

SUNSET ADVISORY COMMISSION

Sunset in Texas

JANUARY 2012

What is Sunset?

Sunset is the regular assessment of the continuing need for a state agency to exist. While standard legislative oversight is concerned with agency compliance with legislative policies, Sunset asks a more basic question: "Do the agency's functions continue to be needed? The Sunset process works by setting a date on which an agency will be abolished unless legislation is passed to continue its functions. This creates a unique opportunity for the Legislature to look closely at each agency and make fundamental changes to an agency's mission or operations if needed.

The Sunset process is guided by a 12-member body appointed by the Lieutenant Governor and the Speaker of the House of Representatives. Assisting the Commission is a staff whose reports provide an assessment of an agency's programs, giving the Legislature the information needed to draw conclusions about program necessity and workability.

For additional information on the Sunset process, please review the document Sunset in Texas.

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Frequently Asked Questions (FAQ)

The Texas Legislature created the Sunset Advisory Commission in 1977 to identify and eliminate waste, duplication, and inefficiency in government agencies. The 12-member Commission reviews the policies and programs of more than 150 state agencies and questions the need for each agency; looks for duplication of other public services or programs; and considers changes to improve each agency's operations and activities. The Commission seeks public input through hearings on every agency under Sunset review and recommends actions on each agency to the full Legislature. In most cases, agencies under Sunset review are automatically abolished unless legislation is enacted to continue them.

What Law Created and Governs the Sunset Advisory Commission?

The Texas Sunset Act can be found at Section 325.001 of the Texas Government Code.

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How is an Agency Scheduled for Review Under Sunset?

About 150 state agencies are subject to the Texas Sunset Act. The Sunset Act, which became effective in August 1977, specifies each agency's review date. Agencies under Sunset typically undergo review once every twelve years. Certain agencies, such as universities and courts, are not subject to the Sunset Act. Some constitutionally created agencies, such as the Board of Pardons and Paroles and the Board of Trustees of the Teacher Retirement System of Texas, are subject to Sunset review but not abolishment.

Generally, the Legislature groups and schedules agencies for review by function to allow the examination of all major state policies related to a particular function at once, such as health and human services, natural resources, and financial regulation. About 20 to 30 agencies go through the Sunset process each legislative session. The Legislature may change the review schedule to enable a close look at certain agencies. By using the Sunset process to examine agencies that are of special legislative interest, the Legislature further strengthens the accountability of state agencies.

How are Agencies Reviewed?

<u>Staff</u> of the Sunset Commission work extensively with each agency under review to evaluate the need for the agency, propose needed statutory or management changes, and develop legislation necessary to implement any proposed changes. Sunset staff uses specific standards set by the Legislature to evaluate each of the programs and functions of a state agency placed under Sunset review. These standards are located at <u>§325.011</u> of the Government Code. The staff review of an agency typically takes from three to eight months depending on the size and complexity of the agency. Sunset staff gathers information from a broad range of sources. As a part of the review process, each agency submits a <u>Self-Evaluation Report (SER)</u> to the Sunset Commission. The SER identifies problems, opportunities, and issues that the agency feels should be considered in the Sunset review. Sunset staff also solicits <u>input</u> from interest groups and professional organizations and encourages public input and discussion of agency functions. Once the evaluation phase of the review is completed, Sunset staff publishes a <u>report</u> containing statutory and management recommendations.

The Sunset Commission conducts a <u>public hearing</u> on each agency under review after publication of the <u>staff report</u>. The public hearing provides an opportunity for Sunset staff to discuss its recommendations, for the agency to formally respond to the staff recommendations, and for the public to comment on the report and agency operations and policies. This allows for broad public input into the Sunset process and begins the Commission's consideration of potential changes to recommend to the Legislature in the form of Sunset legislation. All information presented to the Commission at the public hearing, whether submitted orally or in writing, is reviewed and compiled. The Commission meets to review the input received and to make decisions on whether to abolish an agency or continue it with changes.

Persons interested in being placed on Sunset's mailing list and receiving the review schedule, meeting schedule, meeting agendas, staff reports, or decision materials should contact the Sunset Commission staff.

What Changes Can Be Made Through Sunset??

The Commission's report on an agency must include a recommendation to abolish or continue the agency and may

also contain recommendations. If the Commission recommends continuation of an agency, the Commission must provide draft legislation to the Legislature to continue for up to 12 years, and correct other problems identified during the Sunset review. Although not required by law, the Commission's legislative members traditionally introduce and carry Sunset legislation.

The Sunset Commission has also developed a set of standard recommendations that are applied to agencies. These Across-the-Board recommendations (ATBs) reflect an effort by the Legislature to place policy directives on agencies to prevent problems from occurring, instead of reacting to problems after the fact. The Commission's ATBs are an outgrowth of review standards contained in the Sunset Act and are designed to ensure open, responsive, and effective government. Examples of ATBs include increasing public representation on the agency's policy board, improving responsiveness to complaints filed by the public, and implementing a standard approach to equal employment opportunity.

An agency is automatically abolished unless the Legislature passes legislation to continue the agency. If an agency is abolished, the Sunset Act provides for a one-year wind-down period to conclude its operations. The agency retains full authority and responsibility until the end of that year, when all property and records are transferred to an appropriate state agency.

How Does Sunset Coordinate with Other Oversight Agencies?

The Sunset Commission is one of several agencies charged with monitoring state agency performance. These other oversight agencies include the <u>State Auditor</u>, <u>Legislative Budget Board</u>, <u>Governor's Office of Budget and Planning</u>, and <u>Legislative Committees</u>. Sunset regularly coordinates with these agencies to reduce the possibility of duplication of effort and to assist in identifying issues that may be addressed by Sunset or another agency.

How Many Agencies Have Been Abolished Since the Beginning of Sunset?

The Sunset process has streamlined and changed state government. Since Sunset's inception in 1978, 58 agencies have been abolished and another 12 agencies have been consolidated. In addition, even as the scope of reviews has expanded, the Legislature has approved a large majority of the recommendations of the Sunset Commission. The most significant changes resulting from Sunset reviews are summarized in the document <u>Sunset in Texas</u>.

Has Sunset Saved the State Any Money?

The fiscal impact of Sunset recommendations over time can be estimated through fiscal note data. Estimates from reviews conducted between 1982 and 2009 indicate a potential 27-year revenue savings of approximately \$783.7 million, compared with expenditures of \$28.6 million for the Sunset Commission. Based on these estimates, for every dollar spent on the Sunset process, the State has received \$27 in return.

How Can | Get More Information About Sunset?

If you would like more detailed information you may download a copy of the document <u>Sunset in Texas</u> (.pdf) here. Please be sure that you have installed the <u>Adobe Acrobat Reader</u> on your computer. If you prefer a hard copy, please call (512) 463-1300 or write to <u>sunset@sunset.state.tx.us</u> to request a copy. <u>Sunset in Texas</u> provides lists of all agencies that have undergone Sunset review, the results of those reviews, dates of future reviews as well as specific information on how certain agencies were affected by their Sunset legislation.

For information on how to participate in the Sunset process, including information on accessibility for the disabled, please read <u>How to Participate in the Sunset Process</u>.

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