

SUBJECT: Actions of state agencies relating to executive officers

COMMITTEE: State Affairs— favorable, without amendment

VOTE: 11 ayes — Wolens, S. Turner, Alvarado, Counts, Craddick, Danburg, Hunter, D. Jones, Longoria, McCall, Ramsay

0 nays

4 absent — Brimer, Carter, Hilbert, Stiles

SENATE VOTE: On final passage, March 12 — voice vote

WITNESSES: None

DIGEST: SB 536 would require that certain actions involving governing boards and executive officers of state agencies occur in open meetings and be subject to public disclosure. It would apply to executive or administrative officers of state agencies who are not appointed officers and to chancellors or the highest-ranking executive officers of university systems and the presidents of public senior colleges and universities.

The executive head of a state agency could not be reassigned to another position in an agency or at another agency controlled by the same governing body unless the governing body voted to approve the reassignment in an open meeting.

State agencies would not be able to contract with: (1) the executive head of the state agency; (2) a person who at any time during the four years preceding the contract was the agency's executive head; (3) or a person who employed a current or former executive head of a state agency unless the governing body voted in an open meeting to approve the contract and notified the Legislative Budget Board within five days of the vote of the terms of the proposed contract.

The terms of the reassignment of an executive head of a state agency and the terms of a contract with a current or former executive head of a state agency would be subject to disclosure under the state's Public Information (Open Records) Law and could not be excepted from disclosure.

The following could not be withheld from public disclosure:

- records relating to the reassignment of an executive head of a state agency;
- the terms of a consulting contract with a current or former executive head of a state agency; and
- an agreement under which a state agency has paid or will pay or extend any compensation to an executive head of a state agency in conjunction with a settlement, compromise or other resolution of any difference between the state agency or governing body and the executive.

It would be a Class A misdemeanor (maximum penalty of one year in jail and a \$4,000 fine) to attempt to withhold this information from public disclosure.

SB 536 would take effect September 1, 1997.

**SUPPORTERS
SAY:**

SB 536 would make state government more accountable for settlement agreements given to state agency and university top administrators. This would address a problem of state agencies awarding fired executives lucrative settlement packages to avoid a lawsuit or controversy. In the past this type of "golden parachute" settlement has included severance pay, lucrative consulting contracts with the agency, or reassignment to another position within the agency. Governing boards of state agencies should be held accountable for such expenditures because they involve taxpayer dollars.

SB 536 would not prohibit governing boards from taking any actions. It would simply require that the public know about these actions by requiring them to occur in open meetings and be public information.

**OPPONENTS
SAY:**

Requiring certain decisions to be made in open meetings and subject to public disclosure could possibly reduce the flexibility of governing bodies to

manage agency affairs in some situations.