

1-1 By: Deuell S.B. No. 1003  
1-2 (In the Senate - Filed February 20, 2009; March 4, 2009,  
1-3 read first time and referred to Committee on Government  
1-4 Organization; March 18, 2009, reported favorably by the following  
1-5 vote: Yeas 5, Nays 1; March 18, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the abolishment of the Office of State-Federal  
1-9 Relations as an independent agency and the transfer of the duties  
1-10 and functions of that agency to the office of the governor.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Sections 751.001 through 751.004, Government  
1-13 Code, are amended to read as follows:

1-14 Sec. 751.001. DEFINITIONS. In this chapter:

1-15 (1) "Executive director" [~~"Board" means the Office of~~  
1-16 ~~State-Federal Relations Advisory Policy Board.~~

1-17 [~~(2) "Director"~~] means the executive director of the  
1-18 Office of State-Federal Relations.

1-19 (2) [~~(3)~~] "Office" means the Office of State-Federal  
1-20 Relations.

1-21 (3) [~~(4)~~] "State agency" means a state board,  
1-22 commission, department, institution, or officer having statewide  
1-23 jurisdiction, including a state college or university.

1-24 Sec. 751.002. OFFICE OF STATE-FEDERAL RELATIONS. (a) The  
1-25 Office of State-Federal Relations is a program within the office of  
1-26 the governor. The governor shall provide guidance to the office and  
1-27 direct the activities of the office [~~an agency of the state and~~  
1-28 ~~operates within the executive department~~].

1-29 (b) The office shall consult with the lieutenant governor  
1-30 and the speaker of the house of representatives regarding relations  
1-31 between the state and federal governments and shall inform the  
1-32 legislative leadership of the office's progress on, and the status  
1-33 of, federal issues, including federal funding and policy decisions  
1-34 [~~The office is subject to the administrative procedure law, Chapter~~  
1-35 ~~2001~~].

1-36 Sec. 751.003. SUNSET PROVISION. The Office of  
1-37 State-Federal Relations is subject to Chapter 325 (Texas Sunset  
1-38 Act). Unless continued in existence as provided by that chapter,  
1-39 the office is abolished and this chapter expires September 1, 2015  
1-40 [~~2009. In the review of the office by the Sunset Advisory~~  
1-41 ~~Commission, as required by this section, the sunset commission~~  
1-42 ~~shall limit its review to the appropriateness of recommendations~~  
1-43 ~~made to the 80th Legislature. In its report to the 81st~~  
1-44 ~~Legislature, the sunset commission may include any recommendations~~  
1-45 ~~it considers appropriate~~].

1-46 Sec. 751.004. APPOINTMENT AND TERM OF EXECUTIVE DIRECTOR.  
1-47 (a) The governor [~~, with the advice and consent of the senate,~~]  
1-48 shall appoint the executive [~~a~~] director of the office. The  
1-49 executive director is accountable to the governor.

1-50 (b) The executive director serves at the pleasure of the  
1-51 governor.

1-52 SECTION 2. The heading to Section 751.005, Government Code,  
1-53 is amended to read as follows:

1-54 Sec. 751.005. GENERAL POWERS AND DUTIES OF OFFICE  
1-55 [~~DIRECTOR~~].

1-56 SECTION 3. Section 751.005, Government Code, is amended by  
1-57 amending Subsections (a), (b), and (c) and adding Subsection (e) to  
1-58 read as follows:

1-59 (a) The office [~~director~~] shall exercise the powers and  
1-60 carry out the duties prescribed by this section in order to act as a  
1-61 liaison from the state to the federal government.

1-62 (b) The office [~~director~~] shall:

1-63 (1) help coordinate state and federal programs dealing  
1-64 with the same subject;

2-1 (2) inform the governor and the legislature of federal  
2-2 programs that may be carried out in the state or that affect state  
2-3 programs;

2-4 (3) provide federal agencies and the United States  
2-5 Congress with information about state policy and state conditions  
2-6 on matters that concern the federal government;

2-7 (4) provide the legislature with information useful in  
2-8 measuring the effect of federal actions on the state and local  
2-9 programs;

2-10 (5) prepare and supply to the governor and all members  
2-11 of the legislature an annual report that:

2-12 (A) describes the office's operations;

2-13 (B) contains the office's priorities and  
2-14 strategies for the following year;

2-15 (C) details projects and legislation pursued by  
2-16 the office;

2-17 (D) discusses issues in the following  
2-18 congressional session of interest to this state; and

2-19 (E) contains an analysis of federal funds  
2-20 availability and formulae; ~~and~~

2-21 (6) prepare annually a complete and detailed written  
2-22 report accounting for all funds received and disbursed by the  
2-23 office during the preceding fiscal year;

2-24 (7) notify the governor, the lieutenant governor, and  
2-25 the speaker of the house of representatives of federal activities  
2-26 relevant to the state and inform the Texas congressional delegation  
2-27 of state activities;

2-28 (8) conduct frequent conference calls with the  
2-29 lieutenant governor and the speaker of the house of representatives  
2-30 or their designees regarding state-federal relations and programs;

2-31 (9) respond to requests for information from the  
2-32 legislature, the United States Congress, and federal agencies; and

2-33 (10) coordinate with the Legislative Budget Board  
2-34 regarding the effects of federal funding on the state budget.

2-35 (c) The office ~~[director]~~ may maintain office space at  
2-36 locations inside and outside the state as chosen by the office  
2-37 ~~[director]~~.

2-38 (e) The priorities of the office, as stated in the report  
2-39 required under Subsection (b)(5), must be approved by the governor  
2-40 in consultation with the lieutenant governor and the speaker of the  
2-41 house of representatives. The report must include an evaluation of  
2-42 the performance of the office based on performance measures that  
2-43 are developed by the governor in consultation with the lieutenant  
2-44 governor and the speaker of the house of representatives.

2-45 SECTION 4. Subsections (a) and (g), Section 751.006,  
2-46 Government Code, are amended to read as follows:

2-47 (a) The executive director may employ staff necessary to  
2-48 carry out the ~~[director's]~~ powers and duties of the office under  
2-49 this chapter. The executive director or the executive director's  
2-50 designee shall provide to office employees, as often as necessary,  
2-51 information regarding their qualification for employment under  
2-52 this chapter and their responsibilities under applicable laws  
2-53 relating to standards of conduct for state employees.

2-54 (g) The executive director and the staff of the office  
2-55 working in Washington, D.C., may receive a [the same]  
2-56 cost-of-living salary adjustment ~~[as is established for an employee~~  
2-57 ~~of another state agency under Section 751.012(d)].~~

2-58 SECTION 5. Subsections (a) and (c), Section 751.012,  
2-59 Government Code, are amended to read as follows:

2-60 (a) The office may enter into interagency contracts with  
2-61 ~~[other]~~ state agencies to locate staff of the ~~[other]~~ state  
2-62 agencies ~~[agency]~~ in Washington, D.C., to work under the  
2-63 supervision of the executive director and shall coordinate  
2-64 activities conducted on behalf of the state agencies ~~[other agency]~~  
2-65 with those of the office.

2-66 (c) A contract under this section must include provisions  
2-67 under which staff of the ~~[other]~~ state agency:

2-68 (1) report directly to the ~~[that]~~ agency's  
2-69 administrative head or the presiding officer of the ~~[that]~~ agency's

3-1 governing body;  
 3-2 (2) have an officially recognized role in the ~~[that]~~  
 3-3 agency's budget planning process; and  
 3-4 (3) provide periodic updates of activities at meetings  
 3-5 of the ~~[that]~~ agency's governing body.

3-6 SECTION 6. Subchapter A, Chapter 751, Government Code, is  
 3-7 amended by adding Sections 751.015 and 751.016 to read as follows:

3-8 Sec. 751.015. CONTRACTS BETWEEN OFFICE AND CONSULTANTS.

3-9 (a) If the office elects to contract with federal-level government  
 3-10 relations consultants, the office shall adopt written procedures  
 3-11 for those contracts. The procedures must include:

3-12 (1) guidelines regarding contract management;

3-13 (2) a competitive procurement process and method to  
 3-14 assess the effectiveness of a prospective consultant;

3-15 (3) a technique for assigning a value to a prospective  
 3-16 consultant's ability to provide services at a reasonable price and  
 3-17 level of experience;

3-18 (4) a process for determining a prospective  
 3-19 consultant's ability to work with influential members of the United  
 3-20 States Congress and serve as an effective advocate on behalf of the  
 3-21 state; and

3-22 (5) a method to verify that the interests of a  
 3-23 prospective consultant or the consultant's other clients do not  
 3-24 create a conflict of interest that may jeopardize the state's  
 3-25 interest.

3-26 (b) A contract between the office and a federal-level  
 3-27 government relations consultant must include:

3-28 (1) an agreement regarding the goals of the service to  
 3-29 be provided by the consultant and targeted performance measures;

3-30 (2) a provision governing the manner in which the  
 3-31 contract may be terminated by the parties to the contract; and

3-32 (3) a provision allowing the office, the state  
 3-33 auditor's office as provided by Section 2262.003, and other  
 3-34 specified oversight entities to audit the contractor's performance  
 3-35 under the contract.

3-36 (c) The governor must sign any contract between the office  
 3-37 and a federal-level government relations consultant.

3-38 Sec. 751.016. CONTRACTS BY STATE AGENCIES OR POLITICAL  
 3-39 SUBDIVISIONS. (a) In this section, "political subdivision"  
 3-40 includes a river authority.

3-41 (b) An agency or political subdivision of the state shall  
 3-42 report to the office on any contract between the agency or  
 3-43 subdivision and a federal-level government relations consultant. A  
 3-44 state agency or political subdivision shall submit one report under  
 3-45 this section not later than the 30th day after the date the contract  
 3-46 is executed and a second report not later than the 30th day after  
 3-47 the date the contract is terminated. The report must include:

3-48 (1) the name of the consultant or consulting firm;

3-49 (2) the issue on which the consultant was hired to  
 3-50 consult; and

3-51 (3) the amount of compensation paid or to be paid to  
 3-52 the consultant under the contract.

3-53 (b-1) A state agency or political subdivision contracting  
 3-54 with a federal-level government relations consultant before  
 3-55 September 1, 2009, shall, if the contract has not terminated before  
 3-56 that date, submit a report as required by Subsection (b) not later  
 3-57 than September 30, 2009. This subsection expires September 1,  
 3-58 2010.

3-59 (c) If a state agency contracts with a federal-level  
 3-60 government relations consultant and the consultant subcontracts  
 3-61 the work to another firm or individual, the state agency shall  
 3-62 report the subcontract to the office.

3-63 SECTION 7. The following provisions of the Government Code  
 3-64 are repealed:

3-65 (1) Subsections (b), (c), (d), (e), and (f), Section  
 3-66 751.006;

3-67 (2) Sections 751.007, 751.008, 751.010, and 751.011;

3-68 (3) Subsections (b), (e), and (f), Section 751.012;

3-69 and

4-1 (4) Sections 751.013, 751.014, and 751.024.  
4-2 SECTION 8. (a) The Office of State-Federal Relations is  
4-3 abolished as an independent agency and created as a program in the  
4-4 office of the governor. The Office of State-Federal Relations  
4-5 Advisory Policy Board is abolished.

4-6 (b) The validity of an action taken by the Office of  
4-7 State-Federal Relations before it is abolished under Subsection (a)  
4-8 of this section is not affected by the abolishment.

4-9 SECTION 9. On September 1, 2009:

4-10 (1) the director of the Office of State-Federal  
4-11 Relations becomes the executive director of the Office of  
4-12 State-Federal Relations in the office of the governor;

4-13 (2) an employee of the Office of State-Federal  
4-14 Relations becomes an employee of the Office of State-Federal  
4-15 Relations in the office of the governor;

4-16 (3) a reference in law to the Office of State-Federal  
4-17 Relations means the Office of State-Federal Relations in the office  
4-18 of the governor;

4-19 (4) all money, contracts, leases, rights, and  
4-20 obligations of the Office of State-Federal Relations are  
4-21 transferred to the Office of State-Federal Relations in the office  
4-22 of the governor;

4-23 (5) all property, including records, in the custody of  
4-24 the Office of State-Federal Relations becomes the property of the  
4-25 Office of State-Federal Relations in the office of the governor;  
4-26 and

4-27 (6) all funds appropriated by the legislature to the  
4-28 Office of State-Federal Relations are transferred to the Office of  
4-29 State-Federal Relations in the office of the governor.

4-30 SECTION 10. A function or activity performed by the Office  
4-31 of State-Federal Relations is transferred to the Office of  
4-32 State-Federal Relations in the office of the governor as provided  
4-33 by this Act.

4-34 SECTION 11. The Office of State-Federal Relations and the  
4-35 office of the governor shall establish a transition plan for the  
4-36 transfer described in Section 9 of this Act.

4-37 SECTION 12. This Act takes effect September 1, 2009.

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