



Sunset Advisory Commission

Sunset: New Horizons for Accountability

Texas State Agency Business Administrators' Association

January 19, 2024

What is Sunset?

- Sunset is a process that automatically abolishes a state agency at a fixed date unless the Texas Legislature passes a bill to continue the agency.
- The Sunset Commission is the legislative body that evaluates the continuing need for state agencies and recommends to the full Legislature whether the agency should be continued or abolished.
- The Sunset Commission evaluates the state agencies in a structured, focused, and regularly scheduled way, looking at their efficiency, effectiveness, fairness, and accountability in delivering services and programs for Texans.
- This process creates a strong incentive to assess the need for an agency and its performance and make changes to streamline and improve state government.

Why Does Texas Have Sunset?

- Accountability and transparency.** Governments need to be accountable and transparent to citizens.
- Turbulent 1970s, with budget and trade deficits, rising inflation and unemployment, OPEC energy crisis, Vietnam War, national Watergate political scandal; a major stock fraud scandal in Texas.
 - Public concerns with government growth and spending, and the need for more legislative control of state agencies and programs.
 - In response, the Texas Legislature created the Sunset Advisory Commission in 1977 to hold agencies accountable, limit government growth, and improve government programs and services.
 - Texas was the second state to create a Sunset process. Today, 36 states have some form of sunset process for occupational licensing laws.

Sunset Advisory Commission

12 Members

6 appointed by the
Lieutenant Governor



5 Senators

1 Public Member

6 appointed by the
Speaker of the House



5 Representatives

1 Public Member

4-year terms

2-year terms

Chair and Vice Chair rotate between
the Senate and House each biennium.

30-member staff supports the Sunset Commission.

Sunset Commission Members

2023-25 Review Cycle

House Members

Justin Holland, Chair

Keith Bell

Terry Canales

Travis Clardy

Matt Shaheen

Jeff Austin III, Public Member

Senate Members

To be appointed, Vice Chair

Angela Paxton

Charles Schwertner, M.D.

Drew Springer, Jr.

To be appointed

To be appointed, Public Member

Eric Beverly, Executive Director

Agencies Under Sunset Review

- 131 agencies are under Sunset review through 2035.
 - Most are executive branch agencies.
 - Universities and courts are exempt.
- The Texas Legislature meets every two years and sets the Sunset review schedule.
- Most agencies are reviewed every 12 years, with an average of 22 agencies under review in between legislative sessions.

Sunset Review Process

Phase 1: Sunset staff evaluation and staff report

- Agency submits self-evaluation reports to the Sunset Commission.
- Sunset staff performs extensive research and analysis on the need for, performance of, and improvements to the agency.
- Sunset staff publishes report on the agency with findings and recommendations to the Sunset Commission.
- Public input is confidential *before* the staff report is published.

Phase 2: Sunset Commission public meetings

- The Sunset Commission holds a public hearing on the staff report, followed a month later by a decision meeting on recommendations to the Legislature.
- Public input is not confidential *after* the staff report is published.

Phase 3: Legislative action

- The Texas Legislature introduces a Sunset bill.
- The public may participate as usual during the legislative session.

2024-25 Current Review Cycle

September 2023

- Agencies' self-evaluation reports are posted on the Sunset Commission's website.

October 2023-January 2025

- Sunset staff conducts reviews and publishes reports online.
- The Sunset Advisory Commission holds public hearings and decision meetings.
- The public can submit comments and subscribe to email alerts on staff reports and public meetings at www.sunset.gov.

January-June 2025

- The Texas Legislature considers Sunset bills for each agency under review.

2024-25 Current Review Cycle (Cont.)

- Texas Department of Criminal Justice
 - Correctional Managed Health Care Committee
 - Board of Pardons and Paroles
 - Windham School District
- Texas Ethics Commission
- Department of Information Resources
- Texas Lottery Commission
- Texas Real Estate Commission*
- River Authorities
 - Angelina and Neches River Authority
 - Lower Neches Valley Authority
 - Sabine River Authority of Texas
 - Trinity River Authority of Texas

* Special purpose review

2026-27 Review Cycle: On the Horizon

- State Office of Administrative Hearings
- Texas Civil Commitment Office
- Texas Council for Developmental Disabilities
- Governor's Committee on People with Disabilities
- Department of Family and Protective Services
- Health and Human Services Commission
 - Statewide Interagency Aging Coordinating Council
- Department of State Health Services
 - Texas Maternal Mortality and Morbidity Review Committee
- Public Health Funding and Policy Committee
- Texas Health Services Authority
- Texas Juvenile Justice Department
 - Office of the Independent Ombudsman
- Texas State Soil and Water Conservation Board
- State Board of Veterinary Medical Examiners
- Texas Workforce Commission
 - State Use Program (WorksWonders)
 - Texas Workforce Investment Council

2028-29 Review Cycle: On the Horizon

- Texas Commission on the Arts
- State Bar of Texas
- Board of Law Examiners
- Task Force of Boarder Health Officials
- Texas Cancer Prevention and Research Institute of Texas
- Texas Education Agency
- Expanded Learning Opportunities Council
- Commission on State Emergency Communications
- State Employee Charitable Campaign Policy Committee
- Employees Retirement System of Texas
- Texas Facilities Commission
- Texas Higher Education Coordinating Board
- Texas Department of Housing and Community Affairs
- Texas State Affordable Housing Corporation
- Office of Injured Employee Counsel
- Texas Department of Insurance
 - Joint Underwriting and Advisory Organizations
- Division of Workers' Compensation
- Judicial Branch Certification Commission
- State Commission on Judicial Conduct
- State Pension Review Board
- State Preservation Board
- Texas Public Finance Authority
- Public Utility Commission of Texas
 - Electric Reliability Council of Texas
- Office of Public Utility Counsel
- Texas Racing Commission
- Railroad Commission of Texas
- River Authorities
 - Sulphur River Basin Authority
 - Upper Colorado River Authority
- Texas Department of Transportation

Types of Sunset Dates in Law

Subject to abolishment

SUNSET PROVISION. (a) The Department of Information Resources is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, **the department is abolished and this chapter expires September 1, 2025.** (Sec. 2054.005, Texas Government Code)

Subject to review, but not abolishment

SUNSET PROVISION. The (Texas Ethics) commission is subject to review under Chapter 325 (Texas Sunset Act) but **is not abolished under that chapter.** The commission shall be reviewed during the periods in which state agencies abolished in 2013 and every 12th year after that year are reviewed. (Sec. 571.022, Texas Government Code)

Limited or special purpose reviews

... the Sunset Advisory Commission shall conduct **a special-purpose review** of the Texas Real Estate Commission for the 89th Legislature ... **staff evaluation and report must be limited to reviewing the disclosures required by law to be made by a seller of real property in this state and the forms developed by the Texas Real Estate Commission to provide the required disclosures ...** the commission's recommendations to the 89th Legislature may include any recommendation the commission considers appropriate based on the special-purpose review. (Section 5.01, SB 1659, 88th Legislature, Regular Session 2023)

Why Would Sunset Abolish an Agency?

- If the agency's goals have been achieved
- If the problem the agency was intended to address no longer exists
- If the agency's function could be performed with less restrictive or alternative methods
- If the agency's responsibilities overlap with or duplicate those of other agencies

Sunset Review Standards

- Texas Sunset Act criteria (Texas Government Code, Chapter 325).
- Across-the-board “good government” provisions applied to almost all agencies.
- Model standards for licensing and regulatory agencies.
- Industry-specific best practices.

Sunset Act Criteria

Sunset staff uses specific criteria set by the Legislature to evaluate an agency's programs and functions during the Sunset review process. The following questions summarize all of the review criteria, which are located in §325.011, §325.0115, and §325.0124 of the Government Code.

Questions for All Agencies

1. How efficiently and effectively do your agency and its advisory committees operate?
2. How successful has your agency been in achieving its mission, goals, and objectives?
3. Does your agency perform any duties that are not statutorily authorized? If so, what is the authority for those activities and are they necessary?
4. What authority does your agency have related to fees, inspections, enforcement, and penalties?
5. In what ways could your agency's functions and operations be less burdensome or restrictive and still adequately protect and serve the public?
6. How much do your agency's programs and jurisdiction duplicate those of other agencies and how well does your agency coordinate with those agencies?

Sunset Act Criteria (Cont.)

Questions for All Agencies (Cont.)

7. Does your agency promptly and effectively address complaints?
8. To what extent does your agency encourage and use public participation when making rules and decisions?
9. How has your agency complied with state and federal requirements regarding equal employment opportunity, the rights and privacy of individuals, and purchasing guidelines for historically underutilized businesses?
10. How effectively does your agency enforce rules on potential conflicts of interest of its employees?
11. How effectively and efficiently does your agency comply with the Public Information Act and the Open Meetings Act?
12. Would abolishing your agency cause federal government intervention or loss of federal funds?
13. Do your agency's statutory reporting requirements effectively fulfill a useful purpose?
14. Does your agency comply with cybersecurity best practices?
15. Does your agency sell personal data? If so, what is the purpose, nature, and underlying statutory authority of the sale of that data?

Sunset Act Criteria (Cont.)

Questions for Occupational Licensing Agencies

1. Does your agency's occupational licensing program serve a meaningful public interest and provide the least restrictive form of regulation needed to protect the public interest?
2. Could your program's regulatory objective be achieved through market forces, private certification and accreditation programs, or enforcement of other law?
3. Are the skill and training requirements for a license consistent with a public interest, or do they impede applicants, particularly those with moderate or low incomes, from entering the occupation?
4. What is the impact of the regulation on competition, consumer choice, and the cost of services?
5. Does your agency provide sufficient information on its website to enable the public to locate and verify licensed service providers and to file a complaint?

New Horizons for Accountability

accountability **noun**

: the quality or state of being [accountable](#)

especially : an obligation or willingness to accept responsibility or to account for one's actions

| public officials lacking *accountability*

New Horizons for Accountability

- **Data Governance**
- **Risk-based Regulation**
- **Cybersecurity**

Data Governance

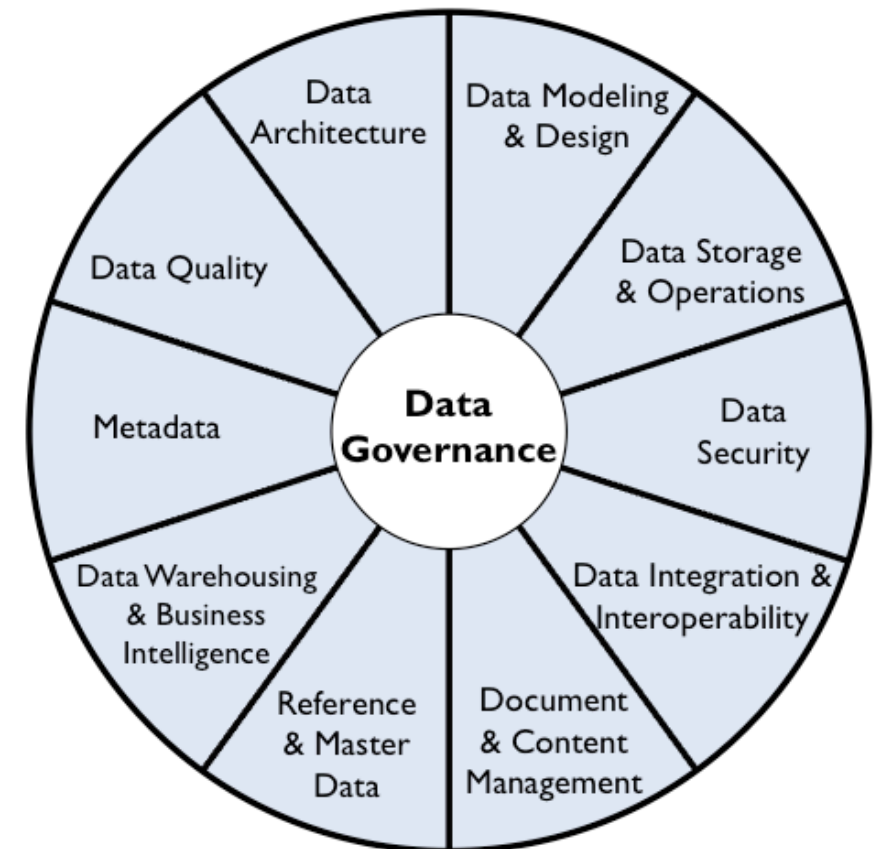
When Sunset reviews agencies, we routinely find issues relating to data governance.

A data governance framework is a set of standards, guidelines, protocols, processes, and rules that enable organizations to effectively manage their data.

Agencies with more than 150 FTEs are required to:

- designate a data management officer; and
- post three high-value data sets to DIR's open data portal.

Sunset now has a data officer who will help us to assess agency data governance and incorporate best practices into our recommendations.



Data Governance: TDLR Licensing Division Example

- Governing Board and Executive concern about license processing timeframes
- Evaluated existing tools used to track license application processing
- Developed new tools in response to identified weaknesses
- Had ongoing conversation with IT division to get access to unfiltered data

Risk-based Regulation

- Sunset's experience with inspections has led to best practices that should exist or be considered in a licensing or regulatory agency's inspection procedures.
- The agency should have clear policies defining the records, inventories, and facilities subject to inspection.
 - Policies keep agency inspectors and regulated entities/individuals focused on priority areas of operation.
 - Policies discourage arbitrary and potentially unfair variation in subjects of inspection.
- Requiring the agency to develop specific risk-factors and a risk assessment plan for how it will use risk information.
- Agency should have flexibility to add or change factors based on the particular occupation or activity being regulated, but certain factors like compliant history, complaints, serious incidents should be considered.

Risk-based Regulation: TDLR Field Inspections Division Example

- Assessed available data
- Prioritized improved data quality
- Developed a proof-of-concept application
 - Replaced paper-driven field processes
 - Allowed data entered once to be used across documents
- Developed data dashboards in house
 - Improved data entry practices (legacy databases)
 - Strengthened management review processes and increased workload visibility

Sunset Advisory Commission

June 2020

ISSUE 6

TDLR Lacks a Data-Driven, Risk-Based Strategy to Guide Key Regulatory Functions and Maximize Efficiency.

Sunset Staff Recommendations

Change in Statute

6.1 Require TDLR to establish a risk-based approach to inspections.

Cybersecurity

- Sunset typically reviews agencies on a 12-year cycle while cyberthreats emerge and change daily
- All state agencies are required to designate an information security officer (ISO)
- The Texas Department of Information Resources provides a variety of resources to state agencies designed to help you improve your cyber posture

Cybersecurity Resources for State Agencies

DIR OCISO Services	Available to State Agency
Information Security Forum	✓
Webinars (Topical/Educational)	✓
Website Resources and Templates	✓
Texas Information Sharing and Analysis Organization	✓
Network Penetration Tests	✓
Web or Mobile Application Penetration Tests	✓
TCF Security Assessments	✓
InfoSec Academy Security Cert Prep Courses	✓
InfoSec Academy Secure Developer Training	✓
End User Awareness Training and Phishing Simulation	✓
Endpoint Detection and Response (EDR)	✓

Cybersecurity Resources for State Agencies (Cont.)

DIR OCISO Services	Available to State Agency
Multi-Factor Authentication (internal only)	✓
Multi-Factor Authentication (for organizational constituents)	*
Research and Advisory Services	✓
SPECTRIM Access	✓
Incident Response Assistance from OCISO	*
Mandatory Cybersecurity Program	
Training Program Certification	✓
Published List of Certified Programs	*

✓ Service available at no cost

* Service may be available; possible cost to agency

Sunset by the Numbers

- **Streamlining state government.**
 - 42 agencies and programs abolished since Sunset's inception in 1977.
 - 53 agencies and programs consolidated since 1977.
- **Saving taxpayer money.**
 - \$1 billion in state and federal savings and revenue gains since 1985, when Sunset began tracking.
 - Return of \$16 for every \$1 appropriated to Sunset since 1985.
- **Improving state agencies and laws.**
 - 591 reviews of state agencies and programs since 1977.
 - 80% of the Sunset Commission's statutory recommendations have passed the Legislature since 2001.
 - Major reforms in every area of government.

Sunset's Results in 2023

- The Sunset Commission reviewed 21 agencies for the 2023 legislative session. The Legislature passed 95 percent of Sunset's funding and statutory recommendations.
- The commission also adopted 85 management directives to improve agency operations.
- Changes made through the Sunset process in 2023 will improve state government by:
 - Abolishing unnecessary state agencies and programs, lowering state expenditures, and modernizing outdated state laws.
 - Reducing state regulation of businesses and occupations, while continuing to protect the public and providing a more equitable path to working in Texas.
 - Eliminating duplication among state agencies and programs, increasing public participation and government accountability, and improving the quality, consistency, and efficiency of state government services.

Learn More About Sunset

www.sunset.texas.gov

- *Sunset in Texas*: downloadable PDF with the Texas Sunset Act, 12-year review schedule, review criteria, and more.
- Separate web pages with reports and staff contact for each agency under review.
- Sunset Commission members, staff, and meeting agendas.
- Past Sunset reviews, reports, and results.
- Sign up for Sunset e-mail lists.

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Questions?