

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 25, 2013**

**TO:** Honorable David Dewhurst, Lieutenant Governor, Senate  
Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB12** by Flynn (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.), **Conference Committee Report**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Government Code, Chapter 659 to require a state agency to post information online regarding the amount of any gifts used as a salary supplement for an agency employee. The bill would require agencies to adopt rules relating to conflict of interest provisions on accepting gifts for salary supplements and to post those rules on agency websites. The bill would require agencies to compile information on gifts made by entities created solely for the support of a state agency and report it to the state auditor and the legislature.

The bill would require agencies to report information on whether a donor is an individual or an entity; what type of entity, including nonprofit status and classification by the Internal Revenue Service; and what oversight procedures the agency has established for the use of any gifts. The bill would require the state auditor to develop a schedule and form for the required information posting and to compile a report to the legislature on gift and donor information submitted by agencies. The bill would permit the state auditor to review agency reports to identify conflicts of interest or other risks related to entity gifts and report any audit results to the Legislature.

The bill would require agencies to post on agency websites information relating to staffing and salaries, including the number of employees employed by the agency, appropriations, compensation methodology for executive staff, and the average compensation of non-executive staff.

The bill takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If the bill does not receive the vote necessary for immediate effect, it takes effect September 1, 2013.

Multiple agencies including the Office of the Attorney General, the Office of the Governor, the Cancer Prevention and Research Institute, the Comptroller of Public Accounts, the Health and Human Services Commission, the Railroad Commission, the Department of Agriculture, the Texas Department of Insurance, the Texas Workforce Commission, and the State Auditor's Office anticipate any additional work resulting from the passage of the bill could be reasonably absorbed within current resources. For institutions of higher education, the Texas A&M University System

and the University of Texas System anticipate any additional work resulting from the passage of the bill could be reasonably absorbed within current resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 301 Office of the Governor, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 308 State Auditor's Office, 320 Texas Workforce Commission, 455 Railroad Commission, 529 Health and Human Services Commission, 542 Cancer Prevention and Research Institute of Texas, 551 Department of Agriculture, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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