

1-1 By: Fraser S.B. No. 1675
1-2 (In the Senate - Filed March 14, 2003; March 20, 2003, read
1-3 first time and referred to Committee on State Affairs;
1-4 May 12, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 5, Nays 0; May 12, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1675 By: Fraser

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the administration of state-federal relations and
1-11 federal formula grant programs, including the use of office space
1-12 outside the state by certain state agencies.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. The heading to Chapter 751, Government Code, is
1-15 amended to read as follows:

1-16 CHAPTER 751. ~~[OFFICE OF]~~ STATE-FEDERAL RELATIONS

1-17 SECTION 2. The heading to Subchapter A, Chapter 751,
1-18 Government Code, is amended to read as follows:

1-19 SUBCHAPTER A. OFFICE OF STATE-FEDERAL RELATIONS ~~[GENERAL~~
1-20 ~~PROVISIONS]~~

1-21 SECTION 3. Sections 751.001 and 751.002, Government Code,
1-22 are amended to read as follows:

1-23 Sec. 751.001. DEFINITIONS. In this chapter:

1-24 (1) "Board" means the ~~[Office of]~~ State-Federal
1-25 Relations Advisory ~~[Policy]~~ Board.

1-26 (2) "Director" means the director of the Office of
1-27 State-Federal Relations.

1-28 (3) "Office" means the Office of State-Federal
1-29 Relations.

1-30 (4) "State agency" means a state board, commission,
1-31 department, institution, or officer within the executive
1-32 department having statewide jurisdiction, including a state
1-33 college or university.

1-34 Sec. 751.002. OFFICE OF STATE-FEDERAL RELATIONS.

1-35 ~~[(a)]~~ The Office of State-Federal Relations is established in the
1-36 office of the governor ~~[an agency of the state and operates within~~
1-37 ~~the executive department.~~

1-38 ~~[(b)]~~ ~~The office is subject to the administrative procedure~~
1-39 ~~law, Chapter 2001].~~

1-40 SECTION 4. Sections 751.004, 751.005, and 751.006,
1-41 Government Code, are amended to read as follows:

1-42 Sec. 751.004. APPOINTMENT ~~[AND TERM]~~ OF DIRECTOR. (a) The
1-43 governor ~~[, with the advice and consent of the senate,]~~ shall
1-44 appoint a director of the office.

1-45 (b) The director serves at the pleasure of the governor.

1-46 Sec. 751.005. GENERAL POWERS AND DUTIES OF DIRECTOR.

1-47 (a) The director shall exercise the powers and carry out the
1-48 duties prescribed by this section in order to act as a liaison from
1-49 the state to the federal government.

1-50 (b) The director shall:

1-51 (1) help coordinate state and federal programs dealing
1-52 with the same subject;

1-53 (2) inform the governor, lieutenant governor, and
1-54 speaker of the house of representatives ~~[the legislature]~~ of
1-55 federal programs that may be carried out in the state or that affect
1-56 state programs;

1-57 (3) provide federal agencies and the United States
1-58 Congress with information about state policy and state conditions
1-59 on matters that concern the federal government;

1-60 (4) regularly provide the governor, lieutenant
1-61 governor, and speaker of the house of representatives ~~[legislature]~~
1-62 with information useful in measuring the effect of federal actions
1-63 on the state and local programs;

2-1 (5) prepare and supply to the governor, lieutenant
2-2 governor, and speaker of the house of representatives ~~[all members~~
2-3 ~~of the legislature]~~ an annual report that:

- 2-4 (A) describes the office's operations;
- 2-5 (B) contains the office's priorities and
2-6 strategies for the following year;
- 2-7 (C) details projects and legislation pursued by
2-8 the office;

2-9 (D) discusses issues in the following
2-10 congressional session of interest to this state; and

2-11 (E) contains an analysis of federal funds
2-12 availability and formulae ~~[, and~~

2-13 ~~[(6) prepare annually a complete and detailed written~~
2-14 ~~report accounting for all funds received and disbursed by the~~
2-15 ~~office during the preceding fiscal year].~~

2-16 (c) The director may maintain office space at locations
2-17 inside and outside the state as chosen by the director.

2-18 ~~[(d) The annual report required under Subsection (b)(6)~~
2-19 ~~must meet the reporting requirements applicable to financial~~
2-20 ~~reporting provided in the General Appropriations Act.]~~

2-21 Sec. 751.006. STAFF; PERSONNEL POLICIES. (a) The director
2-22 may employ staff necessary to carry out the director's powers and
2-23 duties under this chapter. ~~[The director or the director's~~
2-24 ~~designee shall provide to office employees, as often as necessary,~~
2-25 ~~information regarding their qualification for employment under~~
2-26 ~~this chapter and their responsibilities under applicable laws~~
2-27 ~~relating to standards of conduct for state employees.]~~

2-28 (b) ~~[The director or the director's designee shall develop~~
2-29 ~~an intraagency career ladder program that addresses opportunities~~
2-30 ~~for mobility and advancement for employees within the office. The~~
2-31 ~~program shall require intraagency posting of all positions~~
2-32 ~~concurrently with any public posting.~~

2-33 ~~[(c) The director or the director's designee shall develop a~~
2-34 ~~system of annual performance evaluations that are based on~~
2-35 ~~documented employee performance. All merit pay for office~~
2-36 ~~employees must be based on the system established under this~~
2-37 ~~subsection.~~

2-38 ~~[(d) The director or the director's designee shall prepare~~
2-39 ~~and maintain a written policy statement to assure implementation of~~
2-40 ~~a program of equal employment opportunity under which all personnel~~
2-41 ~~transactions are made without regard to race, color, disability,~~
2-42 ~~sex, religion, age, or national origin. The policy statement must~~
2-43 ~~include:~~

2-44 ~~[(1) personnel policies, including policies relating~~
2-45 ~~to recruitment, evaluation, selection, appointment, training, and~~
2-46 ~~promotion of personnel that are in compliance with the requirements~~
2-47 ~~of Chapter 21, Labor Code;~~

2-48 ~~[(2) a comprehensive analysis of the office workforce~~
2-49 ~~that meets federal and state guidelines;~~

2-50 ~~[(3) procedures by which a determination can be made~~
2-51 ~~about the extent of underuse in the office workforce of all persons~~
2-52 ~~for whom federal or state guidelines encourage a more equitable~~
2-53 ~~balance; and~~

2-54 ~~[(4) reasonable methods to appropriately address~~
2-55 ~~those areas of underuse.~~

2-56 ~~[(e) A policy statement prepared under Subsection (d) must~~
2-57 ~~cover an annual period, be updated annually and reviewed by the~~
2-58 ~~Texas Commission on Human Rights for compliance with Subsection~~
2-59 ~~(d)(1), and be filed with the governor's office.~~

2-60 ~~[(f) The governor's office shall deliver a biennial report~~
2-61 ~~to the legislature based on the information received under~~
2-62 ~~Subsection (e). The report may be made separately or as a part of~~
2-63 ~~other biennial reports made to the legislature.~~

2-64 ~~[(g)] The director and the staff of the office working in~~
2-65 ~~Washington, D.C., may receive the same cost-of-living salary~~
2-66 ~~adjustment as is established for an employee of another state~~
2-67 ~~agency under Section 751.012(c) [751.012(d)].~~

2-68 SECTION 5. Section 751.010, Government Code, is amended to
2-69 read as follows:

3-1 Sec. 751.010. [~~OFFICE OF~~] STATE-FEDERAL RELATIONS ADVISORY
3-2 [~~POLICY~~] BOARD. (a) The governor may appoint members to an
3-3 advisory board to assist in the administration of this chapter
3-4 [Office of State-Federal Relations Advisory Policy Board consists
3-5 of:

- 3-6 [~~(1) the governor,~~
- 3-7 [~~(2) the lieutenant governor, and~~
- 3-8 [~~(3) the speaker of the house of representatives~~].

3-9 (b) [~~A member of the board may designate a person to perform~~
3-10 ~~the member's duties on the board.~~

3-11 [~~(c) The board, by majority vote, shall select a presiding~~
3-12 ~~officer of the board.~~

3-13 [~~(d) A majority of the members of the board constitutes a~~
3-14 ~~quorum to transact business.~~

3-15 [~~(e)~~] The board may [~~shall~~] meet before the beginning of
3-16 each congressional session and at the call of the director
3-17 [~~presiding officer~~].

3-18 (c) [~~(f)~~] The board may [~~shall~~] work with the director to
3-19 hold periodic meetings [~~in the city of Austin at times determined by~~
3-20 ~~the presiding officer~~] to discuss upcoming federal activities and
3-21 issues with state agency representatives.

3-22 (d) An advisor serves without compensation but is entitled
3-23 to necessary and actual expenses incurred in performing duties
3-24 under this chapter.

3-25 SECTION 6. Section 751.012, Government Code, is amended to
3-26 read as follows:

3-27 Sec. 751.012. INTERAGENCY CONTRACTS. (a) The office may
3-28 enter into interagency contracts with other state agencies to
3-29 locate staff of the other state agency in Washington, D.C., to work
3-30 under the supervision of the director and shall coordinate
3-31 activities conducted on behalf of the other agency with those of the
3-32 office.

3-33 (b) [~~The office shall enter into a contract described by~~
3-34 ~~Subsection (a) with the Legislative Budget Board.~~

3-35 [~~(c)~~] A contract under this section must include provisions
3-36 under which staff of the other state agency:

- 3-37 (1) report directly to the director;
- 3-38 (2) report directly to that agency's administrative
3-39 head or the presiding officer of that agency's governing body;
- 3-40 (3) [~~(2)~~] have an officially recognized role in that
3-41 agency's budget planning process;
- 3-42 (4) [~~(3)~~] provide periodic updates of activities to
3-43 [at meetings of] that agency's governing body; and
- 3-44 (5) [~~(4)~~] receive a salary established under
3-45 Subsection (c) [~~(d)~~].

3-46 (c) [~~(a)~~] The state auditor shall establish a salary
3-47 schedule for state employees subject to a contract under this
3-48 section. The schedule shall:

- 3-49 (1) be based on specifications for expertise and
3-50 experience in state-federal relations; and
- 3-51 (2) include a standard cost-of-living adjustment to
3-52 compensate an employee for the cost of living in Washington, D.C.

3-53 (d) [~~(e)~~] A state agency identified by the Legislative
3-54 Budget Board or Governor's Office of Budget, Planning and Policy as
3-55 receiving significant federal funding or significantly affected by
3-56 federal policy decisions, other than a state agency that is headed
3-57 by a statewide-elected official, shall:

- 3-58 (1) develop a plan of state-federal coordination;
- 3-59 (2) study the benefits of entering a contract under
3-60 Subsection (a); and
- 3-61 (3) submit the coordination plan and study to the
3-62 office and to the Legislative Budget Board.

3-63 (e) [~~(f)~~] The Health and Human Services Commission shall
3-64 satisfy the requirements of Subsection (d) [~~(e)~~] for all health and
3-65 human services agencies listed in Section 19, Article 4413(502),
3-66 Revised Statutes.

3-67 SECTION 7. Subchapter A, Chapter 751, Government Code, is
3-68 amended by adding Section 751.015 to read as follows:

3-69 Sec. 751.015. AGENCY COMMUNICATIONS. A state agency shall,

4-1 to the extent practicable, contact the office before the agency
4-2 provides information to a federal agency or to the United States
4-3 Congress about state policy or conditions. This section does not
4-4 apply to a state agency that is headed by a statewide-elected
4-5 official.

4-6 SECTION 8. Section 751.022, Government Code, is amended to
4-7 read as follows:

4-8 Sec. 751.022. POWERS AND DUTIES. (a) The Governor's
4-9 Office of Budget, Planning and Policy [~~office~~] has primary
4-10 responsibility for monitoring, coordinating, and reporting on the
4-11 state's efforts to ensure receipt of an equitable share of federal
4-12 formula funds.

4-13 (b) The Governor's Office of Budget, Planning and Policy
4-14 [~~office~~] shall:

4-15 (1) serve as the state's clearinghouse for information
4-16 on federal formula funds;

4-17 (2) prepare reports on federal funds and earned
4-18 federal formula funds;

4-19 (3) analyze proposed and pending federal and state
4-20 legislation to determine whether the legislation would have a
4-21 significant negative effect on the state's ability to receive an
4-22 equitable share of federal formula funds;

4-23 (4) make recommendations for coordination between
4-24 state agencies and local governmental entities and between state
4-25 agencies; and

4-26 (5) adopt rules under the rule-making procedures of
4-27 the administrative procedure law, Chapter 2001, Government Code, as
4-28 necessary to carry out the responsibilities assigned by this
4-29 subchapter.

4-30 (c) The Governor's Office of Budget, Planning and Policy
4-31 [~~office~~] shall annually prepare a comprehensive report to the
4-32 governor and legislature on the effectiveness of the state's
4-33 efforts to ensure a receipt of an equitable share of federal formula
4-34 funds for the preceding federal fiscal year. The report must
4-35 include:

4-36 (1) an executive summary that provides an overview of
4-37 the major findings and recommendations included in the report;

4-38 (2) a comparative analysis of the state's receipt of
4-39 federal formula funds relative to other states, prepared using the
4-40 best available sources of data;

4-41 (3) an analysis of federal formula funding trends that
4-42 may have a significant effect on resources available to the state;
4-43 and

4-44 (4) recommendations, developed in consultation with
4-45 the Legislative Budget Board, the office [~~Governor's Office of~~
4-46 ~~Budget and Planning~~], and the comptroller, for any state
4-47 legislative or administrative action necessary to increase the
4-48 state's receipt of federal formula funds.

4-49 SECTION 9. Section 751.024, Government Code, is amended to
4-50 read as follows:

4-51 Sec. 751.024. REPORTS CONCERNING GRANT FUNDS. (a) Each
4-52 agency and each institution of higher education shall report to
4-53 [~~the office~~], the Legislative Budget Board[~~7~~] and the Governor's
4-54 Office of Budget, Planning and Policy [~~budget division of the~~
4-55 ~~governor's office~~]:

4-56 (1) each application or request made to the United
4-57 States government for grant funds;

4-58 (2) the award or designation, by the United States
4-59 government, of any funds for expenditure by a state agency; and

4-60 (3) waivers of grant requirements.

4-61 (b) In consultation with the Governor's Office of Budget,
4-62 Planning and Policy [~~director~~], the Legislative Budget Board may
4-63 prescribe reporting procedures and time schedules necessary to
4-64 implement Subsection (a).

4-65 SECTION 10. Section 322.004, Government Code, is amended by
4-66 adding Subsection (e) to read as follows:

4-67 (e) The director may maintain office space at locations
4-68 inside and outside the state as chosen by the director.

4-69 SECTION 11. Sections 751.003, 751.008, 751.011, and

5-1 751.023, Government Code, are repealed.

5-2 SECTION 12. On September 1, 2003, any powers, duties,
5-3 obligations, rights, contracts, records, employees, property,
5-4 funds, appropriations, and authorized full-time equivalent
5-5 positions of the Office of State-Federal Relations are transferred
5-6 to the office of the governor.

5-7 SECTION 13. This Act takes effect September 1, 2003.

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