

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 18, 2007

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB903 by Brimer (Relating to the abolishment of the Office of State-Federal Relations as an independent agency and the transfer of the duties and functions of that agency to the office of the governor.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill abolishes the Office of State-Federal Relations (OFSR) as a separate state agency and creates it as a program within the Office of the Governor. The bill requires the Governor to guide and direct the office and appoint the executive director.

The bill requires the office to consult with the Lieutenant Governor and the Speaker of the House of Representatives regarding relations between the state and federal governments and shall inform the legislative leadership of the office's progress on, and the status of, federal issues, including federal funding and policy decisions. The office must notify the legislative leadership of federal activities relevant to the state, inform the Texas congressional delegation of state activities, conduct frequent conference calls, respond to state and federal requests for information, and coordinate with the Legislative Budget Board regarding effects of federal funding on the state budget.

If the office contracts with federal-level government relations consultants, the bill requires the office to adopt written procedures for those contracts including contract management guidelines, a competitive procurement process, and a verification of potential conflicts of interest. Contracts must include an agreement regarding the goals of service to be provided with targeted performance measures, provisions governing the manner in which the contract may be terminated, and audits of the contractor's performance.

The bill repeals statute regarding the complaint procedures, duties of the advisory board, and personnel policies of the OFSR as an independent agency.

The bill provides that all money, contracts, leases, rights, obligations, and property of the OFSR be transferred to the Office of the Governor. The bill provides that all funds appropriated by the legislature to the OFSR are transferred to the Office of the Governor.

This analysis assumes \$1,918,452 in All Funds and 7 FTEs appropriated in House Bill 1 as Introduced will be transferred from the OFSR to the Office of the Governor to perform the duties of the OFSR. It is anticipated that any additional duties required by the bill can be performed using available resources within the Office of the Governor. Therefore, no significant fiscal impact to the state is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 116 Sunset Advisory Commission, 301 Office of the Governor, 320 Texas Workforce Commission, 529 Health and Human Services Commission, 332 Department of Housing and Community Affairs, 601 Department of Transportation, 701 Central Education Agency

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