

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 18, 2013

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Government Organization

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.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code, Chapter 659 to require a state agency to post information on online regarding the amount of supplement donated and the methodology, including market analysis, to determine amount of supplement donated. The bill would require agencies to adopt rules relating to conflict of interest provisions on accepting gifts for salary supplements and post those rules on agency websites.

The bill would require state agencies to report to the State Auditor information on whether a donor is an individual or entity; what type of entity, including nonprofit status and classification by the Internal Revenue Service. The bill would require the State Auditor's Office 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 prohibit institutions of higher education from accepting a gift to support a professorship or similar position if the terms require it to be used for a named individual. An institution employee would be prohibited from accepting payment directly if it is for compensation related to the employee's duties at the institution and it is not accounted for or subject to oversight by the institution.

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 changes made to requirements for institutions of higher education only apply to gifts accepted on or after the effective date of the bill. 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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