 ON STATE EMERGENCY COMMUNICATIONS. (a) The Commission on State
21 Emergency Communications is abolished, and all powers, duties,
22 personnel, property, assets, and obligations of the commission are
23 transferred to the Public Utility Commission of Texas. The
24 validity of a prior action of the commission is not affected by the
25 abolishment.

26 (b) All rules of the Commission on State Emergency
27 Communications relating to a transferred power or duty remain in

1 effect as rules of the Public Utility Commission of Texas until
2 amended or repealed by the Public Utility Commission of Texas.

3 (c) A reference in law to the Commission on State Emergency
4 Communications means the Public Utility Commission of Texas.

5 SECTION 1.18. Subchapter A, Chapter 51, Occupations Code, is
6 amended by adding Section 51.003 to read as follows:

7 Sec. 51.003. TRANSFER OF POWERS AND DUTIES TO THE TEXAS
8 DEPARTMENT OF LICENSING AND REGULATION. (a) The following state
9 agencies are abolished:

10 (1) the State Board of Barber Examiners;

11 (2) the Texas Cosmetology Commission; and

12 (3) the Texas Board of Professional Land Surveying.

13 (b) All powers, duties, personnel, property, assets, and
14 obligations of a state agency listed in Subsection (a) are
15 transferred to the Texas Department of Licensing and Regulation.
16 The validity of a prior action of a state agency listed in
17 Subsection (a) is not affected by the abolishment.

18 (c) All rules of a state agency listed in Subsection (a)
19 relating to a transferred power or duty remain in effect as rules of
20 the Texas Department of Licensing and Regulation until amended or
21 repealed by the Texas Department of Licensing and Regulation.

22 (d) A reference in law to a state agency listed in
23 Subsection (a) means the Texas Department of Licensing and
24 Regulation.

25 SECTION 1.19. Title 2, Occupations Code, is amended by
26 adding Chapter 59 to read as follows:

27 CHAPTER 59. TEXAS DEPARTMENT OF PROFESSIONAL LICENSING

1 Sec. 59.001. TRANSFER OF POWERS AND DUTIES TO THE TEXAS
2 DEPARTMENT OF PROFESSIONAL LICENSING. (a) The following state
3 agencies are abolished:

- 4 (1) the Texas State Board of Public Accountancy;
5 (2) the Texas Board of Professional Engineers; and
6 (3) the Texas Board of Architectural Examiners.

7 (b) All powers, duties, personnel, property, assets, and
8 obligations of a state agency listed in Subsection (a) are
9 transferred to the Texas Department of Professional Licensing. The
10 validity of a prior action of a state agency listed in Subsection
11 (a) is not affected by the abolishment.

12 (c) All rules of a state agency listed in Subsection (a)
13 relating to a transferred power or duty remain in effect as rules of
14 the Texas Department of Professional Licensing until amended or
15 repealed by the Texas Department of Professional Licensing.

16 (d) A reference in law to a state agency listed in
17 Subsection (a) means the Texas Department of Professional
18 Licensing.

19 Sec. 59.002. COMMISSION. (a) The Texas Department of
20 Professional Licensing is a state agency governed by a five-member
21 commission appointed by the governor with the advice and consent of
22 the senate.

23 (b) The commission shall adopt rules to implement this
24 chapter.

25 SECTION 1.20. Subchapter A, Chapter 1701, Occupations Code,
26 is amended by adding Section 1701.004 to read as follows:

27 Sec. 1701.004. COMMISSION ABOLISHED AND FUNCTIONS

1 TRANSFERRED. (a) The commission is abolished, and all powers,
2 duties, personnel, property, assets, and obligations of the
3 commission are transferred to the Department of Public Safety of
4 the State of Texas. The validity of a prior action of the
5 commission is not affected by the abolishment.

6 (b) All rules of the commission relating to a transferred
7 power or duty remain in effect as rules of the Department of Public
8 Safety of the State of Texas until amended or repealed by the
9 Department of Public Safety of the State of Texas.

10 (c) A reference in this chapter or another law to the
11 commission means the Department of Public Safety of the State of
12 Texas.

13 SECTION 1.21. Subchapter A, Chapter 1702, Occupations Code,
14 is amended by adding Section 1702.005 to read as follows:

15 Sec. 1702.005. COMMISSION ABOLISHED AND FUNCTIONS
16 TRANSFERRED. (a) The commission is abolished, and all powers,
17 duties, personnel, property, assets, and obligations of the
18 commission are transferred to the Texas Department of Licensing and
19 Regulation. The validity of a prior action of the commission is not
20 affected by the abolishment.

21 (b) All rules of the commission relating to a transferred
22 power or duty remain in effect as rules of the Texas Department of
23 Licensing and Regulation until amended or repealed by the Texas
24 Department of Licensing and Regulation.

25 (c) A reference in this chapter or another law to the
26 commission means the Texas Department of Licensing and Regulation.

27 ARTICLE 2. FEES AND OTHER FINANCIAL ISSUES

1 SECTION 2.01. Subchapter C, Chapter 161, Agriculture Code,
2 is amended by adding Section 161.0411 to read as follows:

3 Sec. 161.0411. FEES REQUIRED. (a) The commission shall set
4 and collect fees to recover at least 25 percent of the commission's
5 biennial costs of administering programs under this subtitle.

6 (b) The commission shall submit to the legislature with any
7 request for appropriations the commission's fee schedule for
8 recovering costs of administering programs under this subtitle.

9 (c) The commission may exempt a commission program from the
10 fee requirements of this section.

11 SECTION 2.02. Chapter 88, Education Code, is amended by
12 adding Subchapter D to read as follows:

13 SUBCHAPTER D. TEXAS TRANSPORTATION INSTITUTE

14 Sec. 88.301. DEFINITION. In this subchapter, "institute"
15 means the Texas Transportation Institute, a component of The Texas
16 A&M University System.

17 Sec. 88.302. FUNDING; LIMITATION ON GENERAL REVENUE. (a)
18 General revenue of the state may not be appropriated or used to fund
19 an activity or program of the institute if money from the state
20 highway fund could lawfully be appropriated and used to fund the
21 activity or program.

22 (b) In any request or proposal by the board to the
23 legislature, Legislative Budget Board, or Texas Higher Education
24 Coordinating Board for an appropriation for the institute, the
25 board shall include a description of each major activity or program
26 of the center and a statement of the board's opinion whether the
27 activity or program could be lawfully funded in whole or part by

1 money from the state highway fund.

2 SECTION 2.03. Chapter 2108, Government Code, is amended by
3 adding Subchapter C to read as follows:

4 SUBCHAPTER C. SAVINGS INCENTIVE PROGRAM FOR STATE AGENCY

5 Sec. 2108.101. NOTICE. A state agency that spends less
6 undedicated general revenue derived from nonfederal sources than is
7 appropriated to the agency for a fiscal year shall send to the
8 comptroller a notice of the amount of the savings before October 30
9 following the end of the fiscal year in which the savings are
10 realized.

11 Sec. 2108.102. VERIFICATION OF SAVINGS. The comptroller
12 shall verify the amount of savings contained in the notice not later
13 than the 60th day following the date the comptroller receives the
14 notice.

15 Sec. 2108.103. RETENTION OF FUNDS. (a) The affected agency
16 retains one-half of the amount of savings verified by the
17 comptroller, not to exceed one percent of the amount of the
18 undedicated general revenue derived from nonfederal sources
19 appropriated to the agency for the fiscal year in which the savings
20 are realized.

21 (b) Savings retained under this section may only be
22 appropriated by the legislature to the affected agency. The agency
23 may spend the savings only on an activity or expense that does not:

24 (1) create new or expanded services; or

25 (2) require ongoing funding at a later date.

26 SECTION 2.04. Subchapter C, Chapter 81, Natural Resources
27 Code, is amended by adding Section 81.057 to read as follows:

1 Sec. 81.057. COMMISSION AUTHORITY TO SET FEES BY RULE. (a)
2 Notwithstanding any other law, for each fiscal year the commission
3 by rule shall set fees for services and for regulatory and
4 administrative functions of the commission to provide sufficient
5 money to pay all the expenses of the commission when combined with
6 money received from:

7 (1) interest on the late payment of fees;

8 (2) administrative or civil penalties;

9 (3) fines;

10 (4) court awards or settlements;

11 (5) donations or grants;

12 (6) federal programs; and

13 (7) any other similar source.

14 (b) The commission by rule may establish a fee for a service
15 or function for which the commission has not collected a fee before
16 September 1, 2003.

17 (c) Except for the fiscal year beginning September 1, 2003,
18 the commission shall set the fees to be collected in a fiscal year
19 not later than June 1 of the preceding fiscal year.

20 (d) This section prevails over and supersedes other law in
21 conflict with or inconsistent with this section.

22 SECTION 2.05. Subchapter B, Chapter 1052, Occupations Code,
23 is amended by adding Section 1052.0541 to read as follows:

24 Sec. 1052.0541. FEE INCREASE. (a) The fee for the issuance
25 of a certificate of registration under this chapter and the fee for
26 the renewal of a certificate of registration under this chapter is
27 increased by \$200.

1 (b) Of each fee increase collected, \$50 shall be deposited
2 in the foundation school fund and \$150 shall be deposited in the
3 general revenue fund.

4 SECTION 2.06. Subchapter B, Chapter 1053, Occupations Code,
5 is amended by adding Section 1053.0521 to read as follows:

6 Sec. 1053.0521. FEE INCREASE. (a) The fee for the issuance
7 of a certificate of registration under this chapter and the fee for
8 the renewal of a certificate of registration under this chapter is
9 increased by \$200.

10 (b) Of each fee increase collected, \$50 shall be deposited
11 in the foundation school fund and \$150 shall be deposited in the
12 general revenue fund.

13 SECTION 2.07. Subchapter D, Chapter 1071, Occupations Code,
14 is amended by adding Section 1071.1521 to read as follows:

15 Sec. 1071.1521. FEE INCREASE. (a) The fee for the issuance
16 of a certificate of registration to a registered professional land
17 surveyor under this chapter and the fee for the renewal of a
18 certificate of registration for a registered professional land
19 surveyor under this chapter is increased by \$200.

20 (b) Of each fee increase collected, \$50 shall be deposited
21 in the foundation school fund and \$150 shall be deposited in the
22 general revenue fund.

23 SECTION 2.08. Subchapter C, Chapter 1151, Occupations Code,
24 is amended by adding Section 1151.1025 to read as follows:

25 Sec. 1151.1025. FEE INCREASE. (a) The fee for the
26 registration of a person under this chapter and the fee for the
27 renewal of a registration under this chapter is increased by \$200.

1 (b) Of each fee increase collected, \$50 shall be deposited
2 in the foundation school fund and \$150 shall be deposited in the
3 general revenue fund.

4 SECTION 2.09. Section 5.701(a), Water Code, is amended to
5 read as follows:

6 (a) Notwithstanding the other provisions of this section or
7 any other law, the [The] executive director shall charge and
8 collect the fees prescribed by Section 5.7011 [law]. The executive
9 director shall make a record of fees prescribed when due and shall
10 render an account to the person charged with the fees. Each fee is a
11 separate charge and is in addition to other fees unless provided
12 otherwise. Except as otherwise provided, a fee assessed and
13 collected under this section shall be deposited to the credit of the
14 water resource management account.

15 (1) Notwithstanding other provisions, the commission
16 by rule may establish due dates, schedules, and procedures for
17 assessment, collection, and remittance of fees due the commission
18 to ensure the cost-effective administration of revenue collection
19 and cash management programs.

20 (2) Notwithstanding other provisions, the commission
21 by rule shall establish uniform and consistent requirements for the
22 assessment of penalties and interest for late payment of fees owed
23 the state under the commission's jurisdiction. Penalties and
24 interest established under this section shall not exceed rates
25 established for delinquent taxes under Sections 111.060 and
26 111.061, Tax Code.

27 SECTION 2.10. Subchapter P, Chapter 5, Water Code, is

1 amended by adding Section 5.7011 to read as follows:

2 Sec. 5.7011. COMMISSION AUTHORITY TO SET FEES BY RULE. (a)
3 Notwithstanding any other law, for each fiscal year the commission
4 by rule shall set fees for services and for regulatory and
5 administrative functions of the commission to provide sufficient
6 money to pay all the expenses of the commission when combined with
7 money received from:

8 (1) interest on the late payment of fees;

9 (2) administrative or civil penalties;

10 (3) fines;

11 (4) court awards or settlements;

12 (5) donations or grants;

13 (6) federal programs; and

14 (7) any other similar source.

15 (b) The commission by rule may establish a fee for a service
16 or function for which the commission has not collected a fee before
17 September 1, 2003.

18 (c) Except for the fiscal year beginning September 1, 2003,
19 the commission shall set the fees to be collected in a fiscal year
20 not later than June 1 of the preceding fiscal year.

21 (d) This section prevails over and supersedes other law in
22 conflict with or inconsistent with this section.

23 SECTION 2.11. Section 321.013, Government Code, is amended
24 by adding Subsection (j) to read as follows:

25 (j) The State Auditor shall:

26 (1) develop fraud awareness training programs for use
27 by state agencies;

1 (2) identify qualified individuals or entities to
2 assist state agencies in implementing the programs; and

3 (3) make the programs available to state agencies on
4 the Internet or in a CD-ROM format.

5 SECTION 2.12. Chapter 322, Government Code, is amended by
6 adding Section 322.015 to read as follows:

7 Sec. 322.015. DEVELOPMENT OF SYSTEM OF PERFORMANCE
8 MEASURES. (a) The Legislative Budget Board shall develop a system
9 of performance measures to be used by state agencies for purposes of
10 the appropriations process.

11 (b) The Legislative Budget Board shall keep the House
12 Appropriations Committee and the Senate Finance Committee informed
13 of the board's activities related to the development of the system
14 of performance measures.

15 (c) On request, a state agency shall provide information or
16 assistance to the Legislative Budget Board to assist with the
17 development of the system of performance measures.

18 SECTION 2.13. Section 403.011(b), Government Code, is
19 amended to read as follows:

20 (b) The comptroller may:

21 (1) solicit, accept, or refuse a gift or grant of
22 money, services, or property on behalf of the state for any public
23 purpose related to the office or duties of the comptroller; and

24 (2) verify that a state agency has provided
25 appropriate fraud awareness training in accordance with Section
26 656.050.

27 SECTION 2.14. Subchapter C, Chapter 656, Government Code,

1 is amended by adding Section 656.050 to read as follows:

2 Sec. 656.050. FRAUD AWARENESS TRAINING. (a) In this
3 section, "state agency" means a department, commission, board,
4 office, or other agency in the executive, legislative, or judicial
5 branch of state government created by the constitution or a statute
6 of this state, including an institution of higher education as
7 defined by Section 61.003, Education Code, except a public junior
8 college, and a health-related institution that is associated with
9 an institution of higher education.

10 (b) A state agency shall provide fraud awareness training to
11 the employees of the agency by implementing a fraud awareness
12 training program developed by the state auditor. The agency shall
13 provide the training to an employee not later than the 90th day
14 after the date the employee begins employment.

15 (c) The executive director of a state agency, or the
16 executive director's designee, annually shall certify to the
17 comptroller that the agency has provided appropriate fraud
18 awareness training to the employees of the agency in a timely
19 manner.

20 SECTION 2.15. Section 2056.002, Government Code, is amended
21 by adding Subsection (f) to read as follows:

22 (f) The Legislative Budget Board and the governor's office
23 of budget and planning shall develop recommendations for
24 improvement of the strategic planning process under this section.
25 On request, a state agency shall assist the Legislative Budget
26 Board and the governor's office of budget and planning in
27 developing recommendations for improvement in accordance with this

1 subsection.

2 SECTION 2.16. Subtitle C, Title 10, Government Code, is
3 amended by adding Chapter 2115 to read as follows:

4 CHAPTER 2115. RISK ASSESSMENT AND FINANCIAL CONTROL SYSTEMS

5 Sec. 2115.001. DEFINITION. In this chapter, "state agency"
6 means a department, commission, board, office, or other agency in
7 the executive, legislative, or judicial branch of state government
8 created by the constitution or a statute of this state, including an
9 institution of higher education as defined by Section 61.003,
10 Education Code, except a public junior college, and a
11 health-related institution that is associated with an institution
12 of higher education.

13 Sec. 2115.002. REPORT ON RISK ASSESSMENT AND FINANCIAL
14 CONTROL SYSTEMS. (a) Not later than September 30 of each year, the
15 executive director of a state agency and, for a state agency
16 governed by a board or similar body, the presiding officer of the
17 agency's governing body shall submit to the office of the governor,
18 the Legislative Budget Board, and the state auditor, a letter that
19 provides assurance about the state agency's risk assessment and
20 financial control systems.

21 (b) If the executive director and the presiding officer of
22 the agency's governing body agree on the content of the letter
23 required by this section, they shall jointly submit one letter for
24 the state agency. If the executive director and the presiding
25 officer do not agree on the content of the letter, they shall each
26 submit a separate letter in accordance with this section.

27 (c) A person submitting or jointly submitting a letter in

1 accordance with this section must sign the letter and, as
2 appropriate, attest in the letter that:

3 (1) the person has identified and reviewed risks that
4 may affect the state agency's operation and the achievement of its
5 mission;

6 (2) the person has taken appropriate action to manage
7 and reduce the actual and potential effects of the risks identified
8 under Subdivision (1) on the state agency;

9 (3) the person has reviewed the state agency's
10 financial control systems; and

11 (4) to the best of the person's knowledge after
12 reasonable efforts to obtain accurate information:

13 (A) the financial control systems identified
14 under Subdivision (3) protect the state's resources from
15 inappropriate use and fraud to the greatest extent possible; and

16 (B) as of the date the letter is submitted, the
17 financial statements and other financial information reported by
18 the state agency fairly represent the financial condition and
19 results of the agency's operations.

20 (d) If a person is unable to attest to any of the statements
21 under Subsection (c), the person must identify in the letter the
22 statement and the reason or reasons why the person is unable to
23 attest to it.

24 (e) A letter submitted under this section must identify any
25 ongoing or future planned actions to correct problems in or
26 strengthen the state agency's risk assessment or financial control
27 systems and the date the actions were, or are expected to be,

1 implemented.

2 (f) If a state agency fails to timely submit a letter in
3 accordance with this section, the state auditor shall report to any
4 relevant legislative committees the fact of the state agency's
5 failure to do so.

6 ARTICLE 3. MANAGEMENT OF STATE PROPERTY AND FACILITIES

7 SECTION 3.01. Subchapter A, Chapter 2165, Government Code,
8 is amended by adding Section 2165.007 to read as follows:

9 Sec. 2165.007. FACILITIES MANAGEMENT SERVICES. (a) In
10 this section, "facilities management services" means any state
11 agency facilities management service that is not unique to carrying
12 out a program of the agency. The term includes services related to
13 facilities construction and management, energy management, general
14 building and grounds maintenance, facility leasing, and data
15 facilities management.

16 (b) Notwithstanding any other law, the commission shall
17 provide facilities management services in relation to all
18 facilities used for a state agency's headquarters in Travis County
19 or a county adjacent to Travis County.

20 SECTION 3.02. Subchapter B, Chapter 2165, Government Code,
21 is amended by adding Section 2165.057 to read as follows:

22 Sec. 2165.057. MANAGEMENT OF FACILITIES. The commission
23 shall develop and implement policies that clearly define the
24 responsibilities of the commission and the commission's staff that
25 relate to conducting facilities management services for state
26 agency facilities under Section 2165.007.

27 SECTION 3.03. Subtitle E, Title 10, Government Code, is

1 amended by adding Chapter 2206 to read as follows:

2 CHAPTER 2206. USE AND MANAGEMENT OF STATE PROPERTY

3 Sec. 2206.001. DEFINITION. In this chapter, "capital
4 charge" means an amount paid to the state by a state agency based on
5 real property owned by the agency and designed to provide budgetary
6 incentives for an agency to use its property in a cost-effective
7 manner.

8 Sec. 2206.002. INFORMATION ON REAL PROPERTY. Each state
9 agency shall include, as part of its legislative appropriations
10 request, the following information on any real property owned by
11 the agency:

12 (1) total land owned, in acres;

13 (2) total building space owned, in usable square feet;

14 (3) location of property owned, by county,
15 municipality, and survey;

16 (4) historical or acquisition costs of property owned
17 and improvements;

18 (5) appraised market value of property owned, if
19 known, including year of appraisal;

20 (6) if an appraisal is not available or is more than
21 four years old, estimated market value of property owned using
22 available indices or comparisons to county central appraisal
23 district data, local economic data, or other sources;

24 (7) current use, expected use during the next
25 biennium, and expected long-term use of the property owned;

26 (8) recommendations on the retention or disposition of
27 property owned and, if the agency recommends that a property be

1 disposed of, efforts made to market the property; and

2 (9) estimated impact, if any, of the capital charge
3 system on federal direct and indirect cost recovery.

4 Sec. 2206.003. TEXAS AGENCY INFRASTRUCTURE COMMISSION. (a)
5 In this section, "commission" means the Texas Agency Infrastructure
6 Commission.

7 (b) The Texas Agency Infrastructure Commission is created
8 to:

9 (1) investigate the number and function of state
10 agency field offices; and

11 (2) recommend the colocation or closure of state
12 agency field offices, if appropriate.

13 (c) The commission is composed of:

14 (1) four members appointed by the governor;

15 (2) one member appointed by the governor who serves as
16 presiding officer;

17 (3) one member appointed by the lieutenant governor;

18 (4) one member appointed by the governor from a list of
19 persons submitted by the speaker of the house of representatives;

20 (5) one member appointed by the land commissioner; and

21 (6) one member appointed by the comptroller.

22 (d) The governor may reject the persons on a list submitted
23 under Subsection (c)(4) and require a new list to be submitted.

24 (e) A member of the commission may not receive compensation
25 but is entitled to reimbursement, as provided by the General
26 Appropriations Act, for the travel expenses incurred in conducting
27 the business of the commission. The travel expenses of a member are

1 payable from the funds appropriated to the office of the officer who
2 appointed the member, except that the expenses of a member
3 appointed under Subsection (c)(4) are payable from the funds
4 appropriated to the office of the speaker.

5 (f) Employees of the governor's office and the asset
6 management division of the General Land Office shall staff the
7 commission.

8 (g) The commission shall meet at the call of the presiding
9 officer.

10 (h) Before September 1, 2004, the commission shall submit a
11 report with its findings and recommendations for state agency field
12 offices to:

13 (1) the legislature;

14 (2) the governor; and

15 (3) the comptroller.

16 (i) This section expires and the commission is abolished on
17 September 1, 2004.

18 SECTION 3.04. Subchapter A, Chapter 12, Parks and Wildlife
19 Code, is amended by adding Section 12.0261 to read as follows:

20 Sec. 12.0261. ASSESSMENT OF USING STATE LAND FOR PUBLIC
21 HUNTING. (a) Not later than January 31 of each even-numbered year,
22 the department shall request an inventory and assessment from all
23 state agencies holding state land that may be suitable for public
24 hunting, including land in the permanent university fund.

25 (b) Not later than June 1 of each even-numbered year, each
26 state agency contacted shall provide the department with an
27 inventory of the land the agency holds in this state and an

1 assessment of the potential of each property listed on the
2 inventory for use in a public hunting program to be managed by the
3 department.

4 (c) Based on the inventories and assessments received under
5 Subsection (b), the department shall identify land appropriate for
6 public hunting. If the department finds that the economic benefit
7 of making the land available for a public hunting program is greater
8 than the costs to this state, including administrative, personnel,
9 and environmental costs or costs associated with the loss of use of
10 the land for other purposes, the department shall prepare a
11 detailed proposal to implement a public hunting program for that
12 land.

13 (d) The department shall send to the affected state agency
14 its proposal for a property selected under Subsection (c). Before a
15 public hunting program may begin on land identified under this
16 section, the department and the affected agency must agree on the
17 terms of the proposal.

18 (e) Not later than December 31 of each even-numbered year,
19 the department shall report on the results of the assessments,
20 proposals, and programs under this section to the governor, the
21 lieutenant governor, the speaker of the house of representatives,
22 and the chairs of appropriate house and senate committees.

23 SECTION 3.05. Subchapter D, Chapter 201, Transportation
24 Code, is amended by adding Section 201.210 to read as follows:

25 Sec. 201.210. ASSET MANAGEMENT. (a) The department shall
26 implement a comprehensive asset management system for owned and
27 leased assets, excluding rights-of-way. The system shall include:

- 1 (1) an annual statewide asset review;
2 (2) creation of standards for classifying assets;
3 (3) monitoring of asset transactions and the
4 development of timetables for transactions;
5 (4) use of the department's leased facilities
6 database, if feasible;
7 (5) incorporation of:
8 (A) previous department asset assessments; and
9 (B) information from the General Land Office's
10 evaluation of department real property; and
11 (6) integration with department district information
12 systems.
13 (b) The department shall create a statewide facilities
14 master plan for owned and leased real property, including
15 department facilities. The plan shall:
16 (1) be updated every biennium;
17 (2) distinguish between simple and complex assets;
18 (3) include the development of timetables for asset
19 transactions; and
20 (4) implement the recommendations from the General
21 Land Office's evaluation of department real property by the end of
22 fiscal year 2006, not including recommendations relating to the
23 Sugarland Prison Farm, the Leander Rehabilitation Center, and the
24 department district's headquarters in San Antonio.
25 (c) The department shall develop and publish guidelines for
26 barter transactions involving department facilities.
27 (d) The department shall hire qualified specialists and

1 analysts as necessary to implement this section.

2 SECTION 3.06. Subchapter I, Chapter 201, Transportation
3 Code, is amended by adding Section 201.7045 to read as follows:

4 Sec. 201.7045. REPAIR AND MAINTENANCE OF HIGHWAY EQUIPMENT
5 AND MOTOR VEHICLES. In connection with the repair and maintenance
6 of highway equipment and motor vehicles used by the department, the
7 department shall:

8 (1) hold district engineers accountable for
9 compliance with equipment preventative maintenance schedules;

10 (2) improve maintenance practices so as to reduce
11 downtime and total equipment requirements and to improve equipment
12 reliability and salvage value;

13 (3) require that, whenever practicable, preventative
14 maintenance be performed on equipment and vehicles when they are
15 not being used for operations;

16 (4) recalculate district shop and labor rate
17 calculations to reflect "best practice" standards; and

18 (5) use outside contractors to perform after-hours
19 maintenance whenever the department has evaluated the
20 cost-effectiveness of after-hours maintenance and determined that
21 performing after-hours maintenance is the most efficient option.

22 SECTION 3.07. (a) Not later than September 1, 2004, the
23 Texas Department of Transportation shall adopt rules for leasing
24 rights-of-way, including highway medians and light towers for
25 telecommunications purposes.

26 (b) The department may appoint a rules advisory committee
27 that includes representatives of the telecommunications industry

1 to assist the department in drafting the rules.

2 ARTICLE 4. MANAGEMENT OF INFORMATION TECHNOLOGY

3 SECTION 4.01. Subchapter C, Chapter 2054, Government Code,
4 is amended by adding Section 2054.0525 to read as follows:

5 Sec. 2054.0525. ENHANCEMENT AND IMPROVEMENT OF INFORMATION
6 CAPABILITIES; RULES. (a) The department may perform any action
7 necessary or desirable to enhance and improve state government's
8 information resources technologies, including actions designed to:

9 (1) enhance the state's information resources and data
10 processing capabilities;

11 (2) improve the state's telecommunications
12 capabilities; and

13 (3) improve the effectiveness and efficiency of
14 electronic government projects or other projects that use
15 information resources technologies.

16 (b) The department may adopt rules to implement this
17 section.

18 SECTION 4.02. Section 2055.001(1), Government Code, is
19 amended to read as follows:

20 (1) "Board," "department," "electronic government
21 project," "executive director," "local government," "major
22 information resources project," and "TexasOnline" have the
23 meanings assigned by Section 2054.003.

24 SECTION 4.03. Chapter 2055, Government Code, is amended by
25 adding Subchapter E to read as follows:

26 SUBCHAPTER E. RETURN ON INVESTMENT PROGRAM

27 Sec. 2055.201. CREATION OF PROGRAM. The office shall

1 implement a return on investment program for selected major
2 information resources projects to quantify, measure, evaluate, and
3 verify technology investment benefits for the government and
4 residents of this state.

5 Sec. 2055.202. RESPONSIBILITY FOR PROGRAM. The office is
6 responsible for the outcomes, costs, and timeliness of all major
7 information resources projects selected under this subchapter.

8 Sec. 2055.203. PERFORMANCE MEASURES AND GOALS. (a) The
9 office shall outline broad goals to measure the success, cost, and
10 long-term return on investment presented for each major information
11 resources project.

12 (b) The office shall establish budgetary performance
13 measures that quantify the actual return on investment on
14 completion of projects.

15 Sec. 2055.204. GENERAL OVERSIGHT OF PROGRAM; AUDITS AND
16 REPORTS. (a) The quality assurance team of the Legislative Budget
17 Board shall oversee the program.

18 (b) The quality assurance team of the Legislative Budget
19 Board may require periodic reports or audits from state agencies
20 for projects selected under this subchapter.

21 Sec. 2055.205. SELECTION OF MAJOR PROJECTS. (a) The
22 quality assurance team of the Legislative Budget Board shall select
23 major information resources projects for the return on investment
24 program.

25 (b) Each state agency with a project selected under this
26 subchapter shall, in consultation with the office, submit an
27 implementation plan to the department that demonstrates how:

1 (1) the agency will seek cooperative and collaborative
2 efforts from other state agencies; and

3 (2) the project will:

4 (A) benefit individuals in this state and the
5 state as a whole;

6 (B) use, to the fullest extent, technology owned
7 or adapted by other state agencies;

8 (C) employ, to the fullest extent, the
9 department's information technology standards, including
10 Internet-based technology standards;

11 (D) easily expand, to the fullest extent, to
12 serve other residents of this state or other state agencies;

13 (E) develop on time and on budget;

14 (F) produce quantifiable returns on investment;

15 and

16 (G) meet any other criteria developed by the
17 department or the quality assurance team of the Legislative Budget
18 Board.

19 (c) If a selected project involves more than one state
20 agency, the state agencies may jointly submit a plan for the project
21 under Subsection (b).

22 (d) The department and the quality assurance team shall
23 review and consider whether to approve or reject a plan.

24 (e) The department and the quality assurance team may
25 consider the past performance of a state agency or a vendor in
26 deciding whether to approve or reject a plan.

27 Sec. 2055.206. APPROVAL REQUIRED FOR MAJOR PROJECTS TO

1 PROCEED; LIMIT ON FUNDING. (a) A major information resources
2 project selected under this subchapter may not proceed:

3 (1) without approval under Section 2055.205; or

4 (2) if the quality assurance team of the Legislative
5 Budget Board determines that the project is not sufficiently sound
6 to receive funding under the program.

7 (b) A state agency that is not allowed to proceed under this
8 section may not seek funding from other sources for the selected
9 project.

10 Sec. 2055.207. FUNDING FOR PROGRAM. The return on
11 investment program shall be funded from a percentage of money
12 appropriated to or budgeted by state agencies for the major
13 information resources projects designated by the legislature under
14 Section 2054.003. The legislature shall prescribe the percentage
15 or percentages, as applicable, in the General Appropriations Act.

16 Sec. 2055.208. REIMBURSEMENT FOR MAJOR PROJECT EXPENSES.

17 (a) As a major information resources project selected and approved
18 under this subchapter proceeds, a state agency that incurs costs
19 for the project may periodically request reimbursement from money
20 budgeted for the project or authority to obligate that money for
21 payment of project costs, as applicable.

22 (b) The agency must obtain approval from the executive
23 director before receiving reimbursement or obligating money for
24 payment of project costs. The executive director shall approve a
25 request under this section if:

26 (1) the involved state agencies, vendors, or other
27 sponsors demonstrate to the executive director's satisfaction that

1 the project is generally proceeding according to the approved
2 return on investment plan; and

3 (2) the total amount requested for that project:

4 (A) does not exceed the approved amount budgeted
5 for the project; or

6 (B) does exceed the approved amount budgeted for
7 the project, but the excess amounts are to be paid out of existing
8 funds appropriated to the relevant budget strategy of that state
9 agency that may be spent on the project.

10 (c) If multiple state agencies are involved under
11 Subsection (b)(2)(B), the executive director shall approve the
12 amounts paid or obligated in amounts proportionate to each agency's
13 financial participation in the project.

14 (d) If the executive director approves the request, the
15 executive director shall notify the comptroller to release the
16 budgeted money to the state agency or obligate the money for payment
17 of project costs, as applicable.

18 Sec. 2055.209. APPEAL OF DECISIONS. (a) A state agency
19 that disagrees with the executive director's failure to approve a
20 request under Section 2055.208(b) may appeal to the quality
21 assurance team of the Legislative Budget Board.

22 (b) If a state agency disagrees with the quality assurance
23 team's decision under Subsection (a) or Section 2055.206, the
24 agency may appeal to the Legislative Budget Board.

25 Sec. 2055.210. REPORT. (a) The office shall identify and
26 report all cost savings and cost avoidance amounts from its
27 activities under this subchapter to:

1 (1) the department; and
2 (2) the quality assurance team of the Legislative
3 Budget Board.

4 (b) The office shall also send its report under Subsection
5 (a) to the Legislative Oversight Committee for Electronic
6 Government Projects. This subsection expires December 31, 2004.

7 SECTION 4.04. Subchapter D, Chapter 201, Transportation
8 Code, is amended by adding Section 201.2036 to read as follows:

9 Sec. 201.2036. REVIEW OF INFORMATION SYSTEMS. (a) The
10 department shall contract with independent specialists with
11 extensive knowledge of evolving legacy systems for a comprehensive
12 review of the department's information systems.

13 (b) The review must include:

14 (1) identification and solicitation of information
15 from major internal and external customer and user groups to
16 determine and plan for the department's information system product
17 and service needs;

18 (2) evaluation of the extent to which the department's
19 information technology enterprise plans meet those needs;

20 (3) consideration of the ability of the department's
21 information systems division to accomplish the goal, objectives,
22 strategies, and actions provided for in the department's strategic
23 plan;

24 (4) evaluation of the relative potential and costs of
25 the department's database strategy to meet anticipated user demands
26 compared to alternative strategies; and

27 (5) determination of the relative advisability and

1 desirability of implementation of agency-wide enterprise resource
2 planning software as an alternative to continuing to maintain and
3 evolve current systems.

4 (c) The contract must require that a report of the review be
5 submitted to the department before January 1, 2003.

6 (d) This section expires January 1, 2003.

7 SECTION 4.05. (a) Section 201.501, Transportation Code, is
8 amended to read as follows:

9 Sec. 201.501. RECORDING AND STORAGE [~~REPRODUCTION~~] OF
10 RECORDS. (a) The department shall develop an imaging system to
11 record and store [~~may photograph, microphotograph, or film~~] any
12 record that pertains to department operations.

13 (b) The department shall record and store [~~may create~~]
14 original records in an electronic form [~~micrographic form on media,~~
15 ~~such as computer output microfilm~~].

16 (c) The department shall [~~provide an adequate number of~~
17 ~~microfilm readers and printers to~~] allow the public convenient and
18 inexpensive access to records created under Subsection (a). The
19 department shall index the records alphabetically, by number, by
20 subject matter, or by other appropriate references and shall
21 provide the index to the public to promote convenient access.

22 (d) An image [~~A photograph, microphotograph, or film~~] of a
23 record reproduced under Subsection (a) is equivalent to the
24 original record for all purposes, including introduction as
25 evidence in all courts and administrative agency proceedings. A
26 certified or authenticated copy of such an image [~~a photograph,~~
27 ~~microphotograph, or film~~] is admissible as evidence equally with

1 the original image [~~photograph, microphotograph, or film~~].

2 (e) The director or an authorized representative may
3 certify the authenticity of an image [~~a photograph,~~
4 ~~microphotograph, or film~~] of a record reproduced under this section
5 and shall charge a fee for access to the image [~~the certified~~
6 ~~photograph, microphotograph, or film~~] as provided by law.

7 (f) Certified records shall be furnished to any person who
8 is authorized by law to receive them.

9 (b) As the Texas Department of Transportation implements a
10 record imaging system in accordance with Section 201.501,
11 Transportation Code, as amended by this section, the department
12 shall phase out its microform library of records. Not later than
13 January 1, 2004, the department must have fully implemented a
14 record imaging and storage system in accordance with Section
15 201.501, Transportation Code, as amended by this section.

16 SECTION 4.06. Subchapter J, Chapter 201, Transportation
17 Code, is amended by adding Section 201.8015 to read as follows:

18 Sec. 201.8015. CENTRALIZATION OF INFORMATION AND
19 ASSISTANCE. (a) The department shall centralize consumer and
20 technical assistance in its help desk. The department shall
21 include in the duties of the help desk answering questions from the
22 public and counties about registration and titling, and shall
23 direct a majority of those calls to the help desk.

24 (b) The department shall reallocate employees between
25 regional offices and the help desk as necessary to carry out
26 Subsection (a).

27 SECTION 4.07. Subchapter A, Chapter 502, Transportation

1 Code, is amended by adding Section 502.010 to read as follows:

2 Sec. 502.010. INTERNET REGISTRATION SYSTEM. The department
3 shall expand the department's Internet registration system to allow
4 for:

5 (1) interconnection with the automated registration
6 and title system;

7 (2) vehicle fleet registration; and

8 (3) registration of vehicles under the International
9 Registration Plan under Section 502.054.

10 ARTICLE 5. STATE CONTRACTING AND PROCUREMENT

11 SECTION 5.01. Subchapter B, Chapter 531, Government Code,
12 is amended by adding Section 531.063 to read as follows:

13 Sec. 531.063. CONTRACTS FOR TRANSPORTATION BROKERAGE
14 SERVICES. (a) The commission shall contract with a single
15 statewide transportation broker or with an appropriate number of
16 regional transportation brokers for administrative assistance in
17 providing transportation services under the medical transportation
18 program.

19 (b) The commission may contract under this section with any
20 person who meets the criteria established by the commission,
21 including a nonprofit organization, public entity, or private
22 contractor.

23 (c) A contract between the commission and a broker must:

24 (1) require the broker to act as a gatekeeper to
25 control costs and the use of transportation services, as well as to
26 ensure consistent quality of and access to those services;

27 (2) require the broker to implement procedures

1 designed to:

2 (A) prevent fraud and abuse in the medical
3 transportation program; and

4 (B) promote use of the most efficient and least
5 costly modes of transportation; and

6 (3) include an overall cap on the amount that may be
7 paid by the commission under the contract.

8 (d) The broker or brokers selected by the commission may
9 contract with transportation providers as necessary to provide
10 transportation services to persons eligible for those services.

11 SECTION 5.02. Subchapter C, Chapter 2054, Government Code,
12 is amended by adding Section 2054.062 to read as follows:

13 Sec. 2054.062. STATE AGENCY LETTERHEAD. The department
14 shall create a program that automatically generates letterhead for
15 a state agency on an agency computer.

16 SECTION 5.03. Section 2171.055, Government Code, is amended
17 by adding Subsection (f) to read as follows:

18 (f) An officer or employee of a public junior college, as
19 defined by Section 61.003, Education Code, or of a school district
20 who is engaged in official business may participate in the
21 commission's contract for travel services for the purpose of
22 obtaining reduced airline fares and reduced travel agent fees. The
23 commission may charge a participating public junior college or
24 school district a fee not to exceed the costs incurred by the
25 commission in providing services under this subsection. The
26 commission shall periodically review fees and shall adjust them as
27 needed to ensure recovery of costs incurred in providing services

1 to public junior colleges and school districts under this
2 subsection. The commission shall deposit the fees collected under
3 this subsection to the credit of the school district airline fares
4 account. The school district airline fares account is an account in
5 the general revenue fund that may be appropriated only for the
6 purposes of this chapter. The commission shall adopt rules and make
7 or amend contracts as necessary to administer this subsection.

8 SECTION 5.04. Subchapter H, Chapter 201, Transportation
9 Code, is amended by adding Section 201.616 to read as follows:

10 Sec. 201.616. CONSULTANT SELECTION PROCESS. The department
11 shall work with the consulting engineering design community to
12 improve its consultant selection process and with representatives
13 of other states to find ways to reduce administrative burdens on the
14 department and consulting firms.

15 SECTION 5.05. Subchapter H, Chapter 201, Transportation
16 Code, is amended by adding Sections 201.617 and 201.618 to read as
17 follows:

18 Sec. 201.617. PUBLIC-PRIVATE COMPETITION FOR HIGHWAY
19 MAINTENANCE. The department shall increase the number of highway
20 maintenance projects that are open to private competition and shall
21 contract with private businesses to perform highway maintenance if
22 a private business is capable of performing better maintenance than
23 the department is capable of performing at a lower cost than the
24 department's cost for the same maintenance.

25 Sec. 201.618. HIGHWAY MAINTENANCE PILOT PROJECT. (a) The
26 department shall create a pilot project to outsource highway
27 maintenance to private businesses. The project shall include all

1 aspects of highway maintenance, including capital work and bridge
2 maintenance, and shall focus on costs over the highway's life cycle
3 and encourage vendor innovation. The term of the project must be of
4 adequate duration and the highway segment of sufficient size to
5 allow the department to determine the effectiveness of the project.

6 (b) A project under this section may be a new project or a
7 renegotiation of an existing project.

8 (c) This section expires December 31, 2005.

9 SECTION 5.06. Subchapter I, Chapter 201, Transportation
10 Code, is amended by adding Section 201.708 to read as follows:

11 Sec. 201.708. PURCHASING METHOD. In purchasing goods and
12 services the department may use, but is not limited to, the reverse
13 auction procedure.

14 SECTION 5.07. Subchapter I, Chapter 201, Transportation
15 Code, is amended by adding Sections 201.711-201.714 to read as
16 follows:

17 Sec. 201.711. JUST-IN-TIME INVENTORY PILOT PROGRAM. (a)
18 Before January 1, 2004, the Texas Building and Procurement
19 Commission and the department shall implement a just-in-time
20 inventory pilot program for the purchase of office and janitorial
21 supplies for the department in small quantities with frequent
22 deliveries.

23 (b) The Texas Building and Procurement Commission and the
24 department shall determine which office supplies and janitorial
25 items are to be included in the pilot program.

26 (c) To the extent necessary to implement the inventory pilot
27 program, the department or the Texas Building and Procurement

1 Commission, as applicable, may modify the terms of contracts
2 offered to vendors as part of the pilot program to ensure that items
3 are delivered to the department within 24 to 48 hours from the time
4 the department orders those items.

5 (d) To the extent practicable, items to be purchased under
6 the pilot program should not be inventoried at a regional supply
7 center or district warehouse of the department but should be
8 delivered directly to the location where they are to be used.

9 (e) The Texas Building and Procurement Commission and the
10 department shall use as the model for the pilot program under this
11 section the program for just-in-time inventory approaches for the
12 purchase of office supplies and the program for the purchase of
13 office or janitorial supplies adopted by other states with
14 populations that exceed the population of this state.

15 (f) Under the pilot program developed by the Texas Building
16 and Procurement Commission and the department, the department
17 should offer one contract for office supplies and a separate
18 contract for janitorial items. A contract offered under the pilot
19 program must:

20 (1) require service guarantees similar to those
21 required by the programs in the other states; and

22 (2) allow orders to be placed by telephone, facsimile,
23 mail, or the Internet, with the Internet to be used as the primary
24 communication mode.

25 (g) This section expires December 31, 2005.

26 Sec. 201.712. SUPPLY CHAIN MANAGEMENT GROUP. (a) The
27 department shall create a supply chain management group to lead the

1 application of "best practices" in logistics and materials
2 management throughout the department. The group shall be placed
3 within the purchasing section of the department's general services
4 division at a level that supports organizational visibility.

5 (b) The supply chain management group may not be composed of
6 more than five employees located at the department's Austin
7 headquarters. At least two members of the group should have
8 private-sector experience in supply chain management and possess
9 professional certification in that area. The remaining group
10 members should be recruited from within the department and have
11 demonstrated innovative work in purchasing or warehousing.

12 (c) As its initial task, the supply chain management group
13 shall review all existing reports, including the June 1997 KPMG
14 Peat Marwick report and the November 1998 report by the state
15 auditor, identify viable recommendations, develop implementation
16 strategies, and seek approval from executive management to
17 implement those recommendations.

18 (d) After the supply chain management group completes its
19 task under Subsection (c), the group shall travel to the department
20 districts and divisions and facilitate the establishment of
21 permanent supply chain committees, composed of seven to nine
22 members from within the department having staggered terms to ensure
23 continuity. Purchasing, warehousing, and district or division
24 management personnel shall select representatives from end user
25 groups to fill the remaining positions on the committee.

26 (e) The supply chain management group shall focus its
27 efforts on conducting "yellow pages tests" to determine whether the

1 department should do particular jobs if there are businesses that
2 advertise in the telephone directory yellow pages that can do those
3 jobs better and at a lower cost. The group should first review
4 warehousing operations and then review other areas of supply chain
5 management.

6 Sec. 201.713. SUPPLY CHAIN MANAGEMENT TRAINING. (a) The
7 department shall collaborate with private-sector logistics
8 organizations to provide supply chain management training for the
9 department's purchasing and warehouse managers.

10 (b) The supply chain management group established under
11 Section 201.712 may assist in providing training under Subsection
12 (a). In addition, and so as to complement the efforts of the supply
13 chain management group and to integrate supply chain management
14 principles throughout the department's divisions and districts,
15 the department shall encourage department purchasing and warehouse
16 managers to pursue additional training and certification.

17 Sec. 201.714. EVALUATION OF WAREHOUSE SPACE. (a) The
18 department shall evaluate the department's warehouse space and
19 determine how to maximize the use of that space.

20 (b) If the implementation of Sections 201.711-201.713
21 results in the identification or creation of warehouse space that
22 is not being used by the department, and depending on the amount of
23 that unused space, the department shall consider leasing the unused
24 space to other entities or converting the space to other uses.

25 SECTION 5.08. Subchapter I, Chapter 201, Transportation
26 Code, is amended by adding Section 201.715 to read as follows:

27 Sec. 201.715. CERTAIN CONTRACTS WITH THE TEXAS DEPARTMENT

1 OF CRIMINAL JUSTICE. The department shall renegotiate a contract
2 for signs with the Texas Department of Criminal Justice as
3 necessary to reduce:

4 (1) the sign inventory of the department; and

5 (2) the number of days allowed for the Texas
6 Department of Criminal Justice to deliver signs.

7 SECTION 5.09. Section 202.055, Transportation Code, is
8 amended by adding Subsection (e) to read as follows:

9 (e) The department shall:

10 (1) seek information from potential lessees of rest
11 areas to determine interest in leasing rest areas and ways that rest
12 areas could be used to benefit the public and reduce state expenses;
13 and

14 (2) consider, in determining proposed uses of a rest
15 area, the opinions of government officials serving the area in
16 which the rest area is located and of businesses and residents in
17 that area.

18 SECTION 5.10. Subchapter A, Chapter 223, Transportation
19 Code, is amended by adding Section 223.017 to read as follows:

20 Sec. 223.017. PREQUALIFICATION-BASED BIDDING. (a) The
21 department shall establish a formal process to establish strict
22 initial prequalification criteria and provide for ongoing
23 follow-up evaluations to assess the quality of work performed by
24 bidders. The process must be simple and straightforward so as to
25 minimize the administrative burden of the department and
26 contractors.

27 (b) The department shall evaluate each project of the

1 department after completion and compile a performance index for
2 each contractor. The performance index may be used to increase or
3 decrease the amount of work a contractor may be given on the basis
4 of the prequalification limit. A higher performance index shall
5 allow bidding on larger jobs. To reduce concerns of the
6 contractors, information collected under this subsection may not be
7 used to adjust bid prices.

8 (c) The department shall tier the qualifications so that
9 specialized expertise is necessary only if that element is included
10 in the particular bid under consideration.

11 SECTION 5.11. Subchapter B, Chapter 223, Transportation
12 Code, is amended by adding Section 223.049 to read as follows:

13 Sec. 223.049. USE OF WARRANTIES. (a) The department shall
14 increase its use of warranties.

15 (b) The department shall begin implementing warranties in a
16 sample of new construction contracts with appropriate associated
17 surety provisions. The use of warranties may be extended as the
18 department and contractors and insurers develop experience and
19 expertise. In implementing warranties, the department shall
20 develop strict prequalification guidelines to ensure that this
21 state receives the maximum benefit.

22 (c) The department shall determine warranty length based on
23 its experience, construction practices, and the project involved.
24 Life cycle cost analysis shall be used to determine when to use
25 warranties. Appropriate quality control processes must remain in
26 place for the projects.

27 (d) The department shall conduct analyses of warranties in

1 high-volume restricted access road projects, such as interstate
2 highways, toll roads, and bridges. The department shall also
3 analyze warranties for specific elements of larger projects, such
4 as asphalt-concrete pavement, bridge decks, bridge painting, and
5 bridge expansion dams.

6 (e) For a contract that combines both the design and
7 construction elements, including an exclusive developer agreement,
8 the department must include as part of the bidding process an option
9 for an extended warranty for items such as pavement so that life
10 cycle cost analysis can determine cost-effectiveness.

11 ARTICLE 6. HEALTH AND HUMAN SERVICES ISSUES

12 SECTION 6.01. Subchapter A, Chapter 531, Government Code,
13 is amended by adding Section 531.0015 to read as follows:

14 Sec. 531.0015. TRANSFER OF POWERS AND DUTIES FROM CERTAIN
15 HEALTH AND HUMAN SERVICES AGENCIES. (a) Each health and human
16 services agency, as defined by Section 531.001(4), is abolished,
17 and all powers, duties, personnel, property, assets, and
18 obligations of the agency are transferred to the commission. The
19 validity of a prior action of an agency defined by Section
20 531.001(4) is not affected by the abolishment.

21 (b) All rules of a health and human services agency, as
22 defined by Section 531.001(4), relating to a transferred power or
23 duty remain in effect as rules of the commission until amended or
24 repealed by the commission.

25 (c) A reference in law to a health and human services
26 agency, as defined by Section 531.001(4), or to the governing body
27 of that agency means the commission or the commissioner of health

1 and human services, as appropriate.

2 (d) The commissioner of health and human services shall
3 organize the operations of the commission so that health and human
4 services are provided in this state through divisions created
5 within the commission, as determined by the commissioner.

6 SECTION 6.02. Subchapter A, Chapter 101, Occupations Code,
7 is amended by adding Sections 101.008, 101.0081, 101.009, 101.010,
8 101.011, and 101.012 to read as follows:

9 Sec. 101.008. SUNSET PROVISION. The Health Professions
10 Council is subject to Chapter 325, Government Code (Texas Sunset
11 Act). Unless continued in existence as provided by that chapter,
12 the council is abolished and this chapter expires September 1,
13 2015.

14 Sec. 101.0081. SPECIAL PURPOSE SUNSET REVIEW. (a) During
15 the period preceding the regular session of the 79th Legislature,
16 the Sunset Advisory Commission shall perform a special purpose
17 review of the council. In the review, the sunset commission may only
18 review the appropriateness of the recommendations made by the
19 commission to the regular session of the 78th Legislature regarding
20 the council. In the sunset commission's report to the 79th
21 Legislature, the commission may include any of those prior
22 recommendations the commission considers appropriate.

23 (b) The council and the agencies composing the council shall
24 cooperate with the Sunset Advisory Commission in the review and
25 shall provide to the commission any information the commission
26 considers necessary for the review.

27 (c) This section expires September 1, 2005.

1 Sec. 101.009. RULES. (a) The council may adopt rules to
2 govern the operation and administration of an agency listed in
3 Section 101.002.

4 (b) The council may adopt rules related to the management of
5 an agency listed in Section 101.002, including rules governing
6 information technology, human resources, and financial services.

7 (c) The council may not adopt a rule related to the practice
8 of a profession regulated by an agency listed in Section 101.002.

9 Sec. 101.010. COUNCIL POLICIES. The council shall adopt
10 policies to govern the agencies that compose the council.

11 Sec. 101.011. COUNCIL POWERS. (a) The council may manage
12 the operations of an agency listed in Section 101.002.

13 (b) The council shall exercise the administrative
14 responsibilities of information technology, human resources, and
15 financial operations of an agency listed in Section 101.002.

16 Sec. 101.012. DIVISION OF RESPONSIBILITIES. (a) The
17 council shall develop and implement policies that clearly separate
18 the policy-making responsibilities and the management
19 responsibilities of the council and the agencies that compose the
20 council.

21 (b) Notwithstanding any other law, an agency listed in
22 Section 101.002 may not adopt a rule related to the organization,
23 operating procedures, or management of the agency that is
24 determined by council rule to be within the council's
25 responsibility.

26 SECTION 6.03. Section 22.001, Human Resources Code, is
27 amended by adding Subsection (e) to read as follows:

1 (e) The department may solicit and accept gifts, grants, and
2 donations of money, property, or services from public or private
3 sources for use in helping persons who are needy or in carrying out
4 any of the department's functions.

5 SECTION 6.04. Section 21.003(d), Human Resources Code, is
6 amended to read as follows:

7 (d) The governor shall designate a member of [~~After the~~
8 ~~biennial appointment of new members,~~] the board as the [~~shall elect~~
9 ~~a]~~ presiding officer of the board to serve in that capacity at the
10 pleasure of the governor [~~who shall preside over meetings of the~~
11 ~~board~~].

12 SECTION 6.05. Chapter 21, Human Resources Code, is amended
13 by adding Section 21.00605 to read as follows:

14 Sec. 21.00605. REGIONAL BUSINESS PLANNING. (a) The
15 department shall develop a business plan for each service region
16 that:

17 (1) addresses the department's statewide goals and
18 states the region's specific objectives and strategies to meet the
19 goals;

20 (2) includes region-specific targets for
21 client-centered outcome measures; and

22 (3) requires regional administrators to report at
23 least annually to the state office on the region's progress in
24 achieving the goals and objectives contained in the region's
25 business plan.

26 (b) The department shall develop standard client-centered
27 outcome measures and use the standard measures in all regional

1 business plans.

2 (c) The department must seek public input in the development
3 of regional business plans and regional strategies.

4 SECTION 6.06. Subchapter A, Chapter 31, Human Resources
5 Code, is amended by adding Section 31.0129 to read as follows:

6 Sec. 31.0129. COORDINATED PLAN TO IMPROVE INTERAGENCY
7 TRANSITIONS. (a) The department, the Texas Workforce Commission,
8 and representatives of local workforce development boards shall
9 conduct a survey of best practices used to transition clients
10 between local department offices and workforce centers.

11 (b) The department shall:

12 (1) analyze information collected by a survey under
13 Subsection (a); and

14 (2) formulate recommendations and strategies to
15 improve practices used to transition clients between local
16 department offices and workforce centers.

17 (c) Using existing resources, the department and local
18 workforce development boards shall adopt policies to implement the
19 recommendations and strategies contained in the revised and updated
20 memorandum of understanding under Section 31.0128.

21 SECTION 6.07. Chapter 122, Human Resources Code, is amended
22 by adding Section 122.029 to read as follows:

23 Sec. 122.029. DUTIES OF STATE AUDITOR. (a) As part of an
24 audit of a state agency authorized under Section 2161.123,
25 Government Code, the state auditor shall:

26 (1) conduct an audit of a state agency for compliance
27 with this chapter; and

1 (2) report to the council a state agency that is not
2 complying with this chapter.

3 (b) If the state auditor reports to the council that a state
4 agency is not complying with this chapter, the council shall assist
5 the agency in complying.

6 ARTICLE 7. PERSONNEL AND HUMAN RESOURCES

7 SECTION 7.01. Subchapter K, Chapter 659, Government Code,
8 is amended by adding Section 659.262 to read as follows:

9 Sec. 659.262. ADDITIONAL COMPENSATION FOR CERTAIN
10 CLASSIFIED STATE EMPLOYEES. (a) In this section, "state agency"
11 means an agency of any branch of state government that employs
12 individuals who are classified under Chapter 654.

13 (b) To enhance the recruitment of competent personnel for
14 certain classified employee positions, a state agency may provide
15 to a state employee, at the time of the employee's hiring for a
16 classified position, additional compensation in the form of a
17 one-time recruitment payment not to exceed \$5,000. If the employee
18 discontinues employment with the state agency for any reason less
19 than three months after the date of receiving the recruitment
20 payment, the employee shall refund to the state agency the full
21 amount of the recruitment payment. If the employee discontinues
22 employment with the state agency for any reason three months or
23 longer but less than 12 months after the date of receiving the
24 recruitment payment, the employee shall refund to the state agency
25 an amount computed by:

26 (1) subtracting from 12 months the number of complete
27 calendar months the employee worked after the date of receiving the

1 recruitment payment;

2 (2) dividing the number of months computed under
3 Subdivision (1) by 12 months; and

4 (3) multiplying the fraction computed under
5 Subdivision (2) by the amount of the recruitment payment.

6 (c) To enhance the retention of employees who are employed
7 in certain classified positions that are identified by the chief
8 administrator of a state agency as essential for the state agency's
9 operations, a state agency may enter into a deferred compensation
10 contract with a classified employee to provide to the employee a
11 one-time additional compensation payment not to exceed \$5,000 to be
12 added to the employee's salary payment the month after the
13 conclusion of the 12-month period of service under the deferred
14 compensation contract.

15 (d) To be eligible to enter into a contract for deferred
16 compensation under Subsection (c), a state employee must have
17 already completed at least 12 months of service in a classified
18 position.

19 (e) The chief administrator of a state agency shall
20 determine whether additional compensation is necessary under this
21 section on a case-by-case basis, considering:

22 (1) the criticality of the employee position in the
23 operations of the state agency;

24 (2) evidence of high turnover rates among employees
25 filling the position or an extended period during which the
26 position is or has in the past been vacant;

27 (3) evidence of a shortage of employees qualified to

1 fill the position or a shortage of qualified applicants; and

2 (4) other relevant factors.

3 (f) Before an agency provides or enters into a contract to
4 provide additional compensation to an employee under this section,
5 the chief administrator of the state agency must certify to the
6 comptroller in writing the reasons why the additional compensation
7 is necessary.

8 (g) Additional compensation paid to an employee under this
9 section is specifically exempted from any limitation on salary or
10 salary increases prescribed by this chapter.

11 SECTION 7.02. Section 2056.0021, Government Code, is
12 amended to read as follows:

13 Sec. 2056.0021. WORKFORCE PLANNING. (a) As part of the
14 strategic plan required under Section 2056.002, a state agency
15 shall conduct a strategic staffing analysis and develop a workforce
16 plan, according to guidelines developed by the state auditor, to
17 address critical staffing and training needs of the agency,
18 including the need for experienced employees to impart knowledge to
19 their potential successors.

20 (b) A workforce plan required by this section must include:

21 (1) the training and education rules adopted by the
22 state agency under Section 656.048; and

23 (2) a detailed list of the state agency's managerial
24 training requirements, including the minimum hourly requirements
25 for annual or biennial managerial training.

26 (c) The state auditor shall analyze the workforce plans
27 submitted by state agencies in accordance with this section and use

1 information gathered from the analysis to:

2 (1) identify state agencies that would benefit from
3 workforce planning assistance; and

4 (2) provide targeted evaluative and corrective
5 information to the identified state agencies to help the agencies:

6 (A) identify their core competencies and match
7 staff knowledge, skills, and abilities with those competencies;

8 (B) decide whether to maintain or develop the
9 ability to perform a function or contract with another entity to
10 perform the function;

11 (C) use information technology capabilities to
12 record and organize the knowledge and job skills of current and
13 retiring employees; and

14 (D) use recruiting, training, and rewarding
15 programs to obtain qualified employees, improve agency management
16 and employee productivity, and provide reward incentives for
17 capable employees.

18 (d) In addition to providing targeted information under
19 Subsection (c), the state auditor shall, on request, provide
20 training and technical assistance to any state agency to help the
21 agency develop and improve a workforce plan required by this
22 section.

23 SECTION 7.03. Subtitle B, Title 6, Government Code, is
24 amended by adding Chapter 670 to read as follows:

25 CHAPTER 670. MANAGEMENT PERFORMANCE PROGRAM

26 Sec. 670.001. DEFINITION. In this chapter, "state agency"
27 means an agency in the executive branch of state government.

Sec. 670.002. UPPER MANAGEMENT PERFORMANCE

AGREEMENTS. (a) The governing body of a state agency shall develop and enter into agreements with employees of the agency who serve in upper management positions, including the chief executive or chief administrator of the agency.

(b) An agreement under this section shall:

(1) communicate to the upper management employee the agency's overall organizational goals and specific strategic aims;

(2) identify the specific performance measures and targets applicable to the unique programs for which the upper management employee is responsible; and

(3) explain the procedures that will be used by the agency to hold the upper management employee accountable for performance under the agreement, including annual performance review procedures.

SECTION 7.04. Effective September 1, 2003, Section 651.004, Government Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) A state agency in the executive branch of state government that employs more than 100 full-time equivalent employees may not, after August 31, 2004, employ more than one full-time equivalent employee in a management position for every eight full-time equivalent employees that the agency employs in nonmanagerial staff positions. This subsection expires September 1, 2005.

SECTION 7.05. Effective September 1, 2004, Section 651.004, Government Code, is amended by adding Subsection (c-2) to read as

1 follows:

2 (c-2) A state agency in the executive branch of state
3 government that employs more than 100 full-time equivalent
4 employees may not, after August 31, 2005, employ more than one
5 full-time equivalent employee in a management position for every
6 nine full-time equivalent employees that the agency employs in
7 nonmanagerial staff positions. This subsection expires September
8 1, 2006.

9 SECTION 7.06. Effective September 1, 2005, Section 651.004,
10 Government Code, is amended by adding Subsection (c-3) to read as
11 follows:

12 (c-3) A state agency in the executive branch of state
13 government that employs more than 100 full-time equivalent
14 employees may not, after August 31, 2006, employ more than one
15 full-time equivalent employee in a management position for every 10
16 full-time equivalent employees that the agency employs in
17 nonmanagerial staff positions. This subsection expires September
18 1, 2007.

19 SECTION 7.07. (a) Effective September 1, 2006, Section
20 651.004, Government Code, is amended by adding Subsection (c) to
21 read as follows:

22 (c) A state agency in the executive branch of state
23 government that employs more than 100 full-time equivalent
24 employees may not employ more than one full-time equivalent
25 employee in a management position for every 11 full-time equivalent
26 employees that the agency employs in nonmanagerial staff positions.

27 (b) A state agency in the executive branch of government

1 shall achieve the management-to-staff ratio required by Section
2 651.004(c), Government Code, as added by this section, not later
3 than August 31, 2007.

4 SECTION 7.08. Section 656.048(b), Government Code, is
5 repealed.

6 SECTION 7.09. Subtitle B, Title 6, Government Code, is
7 amended by adding Chapter 671 to read as follows:

8 CHAPTER 671. HUMAN RESOURCES STAFFING AND FUNCTIONS

9 Sec. 671.001. DEFINITION. In this chapter, "state agency"
10 means a department, commission, board, office, authority, council,
11 or other governmental entity in the executive branch of government
12 that is created by the constitution or a statute of this state and
13 has authority not limited to a geographical portion of the state.
14 The term does not include a university system or institution of
15 higher education as defined by Section 61.003, Education Code.

16 Sec. 671.002. HUMAN RESOURCES STAFFING FOR LARGE STATE
17 AGENCIES. A state agency with 500 or more full-time equivalent
18 employees shall adjust the agency's human resources staff to
19 achieve a human resources employee-to-staff ratio of not more than
20 one human resources employee for every 100 staff members.

21 Sec. 671.003. HUMAN RESOURCES STAFFING FOR MEDIUM-SIZED
22 STATE AGENCIES; OUTSOURCING. A state agency with fewer than 500
23 full-time equivalent employees but more than 100 full-time
24 equivalent employees shall:

25 (1) adjust the agency's human resources staff to
26 achieve a human resources employee-to-staff ratio of not more than
27 one human resources employee for every 100 staff members; or

1 (2) contract with a private entity to perform the
2 human resources functions of the agency, if the State Council on
3 Competitive Government determines that the agency's contracting
4 with a private entity is cost-effective.

5 Sec. 671.004. HUMAN RESOURCES STAFFING FOR SMALL STATE
6 AGENCIES; OUTSOURCING. (a) The State Council on Competitive
7 Government shall determine the cost-effectiveness of contracting
8 with private entities to perform the human resources functions of
9 state agencies that employ 100 or fewer full-time equivalent
10 employees.

11 (b) If the council determines that contracting with private
12 entities is cost-effective, the council shall issue a request for
13 proposals for vendors to perform the human resources functions of
14 the agencies.

15 (c) The council shall determine which human resources
16 functions shall be subject to the contract and which functions the
17 agency may select to perform itself.

18 (d) Each agency shall pay for the contracts for human
19 resources functions out of the agency's human resources budget.

20 SECTION 7.10. Subchapter F, Chapter 201, Transportation
21 Code, is amended by adding Section 201.407 to read as follows:

22 Sec. 201.407. ALLOCATION OF EMPLOYEES. (a) The department
23 shall examine the department's core business and administrative
24 units and develop a plan to streamline the department's operation
25 by:

26 (1) transferring employees in engineering,
27 technician, and engineering assistant positions from the statewide

1 headquarters office to district offices;

2 (2) transferring employees in support positions from
3 the division offices to the state headquarters office; and

4 (3) increasing the department's staff-to-manager
5 ratio.

6 (b) In conducting the examination under Subsection (a), the
7 department shall focus primarily on the following units:

8 (1) bridge and roadway design;

9 (2) construction;

10 (3) environmental affairs;

11 (4) maintenance; and

12 (5) transportation planning and programming.

13 (c) The department shall present the plan required by this
14 section to the 79th Legislature and shall begin the transfer of
15 personnel as required by this section not later than August 31,
16 2005. This section expires September 1, 2005.

17 SECTION 7.11. Subchapter F, Chapter 201, Transportation
18 Code, is amended by adding Section 201.408 to read as follows:

19 Sec. 201.408. LIMITATION ON CERTAIN EMPLOYEES. The
20 department may not employ more than one employee who performs
21 duties relating to human resources per 100 department employees.

22 ARTICLE 8. EFFECTIVE DATE

23 SECTION 8.01. This Act takes effect September 1, 2003.