



# Sunset Advisory Commission

## Effectiveness and Efficiency in State Government

Texas Water Conservation Association

June 16, 2022

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# Agenda

- Why, How, and What
- Overview of Sunset Process
- Review Standards and Considerations
- Sunset's Impact
- Overview of Sunset Staff Report on Texas Water Development Board

# Why Does Texas Have Sunset?

- Turbulent 1970s, with budget and trade deficits, rising inflation and unemployment, energy crisis, Vietnam War, Watergate political scandal, and a major stock fraud scandal in Texas.
- Public concerns with government, 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 and is now one of 36 states to have some form of sunset.

## How Does Sunset Work?

- Sunset is an effective oversight tool the Legislature uses to regularly evaluate state government in a structured and focused way.
- Sunset evaluates the need for state agencies, and their efficiency, effectiveness, fairness, and accountability in delivering services and programs for Texans.
- Sunset works by automatically abolishing an agency unless the Legislature passes a bill to continue it.
- Review objectives based on criteria outlined in the Sunset Act (Ch. 325 of Texas Government Code).

# Agencies Under Sunset Review

- 129 agencies under Sunset review through 2033.
  - A few agencies are reviewed but cannot be abolished.
  - Some are special purpose or limited reviews.
  - Mostly executive branch agencies (universities and courts are exempt).
- The Legislature sets the Sunset review schedule.
- Most agencies are reviewed every 12 years, with an average of 22 agencies under review in between legislative sessions.
- Some agencies with similar or related functions are reviewed in the same Sunset report.

# 2022–2023 Review Cycle

- Anatomical Board of the State of Texas
- Economic Development and Tourism Office, Texas
- Environmental Quality, Texas Commission on
  - Low-Level Radioactive Waste Disposal Compact Commission, Texas
- Juvenile Justice Department, Texas
  - Independent Ombudsman for the Juvenile Justice Department, Office of
- Law Enforcement, Texas Commission on\*
- Public Utility Commission of Texas
  - Electric Reliability Council of Texas
  - Public Utility Counsel, Office of
- Soil and Water Conservation Board, Texas State
  - Invasive Species Coordinating Committee, Texas
- State-Federal Relations, Office of
- Veterinary Medical Examiners, State Board of\*
- Water Development Board, Texas
  - Water Implementation Fund of Texas, State
- River Authorities
  - Bandera County River Authority and Groundwater District
  - Lavaca-Navidad River Authority
  - San Antonio River Authority
  - San Jacinto River Authority
  - Upper Guadalupe River Authority

\* Limited scope review

# Sunset Advisory Commission

## 12 Members

6 appointed by the  
Lieutenant Governor



5 Senators

1 Public Member

*4-year terms*

*2-year terms*

6 appointed by the  
Speaker of the House



5 Representatives

1 Public Member

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

25-member staff supports the Sunset Commission.

# Sunset Commission Members

## 2022-2023 Review Cycle

### Senate Members

Charles Schwertner, M.D., Chair

Nathan Johnson

Angela Paxton

Charles Perry

Drew Springer, Jr.

James "Jim" Lee, Public Member

### House Members

Justin Holland, Vice Chair

Keith Bell

Terry Canales

Travis Clardy

Craig Goldman

Jeff Austin III, Public Member

Jennifer Jones, Executive Director

# Sunset Review Process

## Phase 1: Sunset staff evaluation and staff report

- Agency submits self-evaluation reports to the Sunset Commission.
- Sunset staff performs 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. **(TCEQ review currently is here)**
- 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. **(TWDB review currently is here)**
- Public input is not confidential *after* the staff report is published.

## Phase 3: Legislative action

- The Legislature introduces a Sunset bill, which usually must pass for the agency to be continued.

# Sunset Review Schedule

## **September 2021**

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

## **October 2021 – January 2023**

- Staff conducts reviews and publishes reports online.
- Sunset Commission holds public hearings and decision meetings.
- Public can submit comments and subscribe to email alerts on staff reports and public meetings at [www.sunset.gov](http://www.sunset.gov).

## **January – June 2023**

- Legislature considers Sunset bills for each agency under review.

# Sunset Review Standards

- Texas Sunset Act criteria (Texas Government Code, Section 325.011).
- Across-the-board “good government” provisions applied to almost all agencies.
- Model standards for licensing and regulatory agencies.
- Industry-specific best practices.
- Not ‘one size fits all’ and tailored to each agency.

# Sunset's Impact Since 1977

- **Streamlining state government.**
  - 42 agencies and programs abolished.
  - 52 agencies and programs abolished and transferred or consolidated.
- **Saving taxpayer money.**
  - \$1 billion in state and federal savings and revenue gains.
  - Return of \$18 for every \$1 appropriated to Sunset since 1985.
- **Improving state agencies and laws.**
  - 570 reviews of state agencies and programs.
  - 80% of the Sunset Commission's recommendations become law.
  - Major reforms in every area of government.

# Sunset's Results in 2021

- Sunset recommended 229 statutory and management changes for 19 agencies for the 2021 legislative session.
- The Legislature adopted 78 percent of Sunset's 115 statutory recommendations and made further changes to improve state government:
  - Eliminating 31 license types across 18 regulatory programs, reducing unnecessary regulatory burdens for nearly 140,000 licensees across Texas.
  - Making regulatory complaint processes easier for the public to use and more objective, and ensuring state agencies' inspections and enforcement actions are transparent, consistent, and focused on activities with the greatest public risk.
  - Expanding opportunities for public participation and input in agencies' policies, planning processes, and operations.
  - Streamlining and strengthening agencies' fiscal policies, reporting requirements, audits, tracking and use of data, fair contracting processes, and risk-based decision making and resource allocation.



**Sunset Advisory Commission**  
**Overview of Texas Water**  
**Development Board staff report**

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## HOW TO READ SUNSET REPORTS

For each agency that undergoes a Sunset review, the Sunset Advisory Commission publishes three versions of its staff report on the agency. These three versions of the staff report result from the three stages of the Sunset process, explained in more detail at [sunset.texas.gov/how-sunset-works](https://sunset.texas.gov/how-sunset-works). The current version of the Sunset staff report on this agency is noted below and can be found on the Sunset website at [sunset.texas.gov](https://sunset.texas.gov).

### **CURRENT VERSION: Sunset Staff Report**

The first version of the report, the Sunset Staff Report, contains Sunset staff's recommendations to the Sunset Commission on the need for, performance of, and improvements to the agency under review.

### **Sunset Staff Report with Commission Decisions**

The second version of the report, the Sunset Staff Report with Commission Decisions, contains the original staff report as well as the commission's decisions on which statutory recommendations to propose to the Legislature and which management recommendations the agency should implement.

### **Sunset Staff Report with Final Results**

The third and final version of the report, the Sunset Staff Report with Final Results, contains the original staff report, the Sunset Commission's decisions, and the Legislature's final actions on the proposed statutory recommendations.

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## Key Facts About TWDB

- Provides financial assistance in the form of loans and grants through federal and state programs.
- Administers the regional water supply and flood planning processes, and prepares the state water plan and state flood plan.
- Studies groundwater and surface water resources, and collects, analyzes, and publishes water-related data.
- TWDB operates on about a \$46.3 million budget and employed 359 staff in FY21.
- Committed nearly \$1.8 billion to 168 entities for 253 projects in FY21.

# Overview of Sunset Staff Report on TWDB

- **Issue 1:** TWDB's Inefficient Review Process Contributes to Project Delays and Increased Costs.
- **Issue 2:** A More Strategic, Comprehensive Evaluation of Programs and Outreach Efforts Would Benefit TWDB and Entities Eligible for Financial Assistance.
- **Issue 3:** TWDB's Outdated Statute and Policies Should Be Updated to Eliminate an Unnecessary Advisory Committee and Reflect Some Standard Elements of Sunset Reviews.

# Issue I: Project Review Process

## Key Findings

- TWDB lacks performance metrics and goals necessary to effectively manage and oversee its project review process.
- Statute does not authorize a risk-based approach to project review for better resource allocation and elimination of delays.
- Outdated and unnecessary policies and procedures contribute to inefficiencies that negatively impact customers.

## Key Recommendations

- Require TWDB to develop, collect, and analyze performance metrics and establish goals for evaluating its project review process. *(Statutory)*
- Authorize TWDB to implement a risk-based approach to project review. *(Statutory)*
- Direct TWDB to develop a plan to prioritize improving its project review process to eliminate inefficiencies and inconsistencies. *(Management)*

## Issue 2: Outreach

### Key Findings

- TWDB does not collect and use data and other information needed to improve, update, and adjust its financial assistance programs.
- TWDB's outreach efforts lack a strategic, coordinated approach to best allocate resources and meet customers' expectations.

### Key Recommendations

- Direct TWDB to collect and analyze information about its financial assistance applicants and outreach efforts to better inform and more effectively target agency activities. *(Management)*
- Direct TWDB to develop a coordinated outreach plan to more efficiently promote agency programs, improve operations, and ensure its outreach efforts meet entities' needs and expectations. *(Management)*

## Issue 3: Standard Review Elements

### Key Findings

- TWDB's policies defining the board's role are outdated and lack information necessary to promote clear lines of responsibility and accountability.
- TWDB does not comply with the statutory requirement to review its administrative rules every four years.
- The SWIFT Advisory Committee provided valuable oversight initially but is no longer needed.

### Key Recommendations

- Direct TWDB to update its policy regarding the separation of duties of board members from those of staff. *(Management)*
- Direct TWDB to adopt a rule review plan. *(Management)*
- Abolish the SWIFT Advisory Committee. *(Statutory)*

# Contact Us

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