

# SUNSET ADVISORY COMMISSION



*Final Results of Sunset Reviews*  
**2018–2019**

**2018–2019**  
**86TH LEGISLATURE**

# SUNSET ADVISORY COMMISSION

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**FINAL RESULTS OF SUNSET REVIEWS  
2018-2019**

**JUNE 2019**



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## **SUMMARY**





# SUMMARY

Over the last two years, Sunset had a very busy and successful review cycle, evaluating a diverse group of 32 entities, including the Texas Alcoholic Beverage Commission (TABC), Department of Public Safety (DPS), Texas Department of Motor Vehicles (TxDMV), and four river authorities, including the Lower Colorado River Authority. The cycle also included reviews of several boards that license and regulate occupations in Texas, including accountants, plumbers, land surveyors, geoscientists, realtors, and appraisers.

Ultimately, the 86th Legislature adopted the vast majority of changes recommended by the Sunset Commission, passing 25 Sunset bills, which contained 92 percent of the commission's statutory recommendations to the Legislature. Together, these 254 statutory changes and the commission's 223 management directives to the entities will streamline and improve state government while enhancing services to the citizens of Texas. Notable improvements include abolishing and transferring or consolidating five agencies, eliminating more than 20 unnecessary licensing barriers, and strengthening agencies' oversight and accountability. However, while expected to save money over time, consolidating or transferring agencies usually requires some upfront investments for technology and other infrastructure. Also, deregulation, such as eliminating 68 unneeded registrations, permits, and licenses, usually means a loss in state revenue since the state will no longer collect certain regulatory fees. As a result, the adopted Sunset statutory changes and management directives will result in an estimated negative fiscal impact to the state of about \$4.6 million over the next two fiscal years.

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*The 86th Legislature enacted 92 percent of the Sunset Commission's statutory recommendations to streamline and improve state government.*

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This report summarizes the actions taken by the Sunset Commission and the 86th Legislature on each of the 32 entities reviewed this biennium. The individual agency sections in this report list both statutory changes and management directives adopted for implementation by each entity. The table on Page 3, *Sunset Legislation — 86th Legislature*, lists the Sunset bill number, authors, fiscal impact, and final action taken on each of the entities reviewed.

Major changes adopted through the Sunset process this biennium are highlighted below.

- **TABC.** After a management scandal and subsequent departure of key executive staff and commission members, the Sunset review of TABC came at an opportune time for the Legislature to focus on more significant challenges in administering the state's complex alcohol laws. With an Alcoholic Beverage Code in serious need of modernization, the TABC Sunset bill took a holistic approach to regulating the alcohol industry and made some of the most significant changes to the law since the end of Prohibition, including streamlining the licensing structure and combining beer and ale into a single regulatory category. The changes made through

the Sunset process will strengthen the commission's ability to regulate the industry and oversee the agency, dramatically streamline the licensing structure to improve efficiency, and eliminate many antiquated and duplicative regulations.

- **DPS.** While DPS rightfully prioritizes its police work and performs these duties well, the Sunset Commission and Legislature found it has not effectively administered some of its other important, non-law enforcement programs and duties. DPS' driver license program — much criticized for long wait times and poor customer service — has continually struggled to meet the expectations of the millions of Texans that rely on its services. While moving the program to TxDMV was strongly considered, transferring such a large, complex program requires more extensive and careful analysis. The DPS Sunset bill requires the agency to contract for an independent analysis of the management and operating structure of the driver license program. If DPS does not complete the study by September 1, 2020, the program transfers to TxDMV. Similarly, the bill transfers the poorly managed motorcycle and all-terrain safety vehicle training program to the Texas Department of Licensing and Regulation (TDLR). The bill also significantly streamlines the agency's heavy-handed regulation of the private security industry by eliminating almost 27,000 unnecessary individual licenses and registrations, such as those for guard dog handlers and security consultants.
- **Texas State Board of Plumbing Examiners.** The Sunset review of the plumbing board revealed multiple deficiencies in the agency's management, several of which had been identified in past reviews, and an antiquated system for licensing and regulating plumbers. As a result, the Sunset Commission recommended transferring the regulation of plumbers to TDLR and several other changes to improve and expedite the licensing of plumbers in Texas. However, in the final days of the session, the Legislature was unable to reconcile the differences between the Senate and House versions of the plumbing board Sunset bill and the bill did not pass, effectively abolishing both the plumbing board and the state Plumbing License Law.<sup>1</sup> On June 13, 2019, Governor Abbott issued an executive order to suspend the abolishment of the Texas State Board of Plumbing Examiners and the Plumbing License Law until May 31, 2021.<sup>2</sup>
- **Licensing and Regulation.** As a result of the Sunset Commission's review of several licensing agencies, the Legislature consolidated similar regulatory functions, eliminated numerous unnecessary and burdensome regulations, and standardized fair licensing practices across agencies. The Legislature created the Texas Behavioral Health Executive Council (BHEC), combining four behavioral health professions under an umbrella licensing agency to improve regulation and increase administrative efficiencies. The Legislature also consolidated the struggling Texas Board of Professional Land Surveying with the engineers board, creating the Texas Board of Professional Engineers and Land Surveyors. Finally, the Legislature enacted commission recommendations to eliminate several unneeded licenses, registrations, and permits held by more than 100,000 businesses and individuals, including those for pawnshop employees, cemetery brokers, and real estate instructors.

Over the next two years, the Sunset Commission will review and make recommendations on 21 entities. Upcoming reviews include the Texas Department of Agriculture, Texas Department of Licensing and Regulation, and Texas Parks and Wildlife Department, as well as the Teacher Retirement System of Texas, Texas Economic Development and Tourism Office, and two river authorities. The appendix to this report provides a complete list of entities subject to Sunset review for the 87th Legislature.

**Sunset Legislation — 86th Legislature**

Agency	Bill Number	Bill Author		FYs 2020–21 Fiscal Impact	Final Action
		House	Senate		
Accountancy, Texas State Board of Public	H.B. 1520	S. Thompson	Watson	No fiscal impact	Continued for 12 years
Alcoholic Beverage Commission, Texas	H.B. 1545	Paddie	Birdwell	(\$96,825)	Continued for 12 years
Counselors, Texas State Board of Examiners of Professional Marriage and Family Therapists, Texas State Board of Examiners of Psychologists, Texas State Board of Examiners of Social Worker Examiners, Texas State Board of	H.B. 1501	Nevárez	Nichols	(\$887,258)	Consolidated under the new BHEC
Finance Commission of Texas Banking, Texas Department of Savings and Mortgage Lending, Office of Commissioner and Department of	S.B. 614	Lambert	Nichols	No fiscal impact	Continued for 12 years
Consumer Credit Commissioner, Office of	H.B. 1442	Paddie	Hall	No fiscal impact	Continued for 12 years
Funeral Service Commission, Texas	H.B. 1540	S. Thompson	Hall	(\$1,000)	Continued for 12 years
Geoscientists, Texas Board of Professional	H.B. 1311	S. Thompson	Watson	(\$200,400)	Continued for six years
Guadalupe-Blanco River Authority	S.B. 626	Flynn	Birdwell	No fiscal impact	Not subject to abolishment
Historical Commission, Texas	H.B. 1422	Paddie	Buckingham	No fiscal impact	Continued for 12 years
Land Surveying, Texas Board of Professional	H.B. 1523	Nevárez	Buckingham	(\$144,392)	Abolished and transferred to the Texas Board of Professional Engineers, creating the Texas Board of Professional Engineers and Land Surveyors
Library and Archives Commission, Texas State	H.B. 1962	Lambert	Hall	No fiscal impact	Continued for 12 years
Lower Colorado River Authority	S.B. 606	Nevárez	Watson	No fiscal impact	Not subject to abolishment
Medical Board, Texas	H.B. 1504	Paddie	Nichols	\$15,000	Continued for 12 years

Agency	Bill Number	Bill Author		FYs 2020–21 Fiscal Impact	Final Action
		House	Senate		
Military Department, Texas	H.B. 1326	Flynn	Hall	No fiscal impact	Continued for 12 years
Motor Vehicles, Texas Department of	S.B. 604	Paddie	Buckingham	(\$1,458,344)	Continued for 12 years
Nueces River Authority	S.B. 625	S. Thompson	Birdwell	No fiscal impact	Not subject to abolishment
Plumbing Examiners, Texas State Board of	S.B. 621	Lambert	Nichols	Fiscal impact cannot be estimated	Failed to pass, governor suspended abolishment until May 31, 2021
Public Safety, Department of <sup>3</sup>	S.B. 616	Paddie	Birdwell	(\$992,670)	Continued for 12 years
Real Estate Commission, Texas Appraiser Licensing and Certification Board, Texas	S.B. 624	S. Thompson	Nichols	\$36,000	Continued for six years
Red River Authority of Texas	S.B. 627	Nevárez	Birdwell	No fiscal impact	Not subject to abolishment
Risk Management Board and State Office of Risk Management	S.B. 612	Nevárez	Hall	No fiscal impact	Continued for 12 years
School Land Board	S.B. 608	Paddie	Watson	No fiscal impact	Continued for 12 years
Securities Board, State	H.B. 1535	Flynn	Nichols	(\$851,700)	Continued for 12 years
Veterans Commission, Texas	S.B. 601	Flynn	Hall	No fiscal impact	Continued for 12 years
Veterans' Land Board	S.B. 607	Flynn	Watson	No fiscal impact	Not subject to abolishment
Windstorm Insurance Association, Texas	S.B. 615	Paddie	Buckingham	No fiscal impact	Not subject to abolishment
<b>TOTAL</b>				<b>(\$4,581,589)</b>	

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 1 All citations to Texas statutes are as they appear on <http://www.statutes.legis.texas.gov/>. Chapter 1301, Texas Occupations Code.

2 Tex. Gov. Exec. Order No GA-06, June 13, 2019.

3 Senate Bill 616 contains provisions that extend the term of a commercial driver license from five to eight years and the term of a non-commercial driver license from six to eight years, along with commensurate increases in fees beginning June 1, 2020. The bill also increases the cost of renewal for a Class M license or certain other licenses with a motorcycle authorization. The estimated \$47,647,000 increase in revenues to the Texas Mobility Fund over the next two fiscal years as a result of these increased fees, as reported by the Legislative Budget Board in the fiscal note for S.B. 616, is not included in the table since there will be a corresponding decrease in revenue in year eight.

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**AGENCIES**



# TEXAS STATE BOARD OF PUBLIC ACCOUNTANCY

*H.B. 1520 S. Thompson (Watson)*

*Staff Contact: Alan Leonard*

## **Continue**

- Continue the Texas State Board of Public Accountancy for 12 years.

## **Contracting**

- Require the board to seek approval from the office of the attorney general for all outside counsel contracts.
- Direct the board to develop a formal, agencywide contract development and solicitation process for its professional services contracts. (Management action – nonstatutory)
- Direct the board to develop a contracting improvement process. (Management action – nonstatutory)

## **Licensing and Enforcement**

- Require the board to conduct fingerprint-based criminal background checks of all licensure applicants and licensees, phased in over a two-year period. Exempt licensees currently on “retired” status unless they decide to resume their practice with an active license.
- Remove subjective licensure provisions for CPAs and non-CPA firm owners.
- Remove requirement for annual license renewal for CPA firms.
- Remove unnecessary licensure and continuing education provisions for non-CPA firm owners, and require the resident manager be a licensed CPA who is responsible for a firm’s license to clarify a firm’s internal management would be left to the discretion of the firm’s owners.
- Clarify the board’s injunctive authority to align with other regulatory agencies.
- Remove the requirement for firms licensed in another state to obtain a firm license from the agency to practice in Texas, but maintain requirements for such firms to follow agency statute and rules.
- Direct the board to comply with statute directing rules and procedures for military service members, veterans, and military spouses by March 1, 2019. (Management action – nonstatutory)
- Direct the board to remove unnecessary application requirements for candidates to take the CPA exam. (Management action – nonstatutory)
- Direct the board to accept online submission of exam applications. (Management action – nonstatutory)
- Direct the board to eliminate rules and policies requiring notarized information. (Management action – nonstatutory)

- Direct the board to amend its peer review rules to account for risk posed to the public. (Management action – nonstatutory)
- Direct the board to update its complaint policies and procedures by March 1, 2019. (Management action – nonstatutory)
- Direct the board to develop rules on administrative costs assessed on respondents. (Management action – nonstatutory)

### **Board Composition Study**

- Direct the Sunset Commission to request that the Legislature examine all state boards, including the Texas State Board of Public Accountancy, for any legislation needed to mitigate the potential liability of boards controlled by active market participants. (Management action – nonstatutory)

### **Public Comment**

- Direct the board to revise its rules to facilitate public comment and statutorily require the board to include public testimony as an agenda item at every regular board meeting.

### **Governance**

- Update the standard across-the-board requirements related to board member training, including training on anticompetitive board behavior, and complaints system.
- Continue the board's SDSI and scholarship reporting requirements but repeal the requirement on statistical analysis of complaints.
- Update the agency's statute to reflect the requirements of the person-first respectful language initiative.



# TEXAS ALCOHOLIC BEVERAGE COMMISSION

*H.B. 1545 Paddie (Birdwell)*

*Staff Contact: Emily Johnson*

## **Continue**

- Continue the Texas Alcoholic Beverage Commission (TABC) for 12 years.

## **Governance**

- Expand the Alcoholic Beverage Commission from three to five members.
- Modernize TABC's conflict-of-interest provisions by defining financial interest to mean a cumulative 5 percent or more in alcoholic beverage businesses. Prohibit a TABC employee or commission member from being employed by an alcoholic beverage business or having a financial interest in one or more alcoholic beverage businesses, and prohibit their spouse or dependent child from having a financial interest in one or more alcoholic beverage businesses.
- Authorize the commission to establish advisory committees by rule.
- Direct the commission to establish advisory committees to provide expertise for rulemaking and other issues, and to adopt rules regarding standard committee structure and operating criteria. (Management action – nonstatutory)
- Direct TABC to evaluate and address gaps in its rules. (Management action – nonstatutory)
- Direct TABC to update its rule describing the separation of duties between the commission and executive director. (Management action – nonstatutory)
- Establish the prevention of human trafficking at all permitted and licensed locations is a TABC duty and priority.
- Restrict the release of personnel records of commissioned TABC officers involved in an open internal investigation.
- Authorize TABC to receive market data from a licensee or permittee so the receipt does not result in a violation of the Alcoholic Beverage Code. The licensee or permittee may voluntarily provide the information, which may only be used for law enforcement purposes. Authorize TABC to review such information, but prohibit the agency from creating a database of information containing individually identifying information.
- Direct TABC to make meeting materials and recordings available online. (Management action – nonstatutory)
- Update the standard across-the-board requirement related to commission member training.
- Discontinue the requirement for TABC to prepare a limited report on after-hours violations.
- Update the agency's statute to reflect the requirements of the person-first respectful language initiative.

## Licensing and Permitting

- Streamline the state's alcoholic beverage licensing system by reducing the number of licenses and permits to provide regulatory clarity and administrative efficiency, as follows:
  - a. Combine primary and subordinate licenses and permits
  - b. Eliminate agent licenses and permits. As part of eliminating agent licenses and permits, ensure the statutory language does not change the current statutory liability of employers of agents
  - c. Combine temporary event permits and licenses
  - d. Combine passenger transportation permits
  - e. Combine late hours licenses and permits
  - f. Eliminate obsolete licenses and permits
- Modernize Texas' regulation of malt beverages by eliminating distinctions between beer and ale. The recommendation would include the key elements below and apply the Alcoholic Beverage Code's provisions for beer to all malt beverages in the event of inconsistencies in statutory provisions for beer and ale that are not explicitly addressed:
  - a. State excise taxes. Apply the lower beer excise tax rate to all malt beverages.
  - b. Application protests. Require the State Office of Administrative Hearings to conduct all hearings related to protests of malt beverages.
  - c. Marketing regulations. Apply the current more restrictive beer marketing laws and regulations to all malt beverages.
  - d. Retail payment oversight. Apply the existing requirement that retailers pay cash for beer to all malt beverages.
  - e. Storage. Apply the current authority for beer manufacturers to store beer anywhere in the state to all malt beverages. Prohibit manufacturers and distributors from serving malt beverages at a storage warehouse and require them to register warehouses with TABC.
  - f. Transportation. Apply the current authority for manufacturers and distributors to transport beer statewide to all malt beverages.
  - g. Hours of distribution and sale. Apply the current authorized hours for distribution and sales of beer to all malt beverages.
  - h. Alcohol content. Consistent with other kinds of alcoholic beverages, require all malt beverage product labels to display the alcohol content.
  - i. Package stores. Authorize package stores and wine-only package stores to purchase and sell all malt beverages with one permit instead of two, and clearly authorize package stores with a local distributor's permit to purchase malt beverages from distributors and distribute them to bars, restaurants, and private clubs.
  - j. Grandfather beer-only local option areas. To avoid constitutional conflicts with local option election results, grandfather approximately 355 retail locations into the new system.

- Authorize small brewers and manufacturers to sell malt beverages for off-premise consumption, not to exceed 288 fluid ounces (approximately one case) per day per consumer, and exempt them from getting label approval from TABC for beverages they sell direct to consumers for on- and off-premise consumption.
- Raise the cap on the number of package store permits a person may have an interest in from five to 250; eliminate the consanguinity exception that exempts family members who combine their permits from the five-permit limit; and prohibit transferring a package store permit to a different county. Prohibit TABC from issuing more than 15 new package store permits to a person in a calendar year, but exempt purchases or acquisitions of existing package store businesses from the annual limit.
- Remove fees from statute to allow TABC to systematically review and adjust license and permit fees on an ongoing basis. Maintain the authority of cities and counties to levy a local fee for licenses and permits issued in their jurisdictions by specifying they can collect up to one-half of the fee that was in statute as of August 31, 2021, and require TABC to publish those fees on its website.
- Require county and city officials to complete the local certification process for TABC license and permit applicants within 30 days of receiving the application.
- Direct TABC to modify its applications to allow local jurisdictions to clearly indicate if they do not certify an area as wet for the license or permit being sought. (Management action – nonstatutory)
- Direct TABC to implement a policy allowing license and permit applicants to submit only the name, address, and date of birth for individuals who are not the primary applicant or business owner, and requiring further personal information only if cross-tier or criminal background concerns arise. The policy only applies to holders of a federal basic permit and TABC may request a copy of the federal permit in lieu of further personal information. (Management action – nonstatutory)
- Conform Senate Bill 928, passed by the 86th Legislature and related to the importation of malt beverages for manufacturing purposes, to the harmonization of beer and ale.

### **Business Practice Regulations**

- Streamline TABC's process for approving alcoholic beverages for sale in Texas by creating a single, consistent process for all alcohol product registration and label approval. In addition
  - require TABC to develop a process for registering malt beverage products if the federal government stops issuing certificate of label approvals due to a government shutdown;
  - authorize a licensee to request a hearing before the State Office of Administrative Hearings if TABC denies label and registration approval for a beverage that has a valid federal Certificate of Label Approval (COLA) or if TABC does not issue either approval or denial of registration within 30 days of receiving an application;
  - specify that although TABC may adopt a regular testing program under its general authority to test the content of alcoholic beverages, it may not require testing of a beverage as a condition for beverage registration;
  - as a management action, direct TABC to adopt rules and penalty guidelines for licensees who manufacture alcoholic beverages who substantially mislead the public about a beverage's alcohol content; and

- as a management action, direct TABC to adopt rules regarding the documentation manufacturers must maintain regarding their products' alcohol content testing.
- Eliminate overly restrictive outdoor advertising requirements.
- Direct the commission to update its existing penalty guidelines to strengthen enforcement against licensees who violate the credit law. (Management action – nonstatutory)

### **Protest Process**

- Restructure TABC's protest process to align with best practices, improving consistency and accountability for applicants and TABC.
- Direct TABC to clearly inform applicants of their due process rights. (Management action – nonstatutory)

### **Enforcement**

- Require TABC to establish a two-pronged approach for inspections of alcoholic beverage businesses that prioritizes public safety risks, as follows:
  - Require TABC to establish, by rule, a timeframe by which every regulated location must be inspected and whether each inspection will be through a virtual compliance reporting method or through a physical inspection
  - Require TABC to physically inspect every regulated location in the state within a reasonable period of time set by rule
- Authorize TABC to consider profits earned from violating the law when setting a disciplinary penalty, but only for repeat violations by a licensee.
- Authorize TABC to temporarily suspend licenses and permits if it finds a continuing threat to the public welfare.
- Make noncompliance with a commission order a statutory violation and authorize TABC to take disciplinary action or deny license or permit renewal for noncompliance.
- Remove the nonstandard requirement allowing the public to testify at TABC disciplinary hearings.
- Require the commission to take final enforcement and disciplinary action on all contested cases as well as agreed orders that meet a threshold established by rule. Authorize the commission to delegate to staff the authority to enter into final orders for agreed orders not meeting the threshold.

As a management action, direct TABC staff to report information about disciplinary actions to the commission at each regular commission meeting. These reports should include information such as a summary of any significant cases settled or dismissed by staff, trend data regarding case resolution and assessed penalties, and a summary of pending enforcement actions being pursued by agency staff.

- Direct TABC to complete its schedule of sanctions to account for all regulatory violations. (Management action – nonstatutory)

**Ports of Entry**

- Retain TABC's Ports of Entry Program, but direct TABC to issue a report to the Legislature by March 1, 2019 with recommendations to make the program cost-neutral. The report should address the pros and cons of various options, including but not limited to
  - operating additional ports of entry locations,
  - expanding operating hours,
  - increasing the administrative fee or the tax, and
  - increasing the statutory limits on the amount of alcohol that can be imported for personal use.(Management action – nonstatutory)



# BEHAVIORAL HEALTH BOARDS

## TEXAS STATE BOARD OF EXAMINERS OF PROFESSIONAL COUNSELORS

## TEXAS STATE BOARD OF EXAMINERS OF MARRIAGE AND FAMILY THERAPISTS

## TEXAS STATE BOARD OF EXAMINERS OF PSYCHOLOGISTS

## TEXAS STATE BOARD OF SOCIAL WORKER EXAMINERS

*H.B. 1501 Nevárez (Nichols)*

*Staff Contact: Robert Romig*

### **Creation of the Texas Behavioral Health Executive Council**

- Consolidate the Board of Examiners of Marriage and Family Therapists, Board of Examiners of Professional Counselors, and Board of Social Worker Examiners with the Board of Examiners of Psychologists under a new umbrella agency, the Texas Behavioral Health Executive Council (BHEC), on September 1, 2020.
  - Establish a nine-member executive council consisting of one professional member and one public member appointed from each professional board, as well as a public chair of the council appointed by the governor. Retain each professional board as a governor-appointed board under the overall executive council structure to oversee the substantive regulation of its profession.
  - Prohibit the executive council from adopting rules relating to standards of practice, ethics, license qualifications, and disciplinary sanctions, unless the rule is proposed by the applicable professional board. For these rules, specify the executive council may only adopt the rules as proposed or return the rule to the applicable professional board for revision. Require BHEC to solicit input from each professional board for licensing and disciplinary matters that concern professional standards and qualifications.
  - Direct BHEC to develop policies and procedures to ensure its rulemaking function focuses solely on creating rules governing administration of licensure, investigation, and sanction procedures, and reviewing rules proposed by each licensing board for anticompetitive impacts, administrative consistency, and good governance concerns — not infringing on matters related to professional standards of practice. (Management action – nonstatutory)
- Update the standard across-the-board requirement related to board member training, including training on anticompetitive board behavior.

## **Licensing and Enforcement**

- Require the boards to conduct fingerprint-based criminal background checks of all licensure applicants and licensees.
- Authorize the boards to check for disciplinary actions in other states or from other licensing boards and to pursue any necessary enforcement actions based on the results.
- Remove subjective licensure qualifications.
- Remove the statutory limitation currently restricting the boards' authority to lower fees.
- Remove the statutory requirement that marriage and family therapist applicants have 750 hours of direct clinical services and authorize the marriage and family therapy board to establish the required hours by rule.
- Remove the requirement for a separate provisional psychologist license and instead authorize the board to grant provisional status to applicants for full licensure.
- Authorize the psychology board to provide biennial license renewal.
- Authorize the psychology board to issue remedial plans to resolve minor complaints.
- Clarify the psychology board's authority to require physical or mental evaluations and hold related hearings for noncompliance.
- Extend confidentiality of complaint and investigative information to applicants and non-licensees.

## **Psychology Oral Exam**

- Eliminate the authority for the psychology board to administer an oral exam.

## **Psychology Supervised Experience**

- Authorize the psychology board to count certain pre-doctoral internship hours toward the post-doctoral supervision year.
- Allow qualified psychologists licensed in good standing in other states, who have practiced independently for five years or more, to be exempted from the requirement of two-years supervised experience when applying for a Texas license.

## **Psychology Compact**

- Adopt the Psychology Interjurisdictional Compact.



**FINANCE COMMISSION OF TEXAS**  
**TEXAS DEPARTMENT OF BANKING**  
**DEPARTMENT OF SAVINGS AND MORTGAGE LENDING**

*S.B. 614 Nichols (Lambert)*

**OFFICE OF CONSUMER CREDIT COMMISSIONER**

*H.B. 1442 Paddie (Hall)*

*Staff Contact: Carissa Nash*

**Continue**

- Continue the Texas Department of Banking (DOB), Office of Consumer Credit Commissioner (OCCC), and Department of Savings and Mortgage Lending (SML) under the continued oversight of the Finance Commission for 12 years.

**Oversight and Efficiency**

- Direct the Finance Commission to evaluate and update the agencies' key performance measures. (Management action – nonstatutory)
- Direct the Finance Commission to develop a budget policy that fosters more straightforward budgeting and fee setting. (Management action – nonstatutory)
- Direct the Finance Commission to analyze and report on the implementation of their new fund balance policy adopted in February 2018, and report on each agency's change in total fund balance, types of funds reserved, and methodologies by which the agencies reduced their fund balances, if applicable, to the governor, lieutenant governor, speaker of the House, and Sunset Commission on September 1, 2020. (Management action – nonstatutory)
- Direct the Finance Commission to develop standard policies regarding tracking and reporting travel expenditures. (Management action – nonstatutory)
- Direct the Finance Commission to minimize duplication of agency functions and promote more cost-efficient administration of the finance agencies, evaluating not just cost efficiencies, but also changes that will make it easier for the public to interact with the agencies. (Management action – nonstatutory)
- Discontinue registration of cemetery brokers.
- Discontinue registration of private child support enforcement agencies.

**Department of Banking Licensing and Enforcement**

- Authorize DOB to establish license terms in rule for death care service licensees.
- Update DOB's complaint processing provisions to meet the Sunset Commission's standard across-the-board requirements.
- Update outdated appeals provisions to align with the Administrative Procedure Act.
- Direct DOB and the Finance Commission to develop an updated complaint process in rule. (Management action – nonstatutory)

**Office of Consumer Credit Commissioner Licensing and Enforcement**

- Specify a pawnbroker is responsible for the acts of a pawnbroker's officers, directors, employees, and agents in the conduct of the pawnshop business. Allow pawnbrokers to choose whether to participate in the pawnshop employee license program to require licensure of their pawnshop employees. Specify requirements of the program administered by the Finance Commission.
- Remove subjective licensure provisions for pawnshops and pawnshop employees.
- Authorize OCCC to provide biennial license renewals for its licensees and registrants.
- Update OCCC's complaint processing provisions to meet the Sunset Commission's standard across-the-board requirements.
- Authorize OCCC to disclose summary complaint resolution information to a complainant.
- Authorize OCCC to open an investigation immediately upon reasonable suspicion of a violation.
- Give OCCC standard authority to take action against crafted precious metal dealers violating state regulations.
- Authorize OCCC to deny renewal applications for noncompliant licensees and registrants when appropriate.
- Standardize OCCC's burden of proof for ordering restitution in all regulatory programs.
- Authorize OCCC to order crafted precious metal dealers to pay consumer restitution.
- Update outdated appeals provisions to align with the Administrative Procedure Act.
- Clarify OCCC has regulatory authority over all regulated loans made to persons located in Texas at the time the loan is made.
- Direct OCCC and the Finance Commission to develop an updated complaint process in rule. (Management action – nonstatutory)
- Direct the agency to make enforcement orders available online. (Management action – nonstatutory)

**Department of Savings and Mortgage Lending Licensing and Enforcement**

- Remove unnecessary, subjective licensure provisions for residential mortgage loan originators.

- Update SML's complaint processing provisions to meet the Sunset Commission's standard across-the-board requirements.
- Direct SML and the Finance Commission to develop an updated complaint process in rule. (Management action – nonstatutory)
- Direct SML to modify its penalty matrix to ensure consistent application of administrative penalties. (Management action – nonstatutory)

**Governance**

- Update the standard across-the-board requirement related to Finance Commission member training.
- Authorize the finance agencies to establish advisory committees in rule as needed.
- Apply the Sunset across-the-board recommendation regarding alternative dispute resolution to the finance agencies and continue their required reports.
- Streamline OCCC reporting requirements by removing requirements to track financial services offered to agricultural and small businesses, track locations of lenders, and develop models for providing lower-cost alternatives to borrowers.



# TEXAS FUNERAL SERVICE COMMISSION

*H.B. 1540 S. Thompson (Hall)*

*Staff Contact: Julie Davis*

## **Continue**

- Continue the Texas Funeral Service Commission (TFSC) for 12 years.

## **Governance**

- Replace the cemetery owner or operator member of the TFSC commission with a crematory owner or operator member to reflect the growing prevalence of cremation.
- Authorize TFSC to create advisory committees using stakeholders and members of the public.
- Update the standard across-the-board requirement related to commission member training.
- Modify the agency's biennial reporting requirement to increase transparency.

## **Cemeteries**

- Discontinue TFSC's regulation of the few non-perpetual care cemeteries subject to state oversight.
- Direct the agency to discontinue its involvement in mediating private cemetery access disputes. (Management action – nonstatutory)
- Direct the agency to provide information on nontraditional methods and options for the disposition of a body, such as cremation and green burials. (Management action – nonstatutory)

## **Enforcement**

- Require the agency to inspect licensed funeral establishments and crematories at least once every three years and as a management action, direct the agency to establish a risk-based approach to inspections.
- Authorize the agency to seek injunctive relief through the attorney general to pursue unlicensed activity, and to take disciplinary action against a licensed funeral establishment, commercial embalming facility, or crematory that assists or allows an individual to engage in unlicensed activity, including practicing funeral directing or embalming without a license.
- Make complaints and other investigative information confidential and exempt from public disclosure, other than final enforcement actions. As a management action, direct the agency to maintain complainants' confidentiality when possible.
- Amend Texas Occupations Code, Section 651.401, to clarify a "first call" occurs at the beginning of the relationship between a funeral director and a decedent's authorized family members or qualified executors or administrators to control the disposition of the decedent's remains, and to establish clear responsibility for when and how a funeral director directs the pickup or removal of a dead human body.

- Authorize TFSC to order refunds to consumers.
- Direct the agency to modify its memorandum of understanding with the Department of State Health Services (DSHS) to include sanitation standards for funeral homes and death care businesses, and to coordinate with DSHS to ensure investigators have access to death certificate information. (Management action – nonstatutory)
- Direct the agency to adopt rules for informal settlement conferences and to provide more detailed disciplinary information on its website. (Management action – nonstatutory)

## Licensing

- Authorize TFSC to determine the criteria for preparation room exemptions.
- Remove outdated and unused licensure qualifications, and unused authority to provisionally license out-of-state applicants.
- Authorize TFSC to set license terms in rule and require TFSC to stagger renewals and prorate fees for licenses issued for less than a full term.
- Authorize TFSC to issue duplicate licenses to license holders for the purpose of meeting the requirement to display their license at each place of business.
- Provide TFSC general fee-setting authority to fully recover its costs and to set late payment penalty fees in rule.
- Direct the agency to make the consumer brochure regarding funerals and complaint procedures freely available to licensees online. (Management action – nonstatutory)
- Direct the agency to accept all license applications and fee payments online, and to eliminate notarization requirements for its forms. (Management action – nonstatutory)
- Direct TFSC to develop standard procedures for evaluating experience for military service members, military veterans, and military spouses. (Management action – nonstatutory)
- Direct TFSC to review and evaluate continuing education courses. (Management action – nonstatutory)

# TEXAS BOARD OF PROFESSIONAL GEOSCIENTISTS

*H.B. 1311 S. Thompson (Watson)*

*Staff Contact: Morgan Constantino*

## **Continue**

- Continue the Texas Board of Professional Geoscientists and the Texas Geoscience Practice Act for six years.

## **Governance**

- Apply the Sunset across-the-board recommendations related to presiding officer designation, complaint information, alternative dispute resolution, and board member training, including training on anticompetitive board behavior.

## **Enforcement**

- Increase the board's maximum administrative penalty amount from \$100 to \$1,500 per day for each violation.
- Clarify the board's existing authority regarding persons hired or contracted by the board to provide technical assistance to the board in investigations and disciplinary proceedings by granting immunity from civil liability when acting in this capacity.
- Direct the board to cease routinely opening unlicensed public practice complaints against expired licensees who failed to timely renew. (Management action – nonstatutory)
- Direct the board to further develop policies guiding the administrative dismissal of complaints by staff, specifically to provide staff clear direction to handle continuing education complaints unless aggravating circumstances require board involvement. (Management action – nonstatutory)
- Direct the board to publish its penalty matrix on its website. (Management action – nonstatutory)

## **Licensing**

- Eliminate the statutory notarization requirement for individuals applying for the professional geoscientist license.
- Eliminate the statutory letter of reference requirement for individuals applying for a professional geoscientist license, and remove the statutory requirement for the board to evaluate an applicant's good moral and ethical character through reference letters.
- Direct the board to eliminate the letter of reference requirement for individuals applying to register as a geoscientist-in-training required by board rule. (Management action – nonstatutory)
- Direct the board to discontinue geoscience firm registration. (Management action – nonstatutory)





# TEXAS HISTORICAL COMMISSION

*H.B. 1422 Paddie (Buckingham)*

*Staff Contact: Steven Ogle*

## **Continue**

- Continue the Texas Historical Commission (THC) for 12 years.

## **Collaboration Across Historic Sites**

- Direct THC to establish and lead a working group composed of the chair or their designee from THC, Texas Parks and Wildlife Department (TPWD), and State Preservation Board (SPB), the commissioner of the General Land Office (GLO) or his designee, and stakeholders to begin to develop a statewide historic sites master plan, including presenting a proposal for the development of such a plan by December 10, 2018. (Management action – nonstatutory)
- Transfer six historic sites from TPWD to THC that are not attached to a state park:
  - Fanthorp Inn
  - Lipantitlan
  - Monument Hill / Kreische Brewery
  - Port Isabel Lighthouse
  - San Jacinto Monument and Battleground
  - Washington-on-the-Brazos
- Change the allocation of the sporting goods sales tax from 94 percent to TPWD and 6 percent to THC to 93 percent and 7 percent, respectively, and make THC's historic sites dedicated account exempt from certain employee benefit requirements.
- Direct THC and TPWD to develop a memorandum of understanding to limit duplication in management of historic sites related to curatorial storage facilities, procurement and contracting, and preservation and interpretation. (Management action – nonstatutory)
- Direct THC to adopt rules providing for a process that includes input from professional historians to provide additional perspectives for stakeholders to challenge the accuracy of existing THC historical markers. (Management action – nonstatutory)

## **Curatorial Collections**

- Align statutory requirements for the sale of surplus state goods with curatorial collection best practices, and as a management action, direct Sunset staff to work with the Texas Legislative Council to ensure statute dedicates the funds from these sales for the selling agency's use.

- Direct THC and TPWD to work with the Texas Facilities Commission (TFC) to explore options for a joint curatorial facility to serve the needs of the state's historic site collections. Also direct THC and TPWD, in consultation with the SPB, GLO, and the Texas State Library and Archives Commission, to identify and consider each agency's storage needs. Also specify the agencies should work together to create a master inventory of the state's curatorial collections. Further, direct THC to collaborate with TPWD, SPB, GLO, and the Texas State Library and Archives Commission to develop a uniform approach to inventorying the state's curatorial collections and create a master inventory of such property. (Management action – nonstatutory)
- Direct agencies with a curatorial collection and deaccession policy to work with TFC to sell unneeded collections items, and request that the Senate Finance and House Appropriations committees consider adding a rider to the bill pattern of any agency with an officially adopted deaccession policy to retain proceeds from the sale of deaccessioned items. (Management action – nonstatutory)

### **Heritage Trails Program**

- Clearly establish the Heritage Trails program in statute and require THC to adopt rules regarding the program.
- Direct THC to work with the attorney general's office on a single, performance-based contract for the Heritage Trails program and to provide stronger contract oversight. (Management action – nonstatutory)
- Direct THC to include the use of the Heritage Trails program and nonprofits in its long-term planning. (Management action – nonstatutory)

### **Governance**

- Update the standard across-the-board requirement related to commission member training.
- Authorize the commission, by order or rule, to delegate its powers and duties to the executive director, and specify the powers and duties that may not be delegated.

# TEXAS BOARD OF PROFESSIONAL LAND SURVEYING

*H.B. 1523 Nevárez (Buckingham)*

*Staff Contact: Darren McDivitt*

## **Continue**

- Consolidate the Texas Board of Professional Land Surveying with the Texas Board of Professional Engineers, creating the Texas Board of Professional Engineers and Land Surveyors.
- Require the board to establish a land surveying advisory committee consisting of at least five land surveyors. Prohibit the board from adopting a rule related to the scope of practice of, professional or technical standards for, or standards of conduct and ethics for land surveyors before considering advice and recommendations from the committee. Authorize the board to appoint additional advisory committees relevant to the administration of the Professional Land Surveying Practices Act.

## **Enforcement**

- Clarify statute to realign the agency's complaint intake and investigation procedures with model standards.
- Direct the board to publish disciplinary history online. (Management action – nonstatutory)

## **Licensing**

- Authorize the board, by rule, to waive the statutory requirement that an applicant for a registered professional land surveyor license have a bachelor's degree if the applicant has an associate degree with sufficient qualifications and does not pose a threat to public health, safety, or welfare.
- Authorize the board to set biennial license and firm registration terms in rule.
- Remove the residency requirement for licensed state land surveyors from statute.
- Direct the board to review application requirements to conform with current policy and statute, and to adopt a staggered renewal system for licenses and registrations. (Management action – nonstatutory)

## **Exams**

- Authorize the agency to outsource its exams.
- Direct the board to conduct a comprehensive analysis regarding adoption of the nationally accepted practice exam and a separate, corresponding jurisprudence exam. (Management action – nonstatutory)



# TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

*H.B. 1962 Lambert (Hall)*

*Staff Contact: Tamara Aronstein*

## **Continue**

- Continue the Texas State Library and Archives Commission (TSLAC) for 12 years.

## **State Archives Management**

- Require TSLAC to develop a strategic plan for managing the state archives, with targets for processing the backlog, analyzing staffing needs, and regularly reporting on progress.
- Authorize TSLAC to distinguish between different types of information requests to better manage archives workload.
- Direct TSLAC to adopt a fee schedule for PIA requests. (Management action – nonstatutory)

## **Records Management**

- Remove the requirement for TSLAC to approve local government records retention schedules, but require local governments to self-certify compliance with state retention schedules and submit records management information to TSLAC.
- Authorize TSLAC to transfer custody of certain local records to local institutions.
- Define legislative records as records created or received by the office of a legislator or the lieutenant governor during their term of office and exempt these records from the state archives program.
- Designate the Legislative Reference Library as the depository for current legislators' records and require the library to manage legislative records and respond to Public Information Act requests according to statutory requirements. Require the library to protect privileged and confidential legislative records from disclosure, as directed by the Legislature. Specify that the legislative entity that transferred records to the library retains ownership of the records.
- Require TSLAC to transfer physical custody and legal ownership of all legislative records to the Legislative Reference Library by September 1, 2020.
- Direct TSLAC to create a working group for legislative records issues. (Management action – nonstatutory)
- Direct TSLAC to gather customer input and regularly update the minimum state records retention schedule, including assessing any changes from the 86th Legislature and establishing a working group of state agency records management officers to help update and adopt a new schedule by April 1, 2020. (Management action – nonstatutory)

## Grants

- Direct TSLAC to prohibit grant reviewers from applying for grants in the same categories they score. (Management action – nonstatutory)
- Direct TSLAC to openly solicit peer grant reviewers. (Management action – nonstatutory)
- Direct TSLAC to adjust grant award criteria and scoring to better disperse grant funding to a wider pool of libraries. (Management action – nonstatutory)
- Direct TSLAC to identify and coordinate with other state agencies to promote the agency’s grant programs to increase participation among libraries across the state. (Management action – nonstatutory)

## Program Support

- Authorize TSLAC to use its current resources, including general revenue, grant funds, gift funds, and federal funding if permitted, to advertise the agency’s programs.
- Authorize TSLAC to sell replicas of archival materials held in the state archives and approved for sale by the commission, with funds received to be used for preservation, digitization, archives information services, and education operations. As a management action, direct Sunset staff to work with the Texas Legislative Council to ensure statute dedicates the funds from these sales for TSLAC’s use. Also request the appropriate committees to consider adding a rider for TSLAC to retain proceeds from these sales.<sup>1</sup>
- Direct TSLAC to work with the Texas Historical Commission, Texas State Preservation Board, Texas Parks and Wildlife Department, and General Land Office to explore options for new curatorial space at TSLAC’s Shoal Creek location. (Management action – nonstatutory)

## Governance

- Update the standard across-the-board requirement related to commission member training.
- Authorize the commission to establish advisory committees in rule as needed.

## State Records Center Easement

- Require the General Land Office to grant a permanent easement to the City of Austin in the property where TSLAC operates the State Records Center. Establish the terms of the easement, including requiring the City of Austin to use the easement primarily to promote a public purpose of the state by using it as a sidewalk, trail, and recreation easement.

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<sup>1</sup> While the TSLAC Sunset bill created a dedicated account, this account was abolished because it was not included in the funds consolidation bill (House Bill 3317). However, TSLAC will receive appropriated receipts from the sale of replicas. Rider 10, page I-79-I-80, Article I (H.B. 1), Acts of the 86th Legislature, Regular Session, 2019 (the General Appropriations Act).

# LOWER COLORADO RIVER AUTHORITY

*S.B. 606 Watson (Nevárez)*

*Staff Contact: Erick Fajardo*

## **Public Engagement**

- Require the Lower Colorado River Authority (LCRA) to adopt a public engagement policy for water supply projects.
- Require LCRA to develop and maintain a system for receiving and acting on complaints and to make information available regarding its complaint procedures.
- Require LCRA to provide an official opportunity for public testimony at meetings of its board and its committees-of-the-whole. Clarify “committee-of-the-whole” means a committee of the board in which every director is a member of the committee, even if not all of the members are in attendance.
- Direct LCRA to amend its public testimony protocols to provide greater accessibility. (Management action – nonstatutory)

## **Transparency**

- Direct LCRA to provide more detailed financial information in its publicly available documents. Specify that in providing more detailed financial information, LCRA should do so in an annual, publicly available report that strives to include the information listed in the staff recommendation. Clarify that the clear explanation of money transfers between business units, departments, and funds applies only to material transfers. For its operational reserve funds, LCRA should provide a list of each fund, its purpose, and its balance. For its strategic reserve funds, LCRA should just provide the cumulative balance of all the funds. (Management action – nonstatutory)
- Direct LCRA to provide more transparent, consistent, and accurate agenda meeting notices to the public. (Management action – nonstatutory)
- Direct LCRA to improve transparency of its committees-of-the-whole. (Management action – nonstatutory)

## **Colorado River Land Trust**

- Direct LCRA to clearly separate the governance and management of the land trust from its own board and staff. (Management action – nonstatutory)
- Direct LCRA to update its service agreement with the land trust to include performance goals and a timeline of expectations for the land trust to move toward greater financial independence from LCRA. (Management action – nonstatutory)

## **Regulatory Programs**

- Direct LCRA to document and publish a clear appeals process for on-site sewage facility regulatory decisions. (Management action – nonstatutory)

- Direct LCRA to develop and publicize an online option for submitting on-site sewage facility permit applications and payments. (Management action – nonstatutory)
- Direct LCRA to develop and publicize a clear complaints process for all three water quality regulatory programs. (Management action – nonstatutory)
- Direct LCRA to collect, maintain, and report detailed information on complaints. (Management action – nonstatutory)

### **Grant Program Administration**

- Direct LCRA to develop and adopt a conflict-of-interest policy specific to the grant program including disclosure and recusal elements. (Management action – nonstatutory)
- Direct LCRA to update its grant application materials to more clearly disclose scoring criteria to applicants. (Management action – nonstatutory)
- Direct LCRA to update the overall goals for its community development partnership grant program to include more specific program priorities and outcome measures to inform future investments. (Management action – nonstatutory)
- Direct LCRA to use available technology to improve grant tracking and communication to applicants and grantees. (Management action – nonstatutory)

### **Oversight and Organizational Best Practices**

- Specify LCRA is subject to Sunset review, but not abolishment, again in 2031.
- Apply good government standards to LCRA's governing laws to promote accountability and best practices relating to board practices and alternative dispute resolution.
- Direct LCRA to update its board nepotism policy to fully conform to Texas Commission on Environmental Quality requirements and state law. (Management action – nonstatutory)
- Direct LCRA to improve its Small and Diverse Supplier Program to better comply with the intent of historically underutilized business laws. (Management action – nonstatutory)
- Direct LCRA to plan, more proactively implement, and monitor its efforts to increase workforce diversity. (Management action – nonstatutory)



# TEXAS MEDICAL BOARD

*H.B. 1504 Paddie (Nichols)*

*Staff Contact: Erick Fajardo*

## **Continue**

- Continue the Texas Medical Board for 12 years.

## **Licensing**

- Require the Medical Board to adopt an expedited licensing process for qualified out-of-state physicians and amend statutory caps on the number of attempts made by a physician licensure applicant to take the United States Medical Licensing Examination or any other licensing exam recognized by the Medical Board.
- Establish in statute an advanced-level medical radiologic technologist (MRT) certificate and define the term “radiologist assistant” as an individual who holds an advanced-level MRT certificate. Require that radiologist assistants only practice under the supervision of a radiologist, and require the Board of Medical Radiologic Technology, with approval of the Medical Board, to adopt rules for education and training, practice restrictions, and supervision levels required for radiologist assistants.
- Remove unnecessary qualifications for surgical assistant applicants that restrict entry to practice.
- Amend statute to clearly authorize the board’s current practice to conduct fingerprint-based criminal background checks of acupuncture and surgical assistant applicants.

## **Enforcement**

- Establish that willfully failing to make a reasonable effort to transfer a patient to a physician who will comply with the patient’s advanced directive is a violation of the Medical Practice Act.
- Allow the Medical Board to remove certain actions that resulted in a remedial plan from a physician’s public profile after a period of five years, provided these actions were not related to the delivery of care or in cases where two or more remedial plans have been issued for the same violations, including those not related to the delivery of healthcare.
- Clarify the process by which the Medical Board, as part of a disciplinary case, may appeal an administrative law judge’s findings of facts and conclusions of law before the board issues a final decision on the case.
- Authorize the Medical Board to take an additional 15 days beyond the current 45-day time limit to complete a preliminary investigation of a complaint if the board shows good cause for doing so.
- Change requirements for the Medical Board’s updating of a physician’s public profile:
  - Require the Medical Board to remove and replace a formal complaint and any prior disciplinary action concerning the complaint with the board’s final order within 10 working days of issuing the order.

- For any formal complaint on which the Medical Board takes no action or dismisses as baseless, unfounded, or not supported by sufficient evidence that a violation occurred, require the board to remove and replace any record of the formal complaint and any prior disciplinary action concerning the formal complaint with the board’s final order within 10 working days of issuing the order.
- For any investigation of medical malpractice claims the Medical Board resolves without taking action against the physician’s license, require the board to remove any record of the investigation within 10 working days of the final resolution of the investigation.
- Authorize the board to establish a risk-based approach to its office-based anesthesia inspection, focusing on the length of time since equipment and procedures were last inspected.
- Remove the requirement that the Medical Board’s formal complaints filed with the State Office of Administrative Hearings (SOAH) be sworn to.
- Authorize the Medical Board to offer a remedial plan — which is a nondisciplinary action for less serious violations — for a physician at most once every five years, instead of once per lifetime.
- For a site visit the Medical Board makes as part of an investigation or inspection, require the Medical Board to establish practices that preclude the use of Drug Enforcement Administration personnel, or any peace officer whose primary assignment is drug enforcement, as security personnel. (Management action – nonstatutory)
- As part of an informal settlement conference for a case involving an allegation of a standard of care violation, require the Medical Board to share with the license holder who is the subject of the allegation a complete copy of each preliminary written report produced by each expert physician reviewer for the license holder’s case, not just the final report currently required by law. As part of this provision, require the Medical Board to redact all identifying information of each expert physician reviewer, except the reviewer’s specialty.
- As part of their evaluation of whether a physician has committed a violation of the standard of care, require members of the informal settlement conference disciplinary panel to consider whether the physician was practicing complementary and alternative medicine.
- Require notice of a SOAH hearing by the Medical Board to physicians to be sent by certified mail.

### **Texas Physician Health Program**

- Require the Medical Board and Texas Physician Health Program to develop a memorandum of understanding covering services and operations, including performance measures and auditing requirements.
- Authorize the Texas Physician Health Program to accept gifts, grants, and donations.

### **Governance**

- Direct internal staff to create a central location to receive and review complaints made about the Medical Board, and report regularly to the board these complaints and their status. (Management action – nonstatutory)

- Update the standard across-the-board requirement related to board member training, including training on anticompetitive board behavior, for the medical, acupuncture, respiratory care, and medical radiologic technology boards.



# TEXAS MILITARY DEPARTMENT

*H.B. 1326 Flynn (Hall)*

*Staff Contact: Robert Romig*

## **Continue**

- Continue the Texas Military Department (TMD) for 12 years.

## **Governance**

- Clarify the adjutant general's responsibility over all aspects of the department and strengthen internal oversight of state administration.
- Direct the adjutant general to improve supervision and support of the department's state employees. (Management action – nonstatutory)
- Direct the department to review and update its administrative rules. (Management action – nonstatutory)

## **Purchasing**

- Direct the department to improve planning and implementation of purchasing policy changes, including scheduling policy updates based on risk and ensuring all staff involved in purchasing have information needed to carry out their duties. (Management action – nonstatutory)
- Direct the department to track and report performance of all phases of the purchasing process. (Management action – nonstatutory)
- Direct the department to develop a process for programs to share information about timelines and needs to prioritize purchasing workload across the department. (Management action – nonstatutory)

## **Texas State Guard**

- Direct TMD to evaluate State Guard missions and establish strategies to support the program and protect the state's interest. (Management action – nonstatutory)
- Direct the department to provide State Guard members with access to the department's ombudsman for voicing general program concerns. (Management action – nonstatutory)

## **Challenge Academy**

- Direct the department to identify specific options for relocating the Sheffield campus no later than January 1, 2019, with a goal to preserve federal funding and other Challenge program benefits for Texas' at-risk youth. (Management action – nonstatutory)
- Direct the department to close the Texas Challenge program's Sheffield campus in March 2020, regardless of whether relocation is feasible. (Management action – nonstatutory)

**State Tuition Assistance**

- Direct the department to establish updated goals to target the use of limited state tuition benefits and collect information needed to measure performance. (Management action – nonstatutory)
- Direct the department to update informational materials and training to ensure recruiters and potential applicants receive accurate information about state tuition benefits. (Management action – nonstatutory)

# TEXAS DEPARTMENT OF MOTOR VEHICLES

*S.B. 604 Buckingham (Paddie)*

*Staff Contact: Steven Ogle*

## **Continue**

- Continue the Texas Department of Motor Vehicles (TxDMV) for 12 years.

## **Governance**

- Require the board to adopt rules and policies to establish clear standards for conduct and handling of contested cases coming before the board for final decisions.
- Remove the board's exemption from providing balanced representation on its advisory committees.
- Direct the board to establish advisory committees to provide expertise for rulemaking and other issues and adopt rules regarding standard committee structure and operating criteria. (Management action – nonstatutory)
- Apply and update the standard across-the-board requirements related to alternative dispute resolution, complaint processing, and board member training, including training on anticompetitive board behavior.
- Update the Sunset across-the-board requirement that requires agencies to adopt policies clearly delineating the policymaking functions of the board from the day-to-day administration of the agency, to clarify the division of responsibilities between the department's board and its executive director.

## **Vehicle Title Fraud**

- Require counties to follow standard state contracting practices when outsourcing registration and title services to full-service deputies and to rebid existing full service deputy contracts, with required assistance from TxDMV, by March 31, 2020. The department must provide guidance and recommendations on contracting practices to the county tax assessor-collector to assist in the rebidding of the contracts.
- Clarify the department has sole authority to control access to the state registration and title system and require the department work with county tax assessor-collectors to create clear criteria for the department to suspend or deny access to the system by March 1, 2020.
- Require the department to implement a proactive, risk-based approach to monitoring registration and title fraud, and share best practice protocols with county tax assessor-collectors.
- Require the department to implement a mandatory fraud training program for all persons performing state registration or titling services and, as a management action, specify the training will be provided online or in-person as needed, prior to gaining access to the registration and title system.
- Authorize the department and the respective county tax assessor-collectors to audit or perform a compliance review of any entity providing registration and title services.

- Authorize the comptroller of public accounts, in coordination with the department, to include as part of its regular audits of state revenue collections by county tax assessor-collector offices, a review of processes relating to a county's collection and remittance of revenues.
- Direct the department to adopt its current "red flag" fraud warning system to further implement a clear and efficient path for county tax assessor-collectors to report and request department action for suspected fraud, waste, or abuse of the registration and title system by employees, dealers, and full-service deputies. (Management action – nonstatutory)
- Authorize Automobile Burglary and Theft Prevention Authority, renamed the Motor Vehicle Crime Prevention Authority, grant recipients to use funds to combat a broader range of motor vehicle crimes, such as title and odometer fraud, beyond just automobile burglary and theft; and codify the authority's statutes.

### **Salvage Dealer Regulation**

- Eliminate the salvage agent license.
- Eliminate separate salvage license endorsements and establish a single, streamlined salvage license and authorize the department to set salvage license terms in rule.
- Specify a licensed salvage vehicle dealer may buy or sell salvage and nonrepairable motor vehicles that have been issued a salvage or nonrepairable vehicle title.
- Remove unnecessary application requirements for salvage licenses. (Management action – nonstatutory)
- Direct the department to adopt criminal history evaluation rules and guidelines consistent with Chapter 53, Texas Occupations Code for salvage industry regulation. (Management action – nonstatutory)
- Direct the department to establish a risk-based approach to its salvage vehicle dealer inspections. (Management action – nonstatutory)
- Authorize the department to use cease-and-desist authority for unlicensed salvage activity.

### **Licensing and Enforcement**

- Eliminate the requirement for motor vehicle dealers to receive written approval from the department to participate in a new motor vehicle show or exhibition, but require dealers to provide the department with written notice before the date the show or exhibition opens.
- Eliminate the representative license.
- Direct the department to conduct criminal history checks for all motor vehicle license renewals. (Management action – nonstatutory)
- Direct the department to identify and implement methods to reduce its complaint resolution timeframes; develop clear guidance and criteria for prioritizing investigations and inspections; and improve enforcement data tracking within its existing systems. (Management action – nonstatutory)
- Direct the department to revise and expand key performance indicators and annual enforcement reports. (Management action – nonstatutory)



- Authorize the department to require refunds for consumers for motor vehicle and motor carrier violations.
- Direct the department to publish penalty matrices and provide more detailed enforcement histories of regulated motor vehicle and motor carrier businesses online. (Management action – nonstatutory)
- Require independent auto dealers to complete a web-based education and training program developed or approved by the department at issuance or the next renewal of their general distinguishing number.
- Require the department to keep complaint investigations confidential until the investigation is dismissed or finally resolved, but only if the disclosure of the information would interfere with or jeopardize the investigation.

### Information Technology

- Require the department to ensure webDEALER is available to automobile dealers in all Texas counties by September 1, 2020.
- Require the board to adopt rules regulating the use of digital license plates on certain types of motor vehicles, no later than December 31, 2020. Only vehicles in commercial fleets or vehicles owned or operated by a governmental entity may be equipped with a digital license plate. Authorizes the department to contract with digital license plate providers under specific contracting provisions.
- Direct the department to develop a comprehensive approach to developing, maintaining, and updating its IT infrastructure. (Management action – nonstatutory)
- Direct the department to evaluate and identify further opportunities to consolidate and modernize its customer service functions. (Management action – nonstatutory)

### Studies

- Require TxDMV to organize a study on the impact of the alternatively fueled vehicles (AFV) industry on the state, available options to collect fees from AFV owners to replace the loss of motor fuel taxes, and the feasibility of establishing a fee for AFVs. Require the study to be conducted by TxDMV, Public Utility Commission, Texas Department of Transportation, and Department of Public Safety, and completed by December 1, 2020.
- Direct the Sunset Commission to request that the Legislature examine all state boards, including the TxDMV board, for any legislation needed to mitigate the potential liability of boards controlled by active market participants. (Management action – nonstatutory)
- Direct the department to complete the existing contracted study, as required under House Bill 1959 (85th Legislature, Regular Session), to identify and assess alternative technologies for registering commercial vehicles by March 31, 2019, instead of December 1, 2021. (Management action – nonstatutory)



# TEXAS STATE BOARD OF PLUMBING EXAMINERS

*S.B. 621 Nichols (Lambert)*

*Staff Contact: Julie Davis*

Senate Bill 621, the bill that contained the Sunset Commission's statutory recommendations for the Texas State Board of Plumbing Examiners, including continuing the regulation of plumbing, did not pass during the 86th Legislative Session. While the Senate and House both passed different versions of the bill, the Legislature was unable to reconcile the differences between the versions during the final days of the legislative session, and according to the Plumbing License Law, the Texas State Board of Plumbing Examiners was scheduled to be abolished and the law to expire September 1, 2019. However, on June 13, 2019, Governor Abbott issued Executive Order No. GA-06 to suspend the abolishment of the Texas State Board of Plumbing Examiners and Chapter 1301, Texas Occupations Code, until May 31, 2021.



# DEPARTMENT OF PUBLIC SAFETY

*S.B. 616 Birdwell (Paddie)*

*Staff Contact: Amy Trost*

## **Continue**

- Continue the Department of Public Safety (DPS) for 12 years.

## **Driver License**

- Require DPS to contract with an independent third party to analyze and make recommendations on the management and operating structure of the driver license program and the opportunities and challenges of transferring the program to the Texas Department of Motor Vehicles (TxDMV).<sup>1</sup> A report with the analysis and recommendations is due to the Legislature, governor, Sunset Commission, DPS, and TxDMV by September 1, 2020. If the report is not completed by that date, then the driver license program will be transferred to TxDMV effective September 1, 2021.
- Extend the term of non-commercial driver licenses from six to eight years, extend the term of commercial driver licenses from five to eight years, and require DPS to implement the changes by June 1, 2020, with fees assessed so that the changes are revenue neutral to the state.

## **Border Security**

- Require DPS to track and publicly provide crime statistics as part of the reporting of its border security performance.
- Direct DPS to develop a system for collecting and maintaining output data related to its border security mission. (Management action – nonstatutory)
- Direct DPS to regularly report to members of the Legislature threat levels along the Texas-Mexico border. (Management action – nonstatutory)

## **Private Security**

- Reconstitute the Private Security Board as an advisory committee, and require the Public Safety Commission to appoint its members. Authorize reimbursement for committee members' travel expenses.
- Require everyone who provides services regulated under the Private Security Act or who owns 51 percent or more of a company that provides such services to obtain an individual license and to work under a company license.
- Require governmental subdivisions and private businesses with internal security departments to provide a one-time registration with DPS that lists a point of contact.
- Discontinue regulation of private security salespersons and consultants, guard dog companies and trainers, and telematics companies at the state level.

- Require individuals who provide private security services to obtain a license, rather than a registration or endorsement.

### **Licensing**

- Remove conflicting, nonstandard statutory definitions regarding convictions and unnecessary, subjective qualifications for applicants.
- Authorize DPS to conduct fingerprint-based criminal background checks for all applicants and licensees, and to establish flexible license renewal requirements.
- Discontinue regulation of precursor chemical and laboratory apparatus sales and transfers.
- Discontinue duplicative registration of peyote distributors.
- Direct DPS to adopt a process for applying mitigating and aggravating factors in criminal history evaluations. (Management action – nonstatutory)
- Direct DPS to cease permanently disqualifying individuals for certain convictions (other than those convictions specified by Chapter 53), but allow DPS to apply mitigating and aggravating factors to crimes relevant to the profession according to the level of threat to public safety. (Management action – nonstatutory)

### **Enforcement**

- Establish clear authority for DPS to receive, investigate, and resolve complaints.
- Clarify the Public Safety Commission's responsibility to take final enforcement actions for regulatory programs under DPS' jurisdiction, and prohibit the commission from delegating that responsibility to the director.
- Require DPS to establish a process to informally resolve complaints.
- Provide DPS a full range of sanctions to enforce regulations.
- Remove restrictive fee authority from statute.
- Direct DPS to adopt a risk-based inspection process, and also direct DPS to work with TxDMV to identify the most appropriate means of managing investigations and inspections of salvage yards, and to establish a memorandum of understanding with TxDMV to coordinate oversight of these entities. (Management action – nonstatutory)

### **Regulatory Management**

- Require DPS to track and annually report regulatory information on its website.
- Direct DPS to work with the Texas Department of Licensing and Regulation (TDLR) to develop regulatory processes and rules. (Management action – nonstatutory)

### **Motorcycle Safety Program**

- Transfer the motorcycle and ATV safety training programs from DPS to TDLR effective September 1, 2020, and require the Texas Commission of Licensing and Regulation to establish a motorcycle safety advisory board.

- The department and TDLR should develop a transition plan for the transfer of the motorcycle and ATV safety training programs. (Management action – nonstatutory)
- Direct DPS to discontinue loaning motorcycles to training course operators and require DPS to either sell or process as surplus or salvage property all motorcycles and other equipment related to the program by August 31, 2020.
- Transfer instructor training, research, education, and advocacy functions from DPS to the Texas A&M Engineering Extension Service (TEEX) and to the Texas A&M Transportation Institute (TTI) so that TDLR partners with TEEX to train and certify instructors, and TTI to conduct research, education, and advocacy.

### **Emergency Assistance Registry**

- Direct DPS to better coordinate the State of Texas Emergency Assistance Registry and provide greater guidance to local jurisdictions to ensure the safety of vulnerable Texans during natural disasters. (Management action – nonstatutory)

### **Contracting**

- Direct DPS to analyze its contracting and purchasing procedures, and align its levels of review, approval, and accountability with the value and complexity of the contracts and purchases. Also, direct the director of DPS to provide an annual assessment and report of contract management to the Public Safety Commission that includes trends and best practices on all contracts at the agency. (Management action – nonstatutory)
- Direct DPS to track, analyze, and report contracting and purchasing data through all phases of the procurement process. (Management action – nonstatutory)
- Direct DPS to maintain all contract-related documentation in a central location and post up-to-date contract information on its website. (Management action – nonstatutory)
- The department should reform its business case development process to include a cost-benefit analysis when deciding whether to outsource a major function. (Management action – nonstatutory)

### **Governance**

- Update the standard across-the-board requirement related to board member training.
- Eliminate three of DPS' required reports.
- Continue the department's two statutory advisory committees on metal recycling and vehicle inspection.
- Require DPS to develop and implement best practices for the collection, protection, and sharing of personal information held by the agency, and to submit a report on these best practices to the Legislature by September 1, 2020.
- Require the Public Safety Commission to adopt physical fitness programs in accordance with Section 614.172 of the Government Code (physical fitness programs and standards for law enforcement agencies), and a resolution certifying these programs are consistent with scientific standards and meet state and federal labor and employment law requirements.

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<sup>1</sup> DPS received \$1 million to carry out this study. Rider 53, page V-58, Article V (H.B. 1), Acts of the 86th Legislature, Regular Session, 2019 (the General Appropriations Act).



# TEXAS REAL ESTATE COMMISSION

## TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

*S.B. 624 Nichols (S. Thompson)*

*Staff Contact: Kay Hricik*

### **Continue**

- Continue the Texas Real Estate Commission and Appraiser Board for six years.

### **Governance**

- Revise the Real Estate Commission's and Appraiser Board's self-directed, semi-independent provisions to enhance the reporting requirements; eliminate the provision allowing for the purchase, construction, or sale of property; and adjust processes governing administrative penalties and payments to other state agencies for services.
- Update and apply the standard across-the-board requirements related to public testimony at regular meetings and board and commission member training, including training on anticompetitive board behavior.
- Authorize the Appraiser Board to establish advisory committees in rule as needed.
- Direct the Real Estate Commission to submit a proposed plan, timeline, budget, and statement of need for the purchase of property to the Texas Facilities Commission and the Sunset Commission by September 1, 2019. (Management action – nonstatutory)

### **Performance Measures**

- Direct the agency to evaluate and update its key performance measures. (Management action – nonstatutory)
- Direct the agency to report annual performance data to the Sunset Commission until January 1, 2023, including timeframes for complaint resolution and license issuance, reserve fund balances, and call hold times and abandonment rates. (Management action – nonstatutory)
- Direct the agency to provide quarterly call center reports including average call wait times by month and percentage of calls abandoned by month to the Sunset Commission beginning March 1, 2019 until January 1, 2021. (Management action – nonstatutory)

### **Budgeting**

- Direct the agency to develop a budget policy that fosters more realistic, straightforward budgeting and fee setting. (Management action – nonstatutory)

- Direct the agency to update its fund balance policy to limit growth. (Management action – nonstatutory)

### **Licensing**

- Direct the agency to review and streamline inspector pre-licensing education requirements by January 1, 2020, and ensure the content aligns with the inspector licensing exam subject matter, evaluating the impact of any streamlining on exam passage rates by January 1, 2021. (Management action – nonstatutory)
- Eliminate instructor approval authority and the branch office license.
- Remove statutory provisions requiring certain applicants to establish Texas residency before obtaining a Texas real estate license or appraiser approval.
- Authorize the Real Estate Commission and Appraiser Board to deny license renewal applications for noncompliant applicants.
- Remove a subjective qualification required for licensure applicants.
- Direct the Appraiser Board to implement policies and practices to allow for electronic submission of licensing information, materials, and experience logs whenever possible by March 15, 2019. (Management action – nonstatutory)

### **Enforcement**

- Direct the Appraiser Board to develop a plan to improve its investigative process and reduce complaint resolution timeframes by March 15, 2019. (Management action – nonstatutory)
- Direct the Appraiser Board to establish a process to prioritize complaint investigations based on the risk each complaint poses to the public by March 15, 2019. (Management action – nonstatutory)
- Require the Real Estate Commission and Appraiser Board to maintain complainants' confidentiality when possible.
- Authorize the Real Estate Commission to dismiss low-level complaints and to delegate this authority to staff.
- Authorize the Appraiser Board to order refunds to consumers.
- Direct the Real Estate Commission to develop standard rules and procedures for handling each phase of the complaint process by March 15, 2019. (Management action – nonstatutory)
- Direct the Real Estate Commission and Appraiser Board to establish a process to document and track nonjurisdictional complaints by March 15, 2019. (Management action – nonstatutory)

# STATE OFFICE OF RISK MANAGEMENT

*S.B. 612 Hall (Nevárez)*

*Staff Contact: Tamara Aronstein*

## **Continue**

- Continue the State Office of Risk Management (SORM) for 12 years.

## **Contract Management**

- Direct SORM to develop detailed contract management policies and procedures. (Management action – nonstatutory)
- Direct SORM to include detailed, actionable performance measures in contracts, and to monitor its contracts more regularly and more closely to ensure proper performance. (Management action – nonstatutory)
- Direct SORM to develop and require regular training for staff involved in the contracting process to effectively monitor contracts. (Management action – nonstatutory)
- Direct SORM to include detailed enforcement measures in contracts and apply enforcement tools consistently across contractors. (Management action – nonstatutory)
- Direct SORM to maximize opportunities to use OAG’s contract procurement and management expertise. (Management action – nonstatutory)

## **Workers’ Compensation**

- Direct SORM to evaluate and adjust its workers’ compensation healthcare network contract to obtain best value for the state, including providing adequate coverage for injured state employees. (Management action – nonstatutory)
- Direct SORM to include the accuracy of the healthcare network provider directory as a performance measure in the healthcare network contract, and to regularly evaluate the accuracy of the provider directory as part of the agency’s enhanced contract monitoring. (Management action – nonstatutory)
- Direct SORM to study the feasibility of contracting with a second healthcare network to expand coverage to areas of the state not covered in the agency’s primary healthcare network and include this information in the agency’s report to the 87th Legislature. (Management action – nonstatutory)
- Direct SORM to evaluate the agency’s medical bill quality assurance strategy and make any needed improvements to maximize cost savings. (Management action – nonstatutory)
- Direct SORM to include additional information in its cost containment reports to better demonstrate the agency’s performance, including the impact of telemedicine as a cost containment measure and information on healthcare network utilization by provider type. (Management action – nonstatutory)
- Direct SORM to provide additional information and resources regarding return-to-work programs. (Management action – nonstatutory)

- Direct SORM to collect and report lost-time outcomes and return-to-work information as currently required by statute, and do not authorize the agency to consider requesting the Legislature to remove the reporting requirement. (Management action – nonstatutory)

### **Risk Management**

- Require SORM to regularly review and update risk management guidelines for state entities.
- Require state entities to submit their annual reports to SORM not later than the 60th day after the last day of each fiscal year, instead of not later than the 60th day before the last day of each fiscal year as currently required by statute.
- Direct SORM to use existing data to determine state entity risk levels and needs, and to prioritize resources and requirements by risk. (Management action – nonstatutory)
- Direct SORM to develop and use a standard assessment tool to focus on key areas of risk during site visits. (Management action – nonstatutory)
- Direct SORM to regularly solicit and use customer input to better tailor risk management services and resources. (Management action – nonstatutory)
- Direct SORM to develop objective tools to help state entities determine whether to transfer risk through purchasing insurance. (Management action – nonstatutory)
- Direct SORM to provide state entities with easy-to-use materials and templates for continuity planning. (Management action – nonstatutory)

### **Governance**

- Update the standard across-the-board requirement related to board member training.
- Direct SORM to strengthen oversight by updating its board regularly on identified problems and improvements. (Management action – nonstatutory)

# RIVER AUTHORITIES

**GUADALUPE-BLANCO RIVER AUTHORITY** — *S.B. 626 Birdwell (Flynn)*

**RED RIVER AUTHORITY OF TEXAS** — *S.B. 627 Birdwell (Nevárez)*

**NUECES RIVER AUTHORITY** — *S.B. 625 Birdwell (S. Thompson)*

*Staff Contact: Danielle Nasr*

## **Guadalupe-Blanco River Authority (GBRA)**

### Oversight

- Specify GBRA is subject to Sunset review, but not abolishment, again in 2031.

### Management and Contracting

- Require GBRA to develop and maintain a comprehensive asset management plan and ensure the asset management process is linked to the authority's public messaging and communications.
- GBRA should take additional steps to centralize its procurement and contracting functions and ensure key procurement and contract management staff receive formal training. (Management action – nonstatutory)
- GBRA should improve certain contracting activities to ensure consistency and enhance monitoring, re-evaluate professional services contracts every five years, and frequently compile updated vendor lists and best value practices. (Management action – nonstatutory)
- Increase the statutory threshold for board approval of contracts from \$10,000 to \$100,000.

### Nonprofits

- Direct GBRA to consolidate the funds it provides to two of its nonprofits — the Guadalupe-Blanco River Trust and the San Antonio Bay Foundation — to one organization and clearly define expectations tied to this funding. (Management action – nonstatutory)
- Direct GBRA to create clear boundaries and reporting structures between its staff and associated nonprofits. (Management action – nonstatutory)
- Direct GBRA to evaluate whether the Gorge Preservation Society's narrow mission justifies GBRA support or whether its activities could be performed internally. (Management action – nonstatutory)
- Direct GBRA to evaluate the continuing need for relationships with any nonprofits every five years to ensure the nonprofits are achieving shared goals. (Management action – nonstatutory)

**Red River Authority of Texas (RRA)**

- Specify RRA is subject to Sunset review, but not abolishment, again in 2031.
- Require RRA to develop and maintain a comprehensive asset management plan.
- Require the RRA board to adopt a policy to ensure meaningful public input on significant rate changes.
- Require RRA to inform customers of their right to appeal rate changes.
- Require the State Auditor's Office to conduct an audit of the Red River Authority no later than December 1, 2022 to evaluate whether RRA has addressed the operational challenges identified by Sunset.
- Direct RRA to provide written semi-annual reports to the Sunset Commission regarding the implementation of the recommendations adopted by the commission, beginning January 31, 2019. (Management action – nonstatutory)
- Direct RRA to document and regularly update its key duties and procedures, and take action to prepare for future retirements and workforce changes. (Management action – nonstatutory)

**Nueces River Authority (NRA)**

- Specify NRA is subject to Sunset review, but not abolishment, again in 2031.
- Require NRA to adopt a formal, written five-year strategic plan and engage in a regular strategic planning process, and require this plan to be made public record online.
- NRA should take action to prepare for future retirements and workforce changes. (Management action – nonstatutory)

**Cross Issues — Apply to Multiple River Authorities Under Review**

- Direct river authorities to implement additional transparency best practices related to their websites, record retention, and financial information. (Management action – nonstatutory)
- Make changes to GBRA, RRA, and NRA's governing laws to facilitate future codification of those laws, such as grammatical fixes and updating outdated references.
- Apply good government standards to river authorities' governing laws to promote accountability, transparency, and best practices relating to board practices, public testimony, complaint information, and alternative dispute resolution.
- Direct RRA and NRA to develop a policy to ensure all professional services contracts are reviewed every five years, and to frequently compile vendor lists and best value practices for cost savings. (Management action – nonstatutory)
- Direct RRA to comply with Texas Commission on Environmental Quality (TCEQ) rules by adopting policies related to contracting, nepotism, and granting money or property. (Management action – nonstatutory)
- Direct GBRA and RRA to adopt a formal, written five-year strategic plan and post this plan publicly online. (Management action – nonstatutory)

<b>Recommendation</b>	<b>GBRA</b>	<b>RRA</b>	<b>NRA</b>
<b>Transparency</b>			
a. Website	MA	MA	MA
b. Record retention requirements	*	MA	*
c. Financial information	MA	*	*
d. Update governing laws	S.B. 626	S.B. 627	S.B. 625
<b>Long-Standing Contracts</b>			
	MA	MA	MA
<b>Good Government Standards</b>			
a. Presiding officer designation	S.B. 626	S.B. 627	S.B. 625
b. Grounds for removal	*	S.B. 627	*
c. Board member training	S.B. 626	S.B. 627	S.B. 625
d. Separation of duties	S.B. 626	S.B. 627	S.B. 625
e. Public testimony	S.B. 626	S.B. 627	S.B. 625
f. Complaint information	S.B. 626	S.B. 627	S.B. 625
g. Alternative dispute resolution	S.B. 626	S.B. 627	S.B. 625
<b>Compliance With TCEQ Rules</b>			
a. Prohibiting granting of money or property	*	MA	*
b. Prohibiting nepotism	*	MA	*
c. Maintaining pre-qualified firms	*	MA	*
<b>New Recommendation</b>			
Adopt a formal, written five-year strategic plan	MA	MA	MA

\* Currently in place or required by river authority's governing law.

MA = Management action – nonstatutory





# SCHOOL LAND BOARD

*S.B. 608 Watson (Paddie)*

*Staff Contact: Lauren Ames*

## **Continue**

- Continue the School Land Board (SLB) for 12 years.

## **Governance**

- Expand the board from three to five members. Remove the attorney general's authority to appoint a board member and instead require the governor to appoint four members to the board to serve with the land commissioner. Two of the four appointees must be selected from lists of six nominees provided by the State Board of Education (SBOE) and at least one of the appointees must be from a county with a population under 200,000.
- Require board members to receive an in-depth training regarding SLB's investment programs and strategies, as well as a comprehensive overview of the Permanent School Fund (PSF).
- Apply the standard across-the-board requirements related to board member training, separation of duties, public testimony, and complaints.
- Eliminate the duplicative economic impact of PSF investments reporting requirement, and continue SLB's four other required reports.
- Require SLB to include in its existing economic impact report to the Legislature the amounts of all fees or other compensation SLB pays to investment managers, consultants, or advisors.

## **Investments**

- Require an annual joint, public meeting of SLB and SBOE to discuss the investment of the dually managed PSF. Authorize each board to excuse a board member's absence from the meeting, and authorize SBOE to delegate attendance at the meeting to a committee.
- Clarify in statute that the 15 percent cap on SLB real estate investments applies to SLB's real assets investments, and specify the cap is measured against all assets held by SLB and SBOE as part of the PSF.
- Direct SLB to adopt rules to guide its investment policy and strategies and to align its investment policy and strategies with those that apply to SBOE. (Management action – nonstatutory)
- Direct SLB to adopt rules for the size, membership, and responsibilities of the investment advisory committee, including a requirement that a majority of the committee members have expertise in the management of a financial institution or other business in which investment decisions are made. (Management action – nonstatutory)
- Direct SLB to publicly report more detailed investment information in the PSF Comprehensive Annual Financial Report and to provide SBOE a quarterly report that includes returns for the investment benchmark and investments themselves. (Management action – nonstatutory)

- Direct SLB to document the division of responsibilities for its investment management staff. (Management action – nonstatutory)

**Contracting**

- Direct SLB to review and approve large contracts and to receive briefings from the General Land Office director of contract management at least once a year regarding contracts under \$1 million. (Management action – nonstatutory)
- Direct SLB to develop, adopt, and implement clear contract monitoring policies and include them in the contract manual and training. (Management action – nonstatutory)
- Direct the General Land Office to develop a training policy and provide contract management training for project managers and other staff involved in the contracting process. (Management action – nonstatutory)

# STATE SECURITIES BOARD

*H.B. 1535 Flynn (Nichols)*

*Staff Contact: Alan Leonard*

## **Continue**

- Continue the State Securities Board for 12 years.

## **Enforcement**

- Clarify statute to authorize the agency to provide prosecutorial assistance and require the agency to develop a process to determine staff resources available to support prosecutions. Authorize the agency to reconsider the level of resources that can be provided to support a criminal case if a change occurs after the initial determination of resources.
- Authorize the agency to order refunds for violations of agency statute or rules in both contested and uncontested cases.
- Direct the agency to develop a penalty matrix for both administrative penalties and sanctions recommended for final enforcement actions, and to submit a brief report on the implementation of this recommendation to the Sunset Commission by March 15, 2019. (Management action – nonstatutory)
- Direct the board to develop and adopt rules describing all phases of its complaint process, and to submit a brief status report on the implementation of this recommendation to the Sunset Commission by March 15, 2019. (Management action – nonstatutory)
- Direct the agency to review its risk-based inspection tool at least every four years. (Management action – nonstatutory)
- Direct the agency to improve its tracking of complaint and case resolution timeframes, and to submit a brief status report on the implementation of this recommendation to the Sunset Commission by March 15, 2019. (Management action – nonstatutory)

## **Licensing**

- Remove the requirement that branch offices be registered.
- Direct the agency to accept online submissions of applications and fees, and to develop and present a detailed plan outlining how the agency will complete this recommendation to the Sunset Commission by March 15, 2019. (Management action – nonstatutory)
- Direct the agency to remove the notarization requirements on its forms by March 15, 2019. (Management action – nonstatutory)

**Governance**

- Update and apply the standard across-the-board recommendations related to complaint information, alternative dispute resolution, and board member training, including training on anticompetitive board behavior.
- Continue the agency's statutory reporting requirement and require the agency to include information about the agency's budget spent in supporting criminal prosecutions and the overall status of such cases.

# TEXAS VETERANS COMMISSION

*S.B. 601 Hall (Flynn)*

*Staff Contact: Tamara Aronstein*

## **Continue**

- Continue the Texas Veterans Commission (TVC) for 12 years.

## **Claims Counseling**

- Require TVC to track, evaluate, and strategically adjust claims staffing and special teams.
- Require TVC to better track and analyze claims outcome data to guide program success.
- Remove specific statutory military service requirements for veteran county service officers (VCSOs), but add a statutory requirement for a veterans preference for VCSOs based on the veterans preference in state law that state agencies follow (Section 657.002, Texas Government Code). Also, require counties to adopt their own veterans preference policies for VCSOs.
- Direct TVC to temporarily report on claims staffing and outcome data analyses. (Management action – nonstatutory)
- Direct TVC to strengthen support for claims staff and preserve institutional knowledge. (Management action – nonstatutory)
- Direct TVC to add information to its website about the claims process, including forms, checklists, basic claims information, and embedded VA resources. (Management action – nonstatutory)
- Direct TVC to allow veterans to schedule appointments for claims counseling, while maintaining the option for walk-in services. Also, direct the agency to use teleconference or other alternative technologies to assist Texas veterans when the veteran does not need to be physically present in the office for assistance. (Management action – nonstatutory)

## **Grants**

- Direct TVC to extend the length of its grant cycle from one to two years. (Management action – nonstatutory)
- Direct the agency to formalize the roles and training of the commissioners and the grants advisory committee to improve quality and transparency in the evaluation process. (Management action – nonstatutory)
- Direct TVC to develop and track enhanced grantee performance measures to better evaluate the benefit of its grant funding to veterans. (Management action – nonstatutory)
- Direct the agency to create and provide grant-writing training for VCSOs either through online or in-person training. (Management action – nonstatutory)

## Governance

- Require TVC to annually evaluate and set priorities, and create and track meaningful outcome measures for all its programs.
- Update the standard across-the-board requirement related to commission member training.
- Direct the agency to survey Texas veterans on a regular basis about their experience with agency programs and overall needs. (Management action – nonstatutory)
- Direct TVC to create a publicly available complaint process and track complaint data. (Management action – nonstatutory)
- Require TVC’s Mental Health Program director to be a licensed mental health professional and meet specific education and experience requirements. These requirements go into effect September 1, 2021.
- Direct TVC to restructure and streamline the scope and expense of its annual conference. (Management action – nonstatutory)
- Direct TVC to track and analyze detailed training costs to identify potential savings and improvements. (Management action – nonstatutory)
- Direct TVC to prioritize online training and other cost-effective tools to facilitate regular collaboration among staff and partners. (Management action – nonstatutory)
- Direct the commission to implement requirements for encouraging purchasing from historically underutilized businesses. (Management action – nonstatutory)

# VETERANS' LAND BOARD

*S.B. 607 Watson (Flynn)*

*Staff Contact: Lauren Ames*

## **Oversight**

- Specify the Veterans' Land Board (VLB) is subject to Sunset review, but not abolishment, again in 2031.

## **Contracting**

- Direct VLB and General Land Office (GLO) staff to work together to develop and require regular training for staff involved in the VLB contracting process to effectively monitor contracts. (Management action – nonstatutory)
- Direct VLB to work with GLO to further develop written policies outlining clear authority over the board's contracting functions, including the roles of project management and other program staff. (Management action – nonstatutory)
- Direct VLB and GLO to develop a framework for program staff to identify significant contract compliance issues and a clear process for requiring the reporting and documenting of these issues for review. (Management action – nonstatutory)
- Direct VLB to develop and adopt written policies establishing criteria for all levels of contract review, including board review of contracts over \$1 million. Additionally, direct VLB to receive briefings from the GLO Director of Contract Management at least once a year regarding the status of all contracts under \$1 million. (Management action – nonstatutory)

## **Governance**

- Update the standard across-the-board requirements related to board member training and policies to separate policymaking and staff functions.
- Continue the VLB loan reporting requirement.
- Update VLB's statute to reflect the requirements of the person-first respectful language initiative.
- Direct VLB to ensure stakeholders have access to board information and the public has an opportunity to appear before the board by May 1, 2019. (Management action – nonstatutory)
- Direct VLB to track complaint data and make the complaint process accessible to the public by March 15, 2019. (Management action – nonstatutory)





# TEXAS WINDSTORM INSURANCE ASSOCIATION

*S.B. 615 Buckingham (Paddie)*

*Staff Contact: Carissa Nash*

## **Oversight**

- Specify the Texas Windstorm Insurance Association (TWIA) is subject to Sunset review, but not abolishment, again in 2031.

## **Efficiency and Customer Service**

- Require TWIA to accept installment premium payments and payments via credit card and give TWIA explicit authority to recoup credit card processing fees through a surcharge on customers who use this payment option.
- Require TWIA to automatically offer policy renewal unless new information is necessary.
- Direct TWIA to directly bill customers for premiums for automatic renewal by January 1, 2020. (Management action – nonstatutory)
- After TWIA has implemented recommendations to streamline the policy renewal and payment process, direct TWIA to submit to the commissioner of insurance separate insurance agent commission rates for new applications and automatic renewals. (Management action – nonstatutory)

## **Claims Handling**

- Authorize TWIA to issue supplemental payments.
- Require TWIA to assess the replacement cost of a property only at the time TWIA issues or renews the policy.
- Direct TWIA to track and report more comprehensive information regarding claims handling performance. (Management action – nonstatutory)
- Direct TWIA to develop a post-hurricane communication plan with more input from stakeholders. (Management action – nonstatutory)
- Direct TWIA to fully implement a risk-based approach to monitoring insurance adjusters. (Management action – nonstatutory)

## **Public Input and Transparency**

- Require TWIA to make its rate adequacy analysis publicly available on its website for at least 14 days before the date the board of directors votes on the submission of a proposed rate filing. The rate analysis must include TWIA's hurricane model output data with the same content and in the same format it provides to hurricane modelers and the Texas Department of Insurance. The data must be in a searchable format that allows for comparison to other years or output from other models.

- Require TWIA to accept public comment on any rate proposal at a board meeting before voting on that matter.
- Direct TWIA to make the assumptions used and results of anticipated loss modeling available on its website and in the board materials before consideration of any rate changes or purchases of reinsurance. (Management action – nonstatutory)

### **Windstorm Certificates of Compliance**

- Transfer the issuance of windstorm certificates of compliance for completed projects from TWIA to the Texas Department of Insurance.
- Maintain the ability to obtain a windstorm certificate of compliance based on design alone, but require affirmation by a licensed professional engineer that the building was designed in accordance with windstorm building codes and constructed in accordance with the design.
- Clarify a licensed professional engineer cannot be held liable for the construction of or improvement to a building they certified as meeting windstorm code, and authorize the Texas Department of Insurance to submit complaints about an engineer to the Texas Board of Professional Engineers only for issues relating to the practice of engineering.

### **Depopulation**

- Make the Assumption Reinsurance Depopulation Program more efficient by removing deadlines for insurance companies and insurance agents that fall during hurricane season, allowing flexibility in program commencement dates, and limiting the opt-out period to less than 60 days for policyholders.

### **Governance**

- Require TWIA board members and members of TWIA's Underwriting and Actuarial Subcommittee to publicly disclose specific conflicts of interest.
- Apply the standard across-the-board requirements related to public membership and board member training.
- Require the board member training to relate only to laws specific to the TWIA board.
- Authorize TWIA to formally propose rules to the Texas Department of Insurance.
- Eliminate the duplicative *Bimonthly Report Card* reporting requirement and continue TWIA's two other required reports.

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# APPENDIX



# APPENDIX

## *Sunset Review Schedule – 2021*

### **21 Reviews**

Agriculture, Texas Department of

- Early Childhood Health and Nutrition Interagency Council
- Prescribed Burning Board

Anatomical Board, State of Texas

Animal Health Commission, Texas

Boll Weevil Eradication Foundation, Board of Directors of the Official Cotton Growers'

Credit Union Department and Commission

Economic Development and Tourism Office, Texas

Fire Protection, Texas Commission on

Holocaust and Genocide Commission, Texas

Jail Standards, Commission on

Law Enforcement, Texas Commission on

Licensing and Regulation, Texas Commission and Department of

Parks and Wildlife Department, Texas

Prepaid Higher Education Tuition Board

Racing Commission, Texas

River Authorities:

- Brazos River Authority
- San Jacinto River Authority

State-Federal Relations, Office of

Teacher Retirement System of Texas, Board of Trustees of the

Veterinary Medical Examiners, State Board of<sup>2</sup>

## *Appendix*

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1 Exempts programs transferred to the department on or after September 1, 2016.

2 Limited scope review.