

SUBJECT: Regional planning council operations and oversight

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 8 ayes — Wolens, Brimer, Carter, Hunter, D. Jones, Longoria, McCall, Ramsay
0 nays
7 absent — S. Turner, Alvarado, Counts, Craddick, Danburg, Hilbert, Stiles

SENATE VOTE: On final passage, April 18 — voice vote

WITNESSES: For — Helen Walker, Golden Crescent Regional Planning Commission; Jim Ray, John Thompson, Texas Association of Regional Councils
Against — None

BACKGROUND : Chapter 391 of the Local Government Code authorizes establishment of regional planning councils, councils of governments, and other regional planning agencies. These regional entities operate under governor-issued guidelines regarding public review and comment procedures and may receive technical assistance from the governor and state agencies.

In the summer of 1996, questionable expenditures by certain councils of governments (COGs) were reported in the press, including expenditures in bars and topless dance clubs, travel expenses for spouses and inflated executive salaries. The House Appropriations Committee investigated COG spending and found accounting and spending policies to vary widely among the COGs and state oversight to be limited. For additional background, see House Appropriations Committee, *Interim Report to the 75th Legislature*, December 1996.

DIGEST: CSSB 1055 would require the governor to adopt rules relating to the operation and oversight of regional councils and to their receipt or expenditure of funds, including restrictions on general expenditures or maximum expenditures for certain expenses. The governor also would have to adopt annual reporting requirements, annual audit requirements, and rules

related to council performance and productivity.

The audit and reporting requirements would have to include a requirement that the regional council annually report to the governor the amount and source of funds received and expended and an explanation of any method used by the commission to compute an expense, including indirect costs. The annual report also would have to include a report of the regional council's actual and projected productivity and performance, the results of an independent audit, and a report of any disposed assets. An annual audit could be commissioned by the Governor's Office or the regional council, and the council would have to submit a copy of any audit report to the state auditor, the comptroller, and the Legislative Budget Board.

The council also would have to submit any other report required by the governor. If a regional council failed to submit a required report or audit, the governor could appoint a receiver to operate or oversee the regional council or withhold any appropriated funds.

A regional council could not expend funds for alcoholic beverages or entertainment and for travel in excess of the amount authorized for state personnel under the General Appropriations Act or travel regulations adopted by the comptroller. A council could purchase goods and services only in compliance with purchasing provisions under chpt. 252 of the Local Government Code. A council could not spend more than 15 percent of its total expenditures on indirect costs.

Regional council employees would be subject to the same rules regarding lobbying and other advocacy activities as state agency employees, and nepotism provisions of the Government Code would also apply.

A regional council would have to adopt a salary schedule containing classified and exempt positions, and classified positions could not exceed the classified salary schedule as adopted in the General Appropriations Act.

The bill would take effect September 1, 1997, and the governor would have to adopt rules by January 1, 1998. Initial audit and other reports would have to be submitted by September 1, 1998.

NOTES:

In the Senate-passed version, the governor's rulemaking authority would include fewer specified requirements; governing bodies of regional councils would be required to attend at least eight hours of training on various topics related to personnel, travel and procurement policies, and board operations; a council would be required to notify state agencies that provided funds to the council of an impending audit; state agencies would have to coordinate field audits; and prohibited council expenditures would be listed.