By: Fraser

S.B. No. 1675

A BILL TO BE ENTITLED

1 AN ACT 2 relating to the administration of state-federal relations and 3 federal formula grant programs. Δ BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 5 SECTION 1. Chapter 751 Government Code is amended to read as 6 follows: CHAPTER 751. OFFICE OF STATE-FEDERAL RELATIONS 7 SUBCHAPTER A. OFFICE OF STATE-FEDERAL RELATIONS GENERAL 8 PROVISIONS 9 Sec. 751.001. DEFINITIONS. In this chapter: 10 (1) "Board" means the Office of State-Federal 11 12 Relations Advisory Policy Board. 13 (2) "Director" means the director of the Office of 14 State-Federal Relations. (3) "Office" means the Office of State-Federal 15 Relations. 16 (4) "State agency" means a state board, commission, 17 department, institution, or officer within the executive 18 19 department having statewide jurisdiction, including a state college or university. 20 Sec. 751.002. OFFICE OF STATE-FEDERAL RELATIONS. (a) The 21 22 Office of State-Federal Relations is established in the Office of the Governor an agency of the state and operates within the 23 24 executive department.

(b) The office is subject to the administrative procedure 1 law, Chapter 2001. 2 Sec. 751.004. APPOINTMENT AND TERM OF DIRECTOR. 3 (a) The governor, with the advice and consent of the senate, shall appoint a 4 5 director of the office. 6 (b) The director serves at the pleasure of the governor. 7 Sec. 751.005. GENERAL POWERS AND DUTIES OF DIRECTOR. The director shall exercise the powers and carry out the (a) 8 9 duties prescribed by this section in order to act as a liaison from the state to the federal government. 10 (b) The director shall: 11 (1) help coordinate state and federal programs dealing 12 with the same subject; 13 inform the governor and the legislature of federal 14 (2) programs that may be carried out in the state or that affect state 15 16 programs; 17 (3) provide federal agencies and the United States 18 Congress with information about state policy and state conditions on matters that concern the federal government; 19 (4) provide the legislature with information useful in 20 measuring the effect of federal actions on the state and local 21 22 programs; (4) (5) prepare and supply to the governor and all 23 members of the legislature an annual report that: 24 25 (A) describes the office's operations; 26 (B) contains the office's priorities and strategies for the following year; 27

(C) details projects and legislation pursued by
 the office;
 (D) discusses issues in the following

4 congressional session of interest to this state; and

5 (E) contains an analysis of federal funds
6 availability and formulae; and.

7 (6) prepare annually a complete and detailed written
8 report accounting for all funds received and disbursed by the
9 office during the preceding fiscal year.

10 (c) The director may maintain office space at locations11 inside and outside the state as chosen by the director.

12 (d) The annual report required under Subsection (b)(6) must 13 meet the reporting requirements applicable to financial reporting 14 provided in the General Appropriations Act.

Sec. 751.006. STAFF; POLICIES. (a) 15 PERSONNEL The 16 director may employ staff necessary to carry out the director's powers and duties under this chapter. The director or the 17 director's designee shall provide to office employees, as often as 18 necessary, information regarding their qualification for 19 employment under this chapter and their responsibilities under 20 applicable laws relating to standards of conduct for state 21 22 employees.

23 (b) The director or the director's designee shall develop an 24 intraagency career ladder program that addresses opportunities for 25 mobility and advancement for employees within the office. The 26 program shall require intraagency posting of all positions 27 concurrently with any public posting.

1	(c) The director or the director's designee shall develop a
2	system of annual performance evaluations that are based on
3	documented employee performance. All merit pay for office
4	employees must be based on the system established under this
5	subsection.
6	(d) The director or the director's designee shall prepare
7	and maintain a written policy statement to assure implementation of
8	a program of equal employment opportunity under which all personnel
9	transactions are made without regard to race, color, disability,
10	sex, religion, age, or national origin. The policy statement must
11	include:
12	(1) personnel policies, including policies relating
13	to recruitment, evaluation, selection, appointment, training, and
14	promotion of personnel that are in compliance with the requirements
15	of Chapter 21, Labor Code;
16	(2) a comprehensive analysis of the office workforce
17	that meets federal and state guidelines;
18	(3) procedures by which a determination can be made
19	about the extent of underuse in the office workforce of all persons
20	for whom federal or state guidelines encourage a more equitable
21	balance; and
22	(4) reasonable methods to appropriately address those
23	areas of underuse.
24	(e) A policy statement prepared under Subsection (d) must
25	cover an annual period, be updated annually and reviewed by the
26	Texas Commission on Human Rights for compliance with Subsection
27	(d)(1), and be filed with the governor's office.

(f) The governor's office shall deliver a biennial report to 1 the legislature based on the information received under Subsection 2 (e). The report may be made separately or as a part of other 3 biennial reports made to the legislature. 4 5 (b) (g) The director and the staff of the office working in Washington, D.C., may receive the same cost-of-living salary 6 7 adjustment as is established for an employee of another state agency under Section 751.012(d). 8 Sec. 751.009. CONTRIBUTIONS. (a) 9 The office may accept contributions that the office determines will further 10 the objectives of the office. 11 (b) A contribution may not be used to pay any part of the 12 compensation of a person who is an officer or employee of the office 13 on the date the office receives the contribution. 14 Sec. 751.010. OFFICE OF STATE-FEDERAL RELATIONS ADVISORY 15 16 **POLICY** BOARD. (a) The Office of State-Federal Relations may appoint members to an Advisory Policy Board consists of: 17 18 (1) the governor; (2) the lieutenant governor; and 19 (3) the speaker of the house of representatives. 20 to assist in the administration of this chapter. 21 22 (b) A member of the board may designate a person to perform the member's duties on the board. 23 (c) The board, by majority vote, shall select a presiding 24 25 officer of the board. (d) A majority of the members of the board constitutes 26 27 quorum to transact business.

(b) (e) The board shall may meet before the beginning of
 each congressional session and at the call of the presiding officer
 director.

4 (c) (f) The board shall may work with the director to hold
5 periodic meetings in the city of Austin at times determined by the
6 presiding officer to discuss upcoming federal activities and issues
7 with state agency representatives.

8 (d) An advisor serves without compensation but is entitled 9 to necessary and actual expenses incurred in performing duties 10 <u>under this chapter.</u>

Sec. 751.012. INTERAGENCY CONTRACTS. (a) The office may enter into interagency contracts with other state agencies to locate staff of the other state agency in Washington, D.C., to work under the supervision of the director and shall coordinate activities conducted on behalf of the other agency with those of the office.

17 (b) (c) A contract under this section must include 18 provisions under which staff of the other state agency:

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(1) report directly to the director;

20 <u>(2)</u> <del>(1)</del> report directly to that agency's 21 administrative head or the presiding officer of that agency's 22 governing body;

23 (3) (2) have an officially recognized role in that 24 agency's budget planning process;

25 (4) (3) provide periodic updates of activities at
 26 meetings of to that agency's governing body; and

27 (5) (4) receive a salary established under Subsection

1 (d).

2 (c) (d) The state auditor shall establish a salary schedule
3 for state employees subject to a contract under this section. The
4 schedule shall:

5 (1) be based on specifications for expertise and 6 experience in state-federal relations; and

7 (2) include a standard cost-of-living adjustment to
8 compensate an employee for the cost of living in Washington, D.C.

9 <u>(d)</u> <del>(e)</del> A state agency identified by the Legislative Budget 10 Board <u>or Governor's Office of Budget, Planning, and Policy</u> as 11 receiving significant federal funding or significantly affected by 12 federal policy decisions, other than a state agency that is headed 13 by a statewide-elected official, shall:

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develop a plan of state-federal coordination;

15 (2) study the benefits of entering a contract under16 Subsection (a); and

17 (3) submit the coordination plan and study to the18 office and to the Legislative Budget Board.

19 <u>(e) (f)</u> The Health and Human Services Commission shall 20 satisfy the requirements of Subsection <u>(d)</u> <del>(e)</del> for all health and 21 human services agencies listed in Section 19, Article 4413(502), 22 Revised Statutes.

Sec. 751.013. PROGRAM AND FACILITY ACCESSIBILITY. The office shall comply with federal and state laws related to program and facility accessibility. The director shall also prepare and maintain a written plan that describes how a person who does not speak English can be provided reasonable access to the office's

1 programs and services.

Sec. 751.014. FUNDS SUBJECT TO STATE FUNDS REFORM ACT. All money paid to the office under this chapter is subject to Subchapter F, Chapter 404.

5 <u>Sec. 751.015. AGENCY COMMUNICATIONS. A state agency shall,</u> 6 <u>to the extent practicable, contact the office before the agency</u> 7 <u>provides information to a federal agency or to the United States</u> 8 <u>Congress about state policy or conditions. This section does not</u> 9 <u>apply to a state agency that is headed by a statewide-elected</u> 10 <u>official.</u>

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SUBCHAPTER B. FEDERAL FUNDS MANAGEMENT

Sec. 751.021. DEFINITION. In this subchapter "federal formula funds" means only those funds coming to the state based on federal funding formulas or as otherwise legislated by congress, excluding those funds known as federal discretionary grant funds.

Sec. 751.022. POWERS AND DUTIES. (a) The <u>Governor's</u> <u>Office of Budget, Planning, and Policy</u> <del>office</del> has primary responsibility for monitoring, coordinating, and reporting on the state's efforts to ensure receipt of an equitable share of federal formula funds.

(b) The <u>Governor's Office of Budget, Planning, and Policy</u>
 22 office shall:

(1) serve as the state's clearinghouse for informationon federal formula funds;

(2) prepare reports on federal funds and earned
 federal formula funds;

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(3) analyze proposed and pending federal and state

1 legislation to determine whether the legislation would have a
2 significant negative effect on the state's ability to receive an
3 equitable share of federal formula funds;

4 (4) make recommendations for coordination between 5 state agencies and local governmental entities and between state 6 agencies; and

7 (5) adopt rules under the rule-making procedures of 8 the administrative procedure law, Chapter 2001, Government Code, as 9 necessary to carry out the responsibilities assigned by this 10 subchapter.

11 (c) The <u>Governor's Office of Budget, Planning, and Policy</u> 12 office shall annually prepare a comprehensive report to the 13 <u>governor and</u> legislature on the effectiveness of the state's 14 efforts to ensure a receipt of an equitable share of federal formula 15 funds for the preceding federal fiscal year. The report must 16 include:

17 (1) an executive summary that provides an overview of18 the major findings and recommendations included in the report;

(2) a comparative analysis of the state's receipt of
federal formula funds relative to other states, prepared using the
best available sources of data;

(3) an analysis of federal formula funding trends that
 may have a significant effect on resources available to the state;
 and

(4) recommendations, developed in consultation with
 the Legislative Budget Board, the <u>office</u> <del>Covernor's Office of</del>
 Budget and Planning, and the comptroller, for any state legislative

or administrative action necessary to increase the state's receipt
 of federal formula funds.

3 Sec. 751.024. REPORTS CONCERNING GRANT FUNDS. (a) Each 4 agency and each institution of higher education shall report to <del>the</del> 5 <del>office,</del> the Legislative Budget Board, and the <u>Governor's Office of</u> 6 <u>Budget, Planning, and Policy</u> <del>budget division of the governor's</del> 7 <del>office</del>:

8 (1) each application or request made to the United9 States government for grant funds;

10 (2) the award or designation, by the United States
11 government, of any funds for expenditure by a state agency; and
12 (3) waivers of grant requirements.

(b) In consultation with the <u>Governor's Office of Budget</u>, <u>Planning</u>, and <u>Policy</u> director, the Legislative Budget Board may prescribe reporting procedures and time schedules necessary to implement Subsection (a).

SECTION 2. Section 32.004 Government Code is amended by adding subsection (e) to read as follows:

(e) The director may maintain office space at locations
 inside and outside the state as chosen by the director.

SECTION 3. The following laws are repealed: Sections 751.003, 751.008, 751.009, 751.011, 751.012(b), and 751.023 Government Code.

SECTION 4. On September 1, 2003, any powers, duties, obligations, rights, contracts, records, employees, property, funds, appropriations, and authorized Full-time Equivalent (FTE) positions of the Office of State-Federal Relations are transferred

1	to the Trusteed	Programs	Within the	e Office of t	he Governor.
2	SECTION	5. This	Act takes e	ffect Septem	ber 1, 2003.