

AN ACT

relating to gifts and other consideration made to state agencies for state employee salary supplement or other purposes and to publication by state agencies of staff compensation and related information.

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

SECTION 1. Subchapter B, Chapter 659, Government Code, is amended by adding Sections 659.0201 and 659.026 to read as follows:

Sec. 659.0201. GIFTS, GRANTS, AND DONATIONS FOR SALARY SUPPLEMENT; REPORTING. (a) In this section, "state agency" means a board, commission, department, institute, office, or other agency in the executive branch of state government that is created by the constitution or a statute of this state, including an institution of higher education as defined by Section 61.003, Education Code.

(b) A state agency that accepts a gift, grant, donation, or other consideration from a person that the person designates to be used as a salary supplement for an employee of the agency shall post on the agency's Internet website, in addition to the information required by Section 659.026, the amount of each gift, grant, donation, or other consideration provided by the person that is designated to be used as a salary supplement for an employee of the agency. The agency may not post the name of the person.

(c) A state agency described by Subsection (b) by rule shall

1 adopt conflict of interest provisions regarding the acceptance by
2 the agency of a gift, grant, donation, or other consideration to be
3 used as a salary supplement for an employee of the agency. The
4 governing board of an institution of higher education shall adopt
5 the conflict of interest provisions required by this subsection in
6 the same manner as the board adopts other policies applicable to the
7 institution. The agency shall post the conflict of interest
8 provisions on the agency's Internet website.

9 (d) If the person making a gift, grant, or donation or
10 providing other consideration to the state agency for the purpose
11 of a salary supplement is an entity created solely to provide
12 support for the state agency, the entity shall report to the agency:

13 (1) the name of each person who makes gifts, grants, or
14 donations, or provides other consideration to the entity, in an
15 amount or having a value that exceeds \$10,000, unless the person has
16 made a request to the entity to remain anonymous; and

17 (2) the amount or value of each specific gift, grant,
18 donation, or other consideration.

19 (e) A state agency that receives a gift, grant, donation, or
20 other consideration described by Subsection (d) shall compile the
21 information the agency receives under Subsection (d) into a report
22 and submit the report to the state auditor and the legislature.

23 (f) Information provided to an institution of higher
24 education under Subsection (d) is confidential and is not subject
25 to disclosure under Chapter 552.

26 (g) The state auditor may review the report submitted under
27 Subsection (e) to identify any conflicts of interest or any other

1 areas of risk. The state auditor shall report the results of an
2 audit performed under this section to the legislature.

3 (h) The state auditor shall adopt a schedule and format for
4 reporting information required by this section that does not
5 require the release of information that identifies an anonymous
6 donor.

7 (i) Each state agency receiving a gift, grant, donation, or
8 other consideration from a person that is designated to be used as a
9 salary supplement for a named person, position, or endowment shall
10 report the following information to the state auditor in the form
11 determined by the state auditor:

12 (1) whether the person making the gift, grant, or
13 donation or providing other consideration to the state agency is an
14 individual or an entity;

15 (2) if the person is an entity, the type of entity;

16 (3) if the entity is a nonprofit entity or
17 organization, whether the entity is classified as a supporting
18 organization by the Internal Revenue Service;

19 (4) if the entity is classified as a supporting
20 organization by the Internal Revenue Service, the type of
21 supporting organization, the name of the supported organization,
22 and any other information relating to that classification;

23 (5) any internal or external oversight procedures the
24 state agency has established to monitor the use of any gift, grant,
25 donation, or other consideration the agency receives; and

26 (6) how the state agency uses gifts, grants,
27 donations, and other consideration the agency receives, including

1 whether they are used to provide salary supplements for agency
2 employees.

3 (j) The state auditor shall compile the information
4 received under Subsection (i) into a report and submit the report to
5 the legislature.

6 Sec. 659.026. INFORMATION REGARDING STAFF COMPENSATION.

7 (a) In this section:

8 (1) "Compensation" includes an emolument provided in
9 lieu of base salary or wages or a supplement to base salary or
10 wages.

11 (2) "Executive staff" means:

12 (A) the director, executive director,
13 commissioner, administrator, or other individual who is appointed
14 by the governing body of a state agency or by another state officer
15 to act as the chief executive officer or administrative head of the
16 agency and who is not an appointed officer; and

17 (B) other management or senior level staff
18 members of a state agency who directly report to the individual
19 listed in Paragraph (A).

20 (3) "State agency" means a board, commission,
21 department, institute, office, or other agency in the executive
22 branch of state government that is created by the constitution or a
23 statute of this state, including an institution of higher education
24 as defined by Section 61.003, Education Code.

25 (b) A state agency shall make available to the public by
26 posting on the agency's Internet website:

27 (1) the number of full-time equivalent employees

1 employed by the agency;

2 (2) the amount of legislative appropriations to the
3 agency for each fiscal year of the current state fiscal biennium;

4 (3) the agency's methodology, including any employment
5 market analysis, for determining the compensation of executive
6 staff employed by the agency, along with the name and position of
7 the person who selected the methodology;

8 (4) whether executive staff are eligible for a salary
9 supplement;

10 (5) the market average for compensation of similar
11 executive staff in the private and public sectors;

12 (6) the average compensation paid to employees
13 employed by the agency who are not executive staff; and

14 (7) the percentage increase in compensation of
15 executive staff for each fiscal year of the five preceding fiscal
16 years and the percentage increase in legislative appropriations to
17 the agency each fiscal year of the five preceding fiscal years.

18 SECTION 2. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I certify that H.B. No. 12 was passed by the House on May 10, 2013, by the following vote: Yeas 140, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 12 on May 23, 2013, and requested the appointment of a conference committee to consider the differences between the two houses; that the House adopted the conference committee report on H.B. No. 12 on May 26, 2013, by the following vote: Yeas 143, Nays 0, 2 present, not voting; and that the House adopted H.C.R. No. 218 authorizing certain corrections in H.B. No. 12 on May 27, 2013, by the following vote: Yeas 144, Nays 0, 2 present, not voting.

Chief Clerk of the House

H.B. No. 12

I certify that H.B. No. 12 was passed by the Senate, with amendments, on May 21, 2013, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; that the Senate adopted the conference committee report on H.B. No. 12 on May 26, 2013, by the following vote: Yeas 31, Nays 0; and that the Senate adopted H.C.R. No. 218 authorizing certain corrections in H.B. No. 12 on May 27, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor